



City of Delta
COUNCIL REPORT
Regular Meeting

To: **Council**

From: **Finance Department**

Bylaw No(s): **8526**

Date: **August 28, 2025**

2026 Permissive Tax Exemptions

The following report has been reviewed and endorsed by the City Manager's Office.

▪ **RECOMMENDATIONS:**

- A. THAT "2026 Delta Permissive Tax Exemption Bylaw No. 8526, 2025", be given first, second and third readings (Attachment A).
- B. THAT a grant to the Royal Canadian Legion, Branch #289 in the amount of \$8,000 be approved.
- C. THAT a grant to the British Columbia Institute of Technology (BCIT) in the amount of \$103,000 be approved.

▪ **PURPOSE:**

The purpose of this report is to seek Council's approval to exempt specific community service properties from municipal taxation for the year 2026. In addition, Council is asked to consider a grant in lieu of permissive tax exemptions to the Royal Canadian Legion, Branch #289 and the BCIT Annacis Island Campus.

▪ **BACKGROUND:**

A permissive tax exemption is a means for Council to support organizations within the community by exempting land and/or improvements from municipal property taxation. There is no obligation to grant an exemption. In order for organizations to qualify for exemptions, they must first meet criteria as set out in the *Community Charter* Section 224. The next step is to determine whether organizations meet Delta's Permissive Tax Exemption Guidelines (Attachment B).

Council Policy:

The following are the Permissive Tax Exemption Guidelines for determining eligibility for exemptions:

- The use of the property must be consistent with municipal policies, plans, bylaws, and regulations.
- The organization must be non-profit.

- The services of the organization should be complementary extensions of municipal services and programs.
- The Permissive Tax Exemption is based on the principal use of the property.
- Delta residents must be primary beneficiaries of the organization's services.

▪ **DISCUSSION:**

1. **Permissive Tax Exemptions**

For the 2026 taxation year, the Permissive Tax Exemption Bylaw (Attachment A) has been updated as follows:

• **Renewal Applications**

Renewal applications were received for 91 properties from prior year recipients of a permissive tax exemption. These renewal applications have been thoroughly reviewed to ensure compliance with the *Community Charter* and Delta's Permissive Tax Exemption Guidelines.

Earlier this year, BC Assessment (BCA) identified areas in four Delta churches that were being exclusively used by private organizations for a profitable manner, such as a for profit daycare. As a result, BCA will remove the statutory exemption for the 2026 taxation year. To maintain consistency with other church properties that have non-church uses, the non-church use areas have been excluded from the permissive tax exemption determination.

It is recommended to grant exemption for the 91 properties that submitted a renewal application.

• **New Applications**

For the 2026 taxation year, one new application was received.

Ladner Minor Baseball Association (LMBA) is a registered not-for-profit organization that provides youth sport activities in Delta. They have commenced the lease of the newly constructed Indoor Training Facility at Cromie Park in Ladner. The facility was a joint development by the City and LMBA, both contributing funds for its construction. The facility is a 14,400 square foot training centre that offers six batting tunnels, viewing areas, gym, conference room, as well as storage rooms for uniforms and equipment. The training facility is the largest of its kind in Western Canada. Under the lease agreement, the City maintains ownership of the property and LMBA is fully responsible for maintenance, repairs and operation of the facility. They will be providing amateur sport training and fitness activities for the benefit and enjoyment of LMBA members, Delta residents, and other Delta based amateur sport organizations. It is recommended that the permissive tax exemption for this organization be granted for the 2026 taxation year.

- **Removals**

No removals for 2026.

2. Grant in Lieu of a Permissive Tax Exemption

As an alternative to providing a permissive tax exemption, Council could support an organization by awarding a grant in lieu of a permissive tax exemption.

- **The Royal Canadian Legion, Branch #289**

The Royal Canadian Legion, Branch #289 leases a property in Tsawwassen from a private entity and pays property taxes directly to the private entity. Since 2010, Delta has provided a grant to the Legion that approximates the amount of municipal taxes to recognize their services to the community. The Legion has requested a grant for property tax relief in 2025 (Attachment C). It is recommended that a grant of \$8,000 be awarded to the Royal Canadian Legion, Branch #289 in lieu of a permissive tax exemption from the 2026 budget.

- **BCIT Annacis Island Campus**

In 2014, BCIT and Vancouver Community College (VCC) opened a joint campus on Annacis Island to deliver training and conduct research in support of the transportation sector. In 2022, VCC ceased to take part in activities at the Annacis Island Campus. Under provincial legislation, campuses owned by BCIT are exempt from property taxes. Because the Annacis Island Campus is leased from a private entity, BCIT is not statutorily exempt from property taxes and does not qualify for a permissive tax exemption. For the 2016 to 2025 taxation years, Council awarded a grant in lieu of a permissive tax exemption to provide support for the Annacis Island Campus. BCIT has requested a grant for property tax relief in 2026 (Attachment D). It is recommended that a grant of \$103,000 be awarded in lieu of a permissive tax exemption from the 2026 budget, which equates to approximately half of Delta property taxes as in prior years.

Implications:

Financial Implications - Properties included in the bylaw result in an estimated \$1.3 million in exempted municipal taxes for Delta. The following table shows the estimated exemptions by category for 2026. Column A shows the municipal portion of properties taxes that would be exempted, while column B is the total taxes, including other Government taxes.

Permissive Tax Exemption Categories	2026 Delta Permissive Tax Exemption			
	Number of Properties	(A) Delta Taxes Exempted	(B) Total Taxes Exempted	% of Total
Churches	30	\$ 695,050	\$ 1,935,650	64%
Community Services	29	293,250	558,250	19%
Athletic Associations	14	193,100	293,350	10%
Waterfowl Habitats	4	93,300	132,950	4%
Seniors' Homes	2	18,800	30,400	1%
Homes for People with Disabilities	3	13,050	21,150	1%
Pre-Schools	3	10,100	16,350	0.5%
Community Arts	7	9,300	15,950	0.5%
	92	\$ 1,325,950	\$ 3,004,050	100%

Attachment E provides further financial information on the proposed amounts exempted for each organization. Additionally, with Council approval, grants totaling \$111,000 would be awarded to the Royal Canadian Legion, Branch #289 and the BCIT Annacis Island Campus.

▪ **CONCLUSION:**

This report recommends granting permissive tax exemptions on a full or partial basis for the year 2026 for 92 properties. This report also recommends grants in lieu of a permissive tax exemption be awarded to the Royal Canadian Legion, Branch #289 and the BCIT Annacis Island Campus.



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▪ **ATTACHMENTS:**

- A. Bylaw No. 8526
- B. Delta Permissive Tax Exemption Guidelines
- C. Letter from the Royal Canadian Legion, Branch #289
- D. Letter from BCIT
- E. 2026 Permissive Tax Exemption Property Listing