

MINISTER OF MUNICIPAL AFFAIRS

**BILL 28 – 2022**

**MUNICIPAL AFFAIRS STATUTES (PROPERTY  
TAXATION) AMENDMENT ACT, 2022**

HIS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:

*Community Charter*

**1** *The Community Charter, S.B.C. 2003, c. 26, is amended in section 165 (3.1) by adding the following paragraph:*

(b.1) the provision of development potential relief under section 198.1; .

**2** *The following section is added:*

**Development potential relief**

**198.1** (1) In this section:

“**development potential**” means the difference between

- (a) the assessed value of a property, and
- (b) the actual value of the property determined taking into consideration only the actual use of the land and improvements that comprise the property and not taking into consideration any other use to which the land or improvements could be put;

“**eligible land**” has the meaning given to it in subsection (5);

“**eligible occupier**” means a tenant or owner-occupier of an improvement described in subsection (5) (b) (i).

- (2) For the purpose of relieving the impact of development potential on eligible occupiers, an annual property tax bylaw may impose property taxes under section 197 (1) (a) on eligible land at reduced tax rates.
- (3) An annual property tax bylaw that provides relief under this section
  - (a) must identify the properties for which relief is provided,
  - (b) must specify for each of those properties the percentage of the eligible land, comprising the property, that is to be taxed at the reduced tax rates,

- (c) must establish the reduced tax rates as follows:
    - (i) a tax rate for property class 5 that is lower than the tax rate established under section 197 (3) for that property class or, if separate rates are established, the sum of those rates;
    - (ii) a tax rate for property class 6 that is lower than the tax rate established under section 197 (3) for that property class or, if separate rates are established, the sum of those rates, and
  - (d) may require an owner of a property identified under paragraph (a) to give notice of the relief to the eligible occupiers of the property.
- (4) An annual property tax bylaw may specify different percentages under subsection (3) (b) for different areas, properties or kinds of properties.
- (5) Land is eligible for relief under this section if
- (a) the land is classified as property class 5 or 6, and
  - (b) the property that includes the land meets all of the following criteria:
    - (i) the property includes an improvement that
      - (A) is classified as property class 5 or 6, and
      - (B) was in use on October 31 of the taxation year immediately preceding the taxation year to which the annual property tax bylaw relates;
    - (ii) the property has a land-value ratio equal to or greater than 0.95, determined by taking the quotient of
      - (A) the assessed value of the land that is classified as property class 5 or 6, and
      - (B) the assessed value of the land and improvements that are classified as property class 5 or 6;
    - (iii) the property is not disqualified under subsection (6).
- (6) A property is disqualified from relief under this section if
- (a) relief under this section was provided for the property for a taxation year that is more than 4 or a prescribed number of years, whichever is greater, preceding the taxation year to which the annual property tax bylaw relates, or
  - (b) the property includes any of the following:
    - (i) land or improvements classified as property class 2, 3, 4, 7, 8 or 9;
    - (ii) land or improvements that are exempt under this Act or another enactment from taxation under section 197 (1) (a) of this Act, other than under a prescribed exemption;
    - (iii) land classified as property class 5 or 6 on which tax is imposed in accordance with section 198 of this Act;

- (iv) property designated under section 20.2 [ski hill property] or 20.5 [restricted-use property] of the *Assessment Act*;
  - (v) prescribed property.
- (7) The following provisions do not apply in relation to relief provided under this section:
- (a) section 25 (1) [prohibition against assistance to business];
  - (b) section 197 (3) (b) [annual property tax bylaw – limits on rates].
- (8) The Lieutenant Governor in Council may make regulations as follows:
- (a) prescribing a number of years for the purposes of subsection (6) (a);
  - (b) prescribing exemptions for the purposes of subsection (6) (b) (ii);
  - (c) prescribing kinds of properties for the purposes of subsection (6) (b) (v).

***Vancouver Charter***

**3** *The Vancouver Charter, S.B.C. 1953, c. 55, is amended in section 219 (2) by adding the following paragraph:*

(b.1) the provision of development potential relief under section 374.6; .

**4** *Section 374.1 is amended by striking out “In sections 374.2 to 374.5” and substituting “In sections 374.2 to 374.6,”.*

**5** *The following section is added:*

**Development potential relief**

**374.6** (1) In this section:

“**development potential**” means the difference between

- (a) the assessed value of a property, and
- (b) the actual value of the property determined taking into consideration only the actual use of the land and improvements that comprise the property and not taking into consideration any other use to which the land or improvements could be put;

“**eligible land**” has the meaning given to it in subsection (5);

“**eligible occupier**” means a tenant or owner-occupier of an improvement described in subsection (5) (b) (i);

- “municipal property taxes”** means property taxes levied to raise money other than for the purposes of an enactment set out in section 374.4 (7) (a) (i) to (vi).
- (2) For the purpose of relieving the impact of development potential on eligible occupiers, a rating by-law may levy municipal property taxes under section 373 on eligible land at reduced rates of levy.
  - (3) A rating by-law that provides relief under this section
    - (a) must identify the properties for which relief is provided,
    - (b) must specify for each of those properties the percentage of the eligible land, comprising the property, on which property tax is to be levied at the reduced rates of levy,
    - (c) must establish the reduced rates of levy as follows:
      - (i) a rate of levy for property class 5 that is lower than the rate of levy established under section 373 that would otherwise apply to that property class;
      - (ii) a rate of levy for property class 6 that is lower than the rate of levy established under section 373 that would otherwise apply to that property class, and
    - (d) may require an owner of a property identified under paragraph (a) to give notice of the relief to the eligible occupiers of the property.
  - (4) A rating by-law may specify different percentages under subsection (3) (b) for different areas, properties or kinds of properties.
  - (5) Land is eligible for relief under this section if
    - (a) the land is classified as property class 5 or 6, and
    - (b) the property that includes the land meets all of the following criteria:
      - (i) the property includes an improvement that
        - (A) is classified as property class 5 or 6, and
        - (B) was in use on October 31 of the taxation year immediately preceding the taxation year to which the rating by-law relates;
      - (ii) the property has a land-value ratio equal to or greater than 0.95, determined by taking the quotient of
        - (A) the assessed value of the land that is classified as property class 5 or 6, and
        - (B) the assessed value of the land and improvements that are classified as property class 5 or 6;
      - (iii) the property is not disqualified under subsection (6).

- (6) A property is disqualified from relief under this section if
- (a) relief under this section was provided for the property for a taxation year that is more than 4 or a prescribed number of years, whichever is greater, preceding the taxation year to which the rating by-law relates, or
  - (b) the property includes any of the following:
    - (i) land or improvements classified as property class 2, 3, 4, 7, 8 or 9;
    - (ii) land or improvements that are exempt under this Act or another enactment from municipal property taxes levied under section 373 of this Act, other than under a prescribed exemption;
    - (iii) land classified as property class 5 or 6 on which tax is imposed in accordance with section 374.4 of this Act;
    - (iv) property designated under section 20.2 [*ski hill property*] or 20.5 [*restricted-use property*] of the *Assessment Act*;
    - (v) prescribed property.
- (7) The following provisions do not apply in relation to relief provided under this section:
- (a) section 374.2 [*variable property tax rate system*];
  - (b) section 374.3 [*limits on variable tax rate system*].
- (8) The Lieutenant Governor in Council may make regulations as follows:
- (a) prescribing a number of years for the purposes of subsection (6) (a);
  - (b) prescribing exemptions for the purposes of subsection (6) (b) (ii);
  - (c) prescribing kinds of properties for the purposes of subsection (6) (b) (v).

## Consequential Amendments

### *Municipalities Enabling and Validating Act (No. 4)*

- 6 *Division 1 of Part 4 of the Municipalities Enabling and Validating Act (No. 4), S.B.C. 2011, c. 14, is repealed.*

### Commencement

- 7 This Act comes into force on the date of Royal Assent.