



Local Trust Committee Special Property Tax Requisitions Frequently Asked Questions

WHAT IS A SPECIAL PROPERTY TAX REQUISITION?

Trust Council can approve a special property tax requisition for a local trust area to fund special initiatives taking place only in that particular local trust area. The tax is levied only on the property owners of that local trust area. The option to request special property tax requisition is available to all local trust committees.

The tax can be used when a local trust committee (LTC) wishes to take on a large initiative with local significance or additional operations. Although meant to support special projects, initiatives must still remain within the legislated jurisdiction of the Islands Trust, and be:

- a program or service not offered in all local trust areas;
- an enhanced service level that reflects a unique demand or additional power (authority) that Trust Council has delegated to an LTC by bylaw; and/or
- 'not included in the base budget.

HOW MUCH CAN A LOCAL TRUST COMMITTEE REQUEST?

There is no limit. Trust Council policy does set a minimum of \$5,000 for any single special requisition.

DOES THERE HAVE TO BE PUBLIC CONSULTATION ABOUT PROPOSED SPECIAL TAX REQUISITIONS?

Yes. Trust Council policy requires that local trust committees ask the public for feedback in the relevant local trust area about the purpose and cost of the proposed special requisition. LTCs are obliged to advertise and promote that they are looking for feedback. Trust Council will consider any feedback received before it provides final approval or denial of a special requisition.

DOES EACH PROPERTY OWNER PAY THE SAME AMOUNT FOR A SPECIAL PROPERTY TAX?

Not necessarily. While the same tax rate for the requisition will be applied across the local trust area, the resulting dollar amount collected may be different for each property. The final amount is based on a number of factors, including tax rate, the type of property, and the assessed value of a property.

The Province collects the special requisition tax at the same time and in the same way as the general property tax levy that funds the Islands Trust.

CAN PROPERTY OWNERS “OPT OUT” IF THE INITIATIVE DOESN’T BENEFIT THEM DIRECTLY?

No. A special levy is requisitioned from all taxable properties on all islands within the local trust area in question. A single property or island cannot opt out of a special requisition.

WHAT HAPPENS IF A LOCAL TRUST COMMITTEE DOESN'T SPEND THE REQUISITIONED FUNDS?

If any funds are unspent at the end of the fiscal year, they will be put into a special reserve fund for future use by the local trust committee. Unspent funds can only be used to complete the special project or initiative for which they were collected. In the event the project is complete, the funds can be used for other work of the local trust committee, with Trust Council's approval. The funds cannot go into the Islands Trust's general revenues.

WHAT ARE EXAMPLES OF SPECIAL TAX REQUISITIONS?

In 2013, the Islands Trust Council delegated certain coordination powers to the Salt Spring Island Local Trust Committee for the purposes of preserving and protecting water resources in the Salt Spring Island Local Trust Area. Each year since 2014, the Salt Spring Island Local Trust Committee has requested a special local tax requisition from the Salt Spring Island Local Trust Area to fund the coordination of initiatives to preserve and protect freshwater on Salt Spring Island.

HOW IS A SPECIAL PROPERTY TAX LEVY DECIDED UPON?

- The local trust committee must submit a business case and detailed budget for the initiative to Trust Council's Financial Planning Committee by October 31st.
- At its November meeting, Financial Planning Committee will review whether the initiative meets the criteria for the special tax levy and will consider its recommendation to Trust Council.
- In December, Trust Council will consider whether to approve funding the initiative through the Islands Trust general budget for the following fiscal year.
 - If Trust Council decides the initiative is funded through the general budget, then there is no need for a special tax levy.
 - If Trust Council decides the initiative is not appropriate for support through the general budget but could be funded through a special tax levy, it is referred back to the local trust committee.
 - By the end of December, the local trust committee would need to pass a resolution to pursue a special property tax requisition.
 - The local trust committee will undertake public consultation on the proposed initiative during January and mid-February.
- Financial Planning Committee considers the public feedback on the special requisition at their February meeting and make a recommendation to Trust Council as to whether or not the initiative should be funded via special requisition.
- Trust Council considers the public feedback and Financial Planning Committee's recommendation when reviewing the draft budget at its March meeting.
- If Trust Council approves the special property tax requisition, it includes the special levy amount in the Islands Trust budget bylaw for the following fiscal year.

WHERE CAN I FIND ADDITIONAL INFORMATION?

For more detailed information please refer to [Policy 6.3.2 – Special Property Tax Requisition](#).