

To: Her Worship Mayor McKortoff and Members of Council
From: Shannon Duong, Planner
Date: May 12, 2026
Subject: Agricultural Land Reserve (ALR) Block Exclusion Proposal – ALR Tax Exemption Information
Tracker No: AI-698

Recommendation:

THAT staff give notice of an application to exclude 178.11 ha of lands from the Agricultural Land Reserve in accordance with s. 29(2)(a) of the *Agricultural Land Commission Act* and s. 15 of the *Agricultural Land Reserve General Regulation*;

AND THAT a public hearing be scheduled in accordance with s. 29(2)(b) of the *Agricultural Land Commission Act* for June 9, 2026;

AND THAT staff give notice of the public hearing in accordance with the requirements of the *Local Government Act*.

CAO Comments:

Approved for Council consideration.

Executive Summary:

The purpose of this report is to provide additional information with respect to tax implications of the proposed exclusion of approximately 178.11 ha of lands from the ALR in response to Council's request of April 28, 2026. This report also seeks direction with respect to the scheduling of an additional public hearing with respect to the exclusion proposal.

Statutory Requirements:

Under Section 29(1) of the *Agricultural Land Commission Act*, only a local government or First Nation may apply to the ALC to have land excluded from the ALR.

Under Section 14 of the *Agricultural Land Reserve General Regulation*, a local government that is applying to exclude land from the Reserve must do all of the following:

- a) *give notice of the application not less than 3 days and not more than 10 days before the date of the public hearing;*
- b) *give a copy of the application to the following:*
 - i) *if the land that is the subject of the application is adjacent to an area over which a different local government or first nation government has jurisdiction, that different local government or first nation government;*

- ii) *each local government or first nation government whose interests, the local or first nation government applicant believes, will be affected by the application;*
- c) *include with the application:*
 - i) *a report of the public hearing and any additional public comments, and*
 - ii) *any other supporting material the commission may require;*
- d) *post a sign, in a form and manner acceptable to the commission, on the land that is the subject of the application.*

In addition, the Exclusion request must be accompanied by a resolution from Council.

Background:

Under the Town's OCP Bylaw No. 1375, 2021, Council has expressed its support for the ALC's mandate to preserve agricultural land and to encourage farming within the ALR by discouraging further land exclusions from the ALR except in the following circumstances:

- i) *in instances where transportation connections are required and;*
- ii) *for ALR parcels less than 0.8 hectares in size being used for non-farm purposes that were issued title on or prior to December 21, 1972, with confirmation from the ALC.*

Agricultural Land Commission (ALC) Decisions:

When the (former) Town of Osoyoos Official Community Plan (OCP) Bylaw No. 1050, 1996, was being prepared, the Town engaged with the Agricultural Land Commission (ALC) in accordance with the (then) Municipal Act.

As part of this engagement process, the ALC reviewed a draft of OCP Bylaw No. 1050, 1996, and provided a number of comments in relation to its contents, including the land use designations for those lands within the Agricultural Land Reserve (ALR).

The Commission, as part of ALC Resolution #799/96, "consented" to the non-agricultural OCP designations that were proposed to apply to a number of parcels throughout the Town which historically were not being used for agricultural purposes (Parcels 1 – 53 on Attachment No. 1; NOTE: Only a portion of Property #7 received ALC "consent" for its non-agricultural designation).

Despite this, these lands have remained in the ALR, and a successful exclusion application is required in order to remove the parcels from the ALR.

Previous Council Consideration:

At its meeting of December 9, 2025, Council had resolved to initiate an application to the ALC to exclude 62* non-agricultural parcels from the ALR (NOTE: One of the listed parcels was originally listed twice, referencing two portions of the same parcel, and Attachment No. 1 shows the corrected list of subject properties), and directed staff to give notice of the application and to schedule and give notice of a public hearing for April 28, 2026 in accordance with the *ALC Act*, *ALR General Regulation* and *Local Government Act*.

At its meeting of March 24, 2026, Council further resolved to include, as part of the block exclusion proposal, the properties legally described as Lots 1, 2, 3, 4, 5, 6, District Lot 2450S, SDYD, Plan KAP28375 (being 5, 6/8, 7, 9, 10, and 11 Wren Place), Lot 3, District Lot 2450S, SDYD, Plan KAP21683 (being 6806 97th Street), and an approximately 0.9 ha portion of the property described as Lot 1, District Lot 2450S, SDYD, Plan EPP128166 (being 9425 87th

Street) immediately adjacent to Osoyoos Lake and Braeburn Place. Council also directed staff to give notice of the revised application and the April 28, 2026 public hearing in accordance with the *ALC Act*, ALR General Regulation and *Local Government Act*.

Following a public hearing, at its April 28, 2026 Regular Open Council Meeting, Council resolved "THAT the matter of the application to the Agricultural Land Commission (ALC) for the exclusion of approximately 178.11 hectares of land from the Agricultural Land Reserve (ALR) be referred back to the Committee of the Whole."

Public Process:

On April 28, 2026, a public hearing was held in the Town of Osoyoos Council Chambers at 8707 Main Street in Osoyoos, and was attended by approximately twenty-one (21) members of the public.

The public hearing was notified via the following methods of notification, in accordance with the requirements of the *ALC Act* and ALR General Regulation:

- Notification of the application in the April 16th and 23rd issues of the Times Chronicle;
- Provided a copy of the draft application to the Osoyoos Indian Band (OIB) and Regional District of Okanagan-Similkameen on April 14th, 2026;
- Erected a total of 12 notification signs in strategic locations throughout the Town as identified via consultation with Agricultural Land Commission (ALC) staff.

In addition to the notification requirements under the *ALC Act* and ALR General Regulation, the Town:

- Mailed notices of the initiation of the project as well as the public hearing to the owners of the subject properties;
- Distributed an electronic notice of the public hearing through the Town's mass notification system;
- Mailed notices to those owners of land which had been identified as currently receiving a school tax exemption due to meeting specified exemption criteria under the *School Act* to inform them of potential implications of the proposed exclusion, if successful; and,
- Created a project webpage on the Town's website with information regarding the proposal.

Analysis:

Administration understands that Council's April 28, 2026 resolution to refer the ALR block exclusion proposal to Committee of the Whole generally relates to concerns which have been raised with respect to taxation implications of a successful exclusion application.

The primary tax implication of excluding lands from the ALR relates to the loss of eligibility for receiving ALR tax exemptions under the *School Act*.

Specifically, Section 130(1)(b) of the *School Act* stipulates that 50% of the assessed value of a parcel of land is exempt from school taxes if the property is within the ALR, is subject to the restrictions set out under the *ALC Act*, and is either vacant/unused, or used for a farm or residential purpose. This tax exemption is also extended to other forms of taxes/levies, including

hospital district tax, police tax, BC Assessment levy, Municipal Finance Authority (MFA) levy and BC Transit tax, where applicable, by way of references made in other associated taxing statutes.

Given the potential tax implications of the proposed exclusion application, Administration reviewed 2026 tax roll data to identify properties which have received the ALR school tax exemption. Administration ultimately identified eight properties which currently receive the exemption and do not have farm classification, and distributed letters to those affected property owners advising of potential implications of the proposed exclusion. These properties include:

- 2615 Lakeshore Drive
- 2801 Lakeshore Drive
- 5227 Lakeshore Drive
- 5229 Lakeshore Drive
- 5231 Lakeshore Drive
- 4906 Cedar Lane
- 8214 Meadowlark Drive
- 7414 97th Street

(NOTE: While one property at 9425 87th Street is also understood to receive school tax exemptions under the *School Act*, it is noted that this exemption pertains to the property's farm classification).

The Town of Osoyoos, like other municipalities, collect taxes on behalf of certain public authorities (i.e., board of education, hospitals, police, BC Assessment, MFA, etc.) as part of the annual property tax collection process, at rates specified by the Province or agency bylaws, and subsequently remit the revenue to the associated public authority. The purpose of school, hospital district and police taxes, generally relates to paying into broader social services. Levies collected on behalf of BC Assessment and the MFA are understood to cover operating and capital costs of these agencies. The application and collection of these taxes is generally intended to be evenly "carried" by all BC property owners to pay for supportive services.

Administration generally understands the purpose of the ALR school tax exemption to be to encourage farming of ALR lands and to retain vacant lands capable of being farmed for future agricultural use. In this regard, the benefits of the exemption are largely seen to be targeted towards farmers.

In the case of the 8 properties identified as receiving the ALR school tax exemption, it is understood that these properties are currently being used for commercial or residential purposes and are not being used for agricultural production. Accordingly, Administration finds that, in the case of these properties, the tax exemption is not serving its intended purpose and is, instead, benefiting property owners who are using their properties for non-agricultural purposes.

In light of the above, Administration remains supportive of the inclusion of the above-noted properties in the broader ALR exclusion proposal.

Alternative:

Conversely, Administration recognizes that the exclusion of these properties, if approved by the ALC, may result in large increases in tax payments.

Despite this, given that these properties have historically been used for non-farm purposes, the application of the ALR school tax exemption to these properties can be viewed as inequitable, considering that most other BC property owners are otherwise expected to pay, in full, into supportive services via taxation.

Summary:

In summary, Administration is recommending the ALR block exclusion request proceed as directed under Council's resolutions of December 9, 2025 and March 24, 2026, and that a second public hearing be held in light of the new information received following the closure of the April 28, 2026 public hearing.

Options:

1. THAT staff give notice of an application to exclude 178.11 ha of lands from the Agricultural Land Reserve in accordance with s. 29(2)(a) of the *Agricultural Land Commission Act* and s. 15 of the *Agricultural Land Reserve General Regulation*;

AND THAT a public hearing be scheduled in accordance with s. 29(2)(b) of the *Agricultural Land Commission Act* for June 9, 2026;

AND THAT staff give notice of the public hearing in accordance with the requirements of the *Local Government Act*.
2. Status quo.

Implications:

- a) Community
 - The exclusion of non-agricultural parcels from the ALR is seen to benefit those current owners or potential future purchasers by removing ambiguity regarding permitted uses of those lands. Additional benefits would include the removal of administrative burdens to undertake uses currently permitted by zoning.
 - Properties which are not classified as farm and are currently receiving tax exemptions under Section 130(1)(b) of the *School Act* would no longer qualify for these tax exemptions should the exclusion be successful.
- b) Organizational
 - If the properties are excluded, it is anticipated that the Town would receive fewer ALC referrals.
- c) Budget
 - In addition to costs already paid in association with the required notification of the application and public hearing, the Town would be required to pay a \$750.00 application fee, as well as any costs associated with obtaining all other required supporting application materials.
- d) Significant Dates
 - N/A

e) Sustainability

- N/A

Attachments:

1. Summary of Parcels Receiving ALR School Tax Exemption
2. Map of Parcels Receiving ALR School Tax Exemption
3. Aerial Imagery of Parcels Receiving ALR School Tax Exemption