



Revitalization Tax Exemption Bylaw Frequently Asked Questions

What is a Revitalization Tax Exemption (RTE)?

A Revitalization Tax Exemption (RTE) is a tool that local governments may use to achieve a range of environmental, economic or social objectives. RTEs aim to encourage revitalization by offering incentives for certain types of developments (Eligible Projects) in specific areas. In this case, The District of Vanderhoof wants to encourage new development and improvements to existing buildings within the municipal boundaries of the District. RTEs are regulated by the *Community Charter* and administered by the District of Vanderhoof through the *District of Vanderhoof Revitalization Tax Exemption Bylaw No. 1208, 2019*.

Criteria for Eligible Projects:

1. An existing building, on appropriately zoned land and having a renovation project value of \$100,000.00 or greater as determined by the Chief Financial Officer or his/her designate and for which a valid Building Permit has been issued by the District;
2. A new building, constructed on appropriately zoned land and having a construction project value of \$100,000.00 or greater as determined by the Chief Financial Officer or his/her designate and for which a valid Building Permit has been issued by the District.

If I am eligible for an RTE does that mean that I don't have to pay any property taxes?

Not quite. The *Community Charter* only allows municipalities to grant tax exemptions for the municipal portion of property taxes (i.e. taxes collected for snow removal, road maintenance, infrastructure investment, etc.). As a property owner receiving an RTE, you still have to pay property taxes on other services such as Hospital, emergency services, and schools.

Okay, I've finished construction.... What's next?

1. Submit proof of project completion to the District by August 31st.
2. Submit your Revitalization Tax Exemption Application to the District by October 15th.
3. Once the District has checked to make sure that your application meets the Criteria for Eligible Projects, the District will prepare an Exemption Agreement for Council to approve.
4. If approved by Council, you will be contacted by the District to sign the Agreement.
5. Once the Exemption Agreement has been signed by you and the District, the District will put together an Exemption Certificate, which will be sent to BC Assessment by October 31st.
6. Once the Exemption Certificate is received by BC Assessment your future property assessments and municipal taxation calculation will be adjusted as stated in the Tax Exemption Agreement you signed with the District.

How much of a Tax Exemption will I get?

The *District of Vanderhoof Revitalization Tax Exemption Bylaw No. 1208, 2019*, offers Revitalization Tax Exemptions on the municipal portion of property taxes due for the assessed value of improvements only. RTE recipients are still required to pay all property taxes due on the assessed value of land and the other services portion of taxes due on the assessed value of improvements.

Will my Tax Exemption take effect the same year I apply?

No. The Tax Exemption Certificate issued by the District on October 31st will take effect for the following Calendar Year.

Who determines the Assessed Value?

The B.C. Assessment Authority is responsible for assessing properties each year to determine their assessed value.

Does the Tax Exemption stay the same each year?

For Eligible Projects, the exemption rate varies each year depending on the current municipal tax rate and the tax exemption percentage that applies for each year of the term on the municipal portion of property taxes generated by the Eligible Project as follows:

Year 1: 100%

Year 2: 80%

Year 3: 60%

Year 4: 40%

Year 5: 20%

How long do I receive a Tax Exemption for?

The maximum term of the Tax Exemption program for a property is 5 years, with no opportunity for extension.

If I sell the property, does the Tax Exemption transfer to the new owner?

Yes. The Tax Exemption remains with the property based on the improvements created by the Eligible Project and will apply for the balance of 5 years. As the property owner, you are responsible to make sure the Agreement is transferred to the new owners. Please contact the District for more information.

What if my property is not within the municipal boundaries of the District of Vanderhoof?

Your property would not be eligible for the tax exemption.

Who can I contact for more information?

Please contact the District of Vanderhoof's Chief Financial Officer by phone (250) 567-4711 or by email cfo@district.vanderhoof.ca