

TITLE:	PERMISSIVE TAX EXEMPTION		
Origin:	Finance		
Issued:	Council - March 10, 2008	#2008.08.144	Ref: FN-023
Amended:	Council - August 9, 2010	#2010.27.428	Page: 1 of 3

Preamble

Section 220 of the Community Charter describes the general statutory taxation exemptions available to a municipality, providing automatic exemptions for certain types of properties.

Section 224 of the Community Charter authorizes Council to provide permissive tax exemptions. A permissive tax exemption is a means for Council to support organizations within the community which further Council's objectives of enhancing quality of life (economic, social, cultural) and delivering services economically. This policy guides identification of organizations meeting Council's objectives.

Permissive exemptions must be passed by bylaw prior to October 31st for the following taxation year.

Policy

1. Process

Council will consider applications for permissive tax exemptions annually. The opportunity to apply will be posted on the website for the first two weeks of July, advertised two times in the local newspaper during July and reminder letters will be mailed prior to July 1st to tax exemption recipients whose exemption duration is expiring.

Applications must be submitted to the Financial Officer, using the prescribed form, before August 1st each year. The Financial Officer or designate will review the applications for completeness and arrange contact with applicants for additional information as necessary.

Application submissions must include:

- Copy of audited financial statements for the previous year.
- Copy of state of title certificate or lease agreement, as applicable
- Description of programs/services/benefits delivered from the subject lands/improvements (participant numbers, volunteer hours, benefiting groups/individuals/special needs populations, fees charged for participation) supporting the requirement that the use is "for a purpose that is directly related to the purposes of the corporation":

- Description of any third party use of the subject land/improvements including user group names, fees charged, and conditions of use.
- Statement if grant-in-aid approved for the current year.

The Financial Officer or designate will present a summary report of the applications, relative to the eligibility criteria, to the Finance Committee at the September meeting. The committee's recommendation and the bylaw based on that recommendation will be brought forward to Council at the second Council meeting in September.

2. Eligibility Criteria

- 2.1 Subject property must be one of:
 - a. Land and/or improvements, owned or held by a corporation listed in 2.2, the use of which council considers to be directly related to the purposes of the corporation
 - b. Land and/or improvements, ancillary to a statutory exemption under s. 220 of the *Community Charter*
- 2.2 Nature of the Organization must be:
 - a. Not for profit corporation;
 - b. Athletic or service club/association;
 - c. Licenced community care facility; licenced private hospital; registered assisted living residence;
 - d. Partner of the municipality by agreement under s. 225 of the *Community Charter*;
 - e. Municipality, regional district or other local authority;
 - f. Religious organization as tenant or licensee; or
 - g. Organization eligible to s.220 statutory exemption (e.g. place of public worship, cemetery, library, Indian land, seniors' home, hospital etc.)
- 2.3 The applicant organization's use of the land/improvements must benefit the community in one or more of the following ways:
 - a. provides recreational facilities for public use
 - b. provides recreation programs to the public
 - c. provides programs to and/or facilities used by youth, seniors, or other special needs groups
 - d. promotes economic development or tourism
 - e. preserves heritage important to the community character
 - f. preserves an environmentally, ecologically significant area of the community
 - g. offers cultural or educational programs to the public which promote community spirit, cohesiveness and/or tolerance
 - h. offers services to the public in formal partnership with the municipality

3. Duration of Exemption

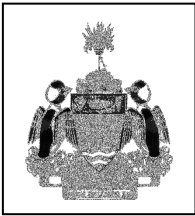
Eligible organizations may be considered for tax exemptions exceeding one year (to a maximum of 10 years) where it is demonstrated that the services/benefits they offer to the community are of a duration exceeding one year (i.e. for the period of the tax exemption).

4. Extent, Conditions, Penalty

- 4.1 Council may designate only a portion of the land/improvements as exempted where the following circumstances exist:
 - a. a portion of the land/improvements is used by the private sector and/or organizations not meeting Council's exemption criteria
 - b. the applicant already receives a grant-in-aid from the municipality

- 4.2 Council may impose conditions on the exempted land or improvements, or both, with the applicant organization, including but not limited to:
 - a. an agreement committing the organization to continue a specific service/program
 - b. an agreement committing the organization to have field/facilities open for public use for certain times or a total amount of time
 - c. an agreement committing the organization to offer use of the field/facility to certain groups free of charge or at reduced rates
 - d. an agreement committing the organization to immediately disclose any substantial increase in the organization's revenue or anticipated revenue (e.g. receives large operating grant from senior government)

- 4.3 Council may impose penalties on an exempted organization for knowing breach of conditions of exemption, including but not limited to:
 - a. revoking exemption with notice
 - b. disqualifying any future application for exemption for specific time period
 - c. requiring repayment of monies equal to the foregone tax revenue



Town of Sidney

Permissive Tax Exemption Application

Deadline: July 31, XXXX

COUNCIL WILL CONSIDER APPLICATIONS FOR A PERMISSIVE TAX EXEMPTION PROVIDING THE FOLLOWING INFORMATION IS SUPPLIED:

Date:	_____		
Name of Organization:	_____		
Address:	_____		

Contact Person(s):	_____	_____	_____
	Name	Position/Title	Phone #

ATTACHMENTS REQUIRED:

1. Copy of the audited financial statements for the previous year
2. Copy of the state of title certificate or lease agreement (including legal description), as applicable
3. Description of the programs/services/benefits delivered from the subject lands and/or improvements including participant numbers, volunteer hours, benefiting group/individuals/special needs populations, fees charged for participation
4. Description of any third party use of the subject land and/or improvements including user group names, fees charged, conditions of use
5. Statement if grant –in-aid approved for current year.

The Financial Officer or designate will present a summary report of the applications, relative to the eligibility criteria, to the Committee of the Whole and arrange for delegations to Committee of the Whole by applicants as necessary.

ELGIBILITY CRITERIA: FOR EACH CATEGORY, PLEASE CHECK APPLICABLE ITEMS

- A. SUBJECT PROPERTY MUST BE ONE OF:
- Land or improvements, or both, owned or held by an entity described in B. below
 - Land or improvements, or both, ancillary to a statutory exemption under s. 220 of the *Community Charter*
- B. NATURE OF THE ORGANIZATION MUST BE:
- | | |
|---|--|
| <ul style="list-style-type: none"> <input type="checkbox"/> Not for profit corporation <input type="checkbox"/> Athletic or service club/association <input type="checkbox"/> Partner of the municipality by agreement under s.225 of the <i>Community Charter</i> | <ul style="list-style-type: none"> <input type="checkbox"/> Municipality, regional district, public/local authority <input type="checkbox"/> Licenced community care facility, private hospital or registered assisted living residence <input type="checkbox"/> Organization eligible to s. 220 statutory exemption (e.g. place of public worship, cemetery, library Indian land, seniors home, hospital etc.) |
|---|--|
- C. COMMUNITY BENEFITS:
- Provides recreational facilities for public use
 - Provides recreation programs to the public
 - Provides programs to and/or facilities used by youth, seniors or other special needs groups
 - Promotes economic development or tourism
 - Preserves heritage important to the community character
 - Preserves an environmentally or ecologically significant area of the community
 - Offers cultural or educational programs to the public which promote community spirit, cohesiveness and/or tolerance
 - Offers services to the public in formal partnership with the municipality