
City of Kelowna

MEMORANDUM

DATE: August 17, 2004
FILE: 1970-50
TO: City Manager
FROM: Director of Financial Services
RE: First Lutheran Church & School – Request for Tax Relief

RECOMMENDATION:

THAT Council consider a refund of the non-exempt municipal portion of 2004 property taxes for OIC 06 (Business & Other) on roll no. 10937.308 – Lutheran Church Canada – Alberta – British Columbia District, located at 4091 Lakeshore Road – in the amount of \$12,314.99;

AND THAT funding be made available from Council Contingency.

BACKGROUND:

The attached letter was received from the First Lutheran Church and School requesting a tax exemption and refund of property taxes paid relative to school property. A response from the City Manager has also been provided.

In summary, legislative and administrative requirements to determine property valuations, land use and their timing are all factors in the application of permissive taxation exemptions. The BC Assessment Act does not permit exemptions on lands that are being developed for school purposes until the building is occupied except where held by the province. In this case, the First Lutheran School will open this fall for enrollment, however it was not complete at the passing of the City's 2004 tax exemption bylaw, nor was it complete at December 31, 2003.

The total property taxes on the OIC 06 (Business & Other) portion of the property for 2004 is \$24,596.29 and was paid prior to the tax due date. The municipal portion is \$12,314.99. There have been similar situations with 2 schools over the past 7 years. In both of those instances, there were no improvements on the property in the year prior to an exemption being granted which did serve to mitigate the tax burden for the property owners. In this case, assessment on the class 06 land value is \$586,000 and the improvements total \$406,000. Recently, the Kelowna Community Food Bank was provided with a refund of the municipal share of taxes for 2004 on land and improvements for their property on Ellis Street based in their inability to meet bylaw timing requirements.

Alternative Recommendation

THAT Council consider a refund of the **improvements only** on the non-exempt municipal portion of 2004 property taxes for OIC 06 (Business & Other) on roll no. 10937.308 – Lutheran Church Canada – Alberta – British Columbia District, located at 4091 Lakeshore Road – in the amount of \$5,040.21;

AND THAT funding be made available from Council Contingency.

Paul Macklem

Attachments

cc: Revenue Supervisor