

CITY OF PARKSVILLE

POLICY

SUBJECT: <i>Permissive Taxation Exemption Applications</i>	POLICY NO: 6.15
	RESO. NO: 04-285
	CROSS REF:
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EFFECTIVE DATE: September 8, 2004	APPROVED BY: Council
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REVISION DATE: July 15, 2013	RESO. NO: 13-200
June 15, 2015	RESO. NO: 15-161
February 5, 2018	RESO. NO: 18-038
	CROSS REF:
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PURPOSE

The purpose of this policy is to provide guidelines to Council for evaluation of permissive property tax exemption applications pursuant to Section 224 of the *Community Charter* and set out the requirements from permissive tax exemption recipients in order to continue to receive support.

BACKGROUND

Section 220 of the *Community Charter* provides for statutory tax exemptions for a range of properties including those held or used by the province, municipalities, regional districts, libraries, hospitals, schools, cemeteries and places for public worship. For some properties, such as those used for public worship, the statutory exemption is limited to only the land and building specifically for public worship. All other land and buildings that are ancillary to the place of public worship are taxable, unless given a permissive exemption by Council.

Section 224 provides for permissive tax exemptions for properties used by a variety of non-profit organizations that provide services which Council considers directly related to the purpose of the organization. It also provides for permissive exemptions for some properties which are additional to statutory exemptions under Section 220, such as church halls or land surrounding places for public worship and privately run schools.

The *Community Charter* permits exemption from municipal taxes. Similar provisions in other taxing authority legislation extend the exemption to those levies.

Exemptions provided for in Section 224 are at the discretion of Council. There is no obligation to give the exemption.

Exemptions cannot be granted if the organization does not qualify under the *Community Charter*.

APPLICATION AND RESPONSIBILITY

Council is responsible for:

- Approving this policy;
- Considering each tax exemption request annually on its own merits, using this policy, as well as considering information regarding the impact on the annual budget as provided by the Director of Finance.

The Permissive Tax Exemption program will be administered jointly by the administration department and the finance department. They will be responsible for:

- Receiving and processing all permissive tax exemption applications;
- Reviewing individual permissive tax exemption applications for compliance with this policy and making recommendations to Council;
- Providing public notice in a local newspaper and on the City's website as well as inviting applications at least two months prior to the application deadline.

POLICY RATIONALE

The intent of this policy and associated evaluation categories and guidelines is to identify the services and organizations which provide the most complementary extension of municipal services and for which the burden resulting from the exemption is a justifiable expense to the taxpayers of Parksville.

STATEMENT OF POLICY

1. The following information will be considered when determining whether to grant a permissive tax exemption:
 - the principal use of the property, including the services offered,
 - the need for the services,
 - the availability of services,
 - other funding sources,
 - the use of volunteers to deliver services.
2. A permissive tax exemption may not be granted where:
 - the organization is unable to demonstrate a need for its services,
 - the organization has made no effort to obtain other funding sources for provision of services,
 - the organization does not make use of volunteers to provide services.
3. Exemptions are based on the principal use of the property, not on the charitable service of the organization as a whole.
4. Exemptions can only be granted to the portion of a property that meets all the requirements of this policy. The exemption may apply to the whole or part of the taxable assessed value of land, improvements or both.

- Over a period of 10 years, beginning in 2014, permissive tax exemptions will be reduced from the current 2.5% annual budget allocation to a maximum 1.67% annual budget allocation.

The permissive exemption values will be calculated by using the current year's assessment multiplied by the current year's tax rates. In the case where the calculated permissive exemption values for the subsequent year exceeds the maximum allocation of the current year's total budgeted property tax requisition, all permissive exemptions will be proportionately reduced.

Example: If the tax increase is 3% each year - the tax exemption cap is \$225,000 until the desired 1.67% is reached.

Year	2013	Year 1 2014	Year 2 2015	Year 3 2016	Year 4 2017	Year 5 2018	Year 10 2023
Property Tax Requisition	10 mil	3%	3%	3%	3%	3%	3%
Increase	--	300,000	309,000	318,270	327,818	337,653	391,300
Amount	10 mil	10.3 mil	10.609 mil	10.927 mil	11.255 mil	11.593 mil	13.439 mil
Exempt %	2.5%	2.2%	2.12%	2%	2%	1.94%	1.67%

- Tax exemptions under Section 224 (except rail and track properties) will be considered each year unless a bylaw specifies a longer term. Exemptions for rail and track properties can be granted for a ten year term; the term cannot exceed ten years under Section 224(4) (a) of the *Community Charter*.
- Subject to Section 6 above, all permissive tax exemptions must be renewed by the applicant each year on the approved form (as may be amended from time to time), including a copy of the organization's most recent financial statements. Exemptions are not automatically renewed and must not be assumed, even if obtained in the prior year.
- Applications and supporting documentation must be received by **4 pm on June 30th** of each year. Applications received after the deadline or applications which do not include all required information may not be considered.
- A tax exemption is similar in effect to a cash grant and therefore is subject to budget considerations.
- All recipients of tax exemptions from the City of Parksville may be required to publicly acknowledge the exemption.

11. The organization must justify the need for the services and may be required to make a presentation to Council.
12. The use of the property must be consistent with and in compliance with all applicable municipal policies, bylaws and legislation.
13. Services and activities should be equally available to all residents of the City.
14. A recreation or community facility must be accessible by the public and the activities carried out on the property must be enjoyed by a significant proportion of the general public.
15. The organization must be seen to be working towards self-sufficiency by seeking funding from other sources.
16. The organization may be required to show evidence of ongoing, active volunteer involvement.
17. Only the portion of the property used for non-profit activities will be considered for exemption. Commercial activities will be excluded; however, the intent of this guideline is to limit the exemption of property that is used to generate business revenue unrelated to the service provided by the organization.
18. Applications must show evidence of a clear mandate and competent administration.
19. Applicants must not be in arrears with the City.
20. Exemptions will not be granted for land held for future development or land greater than normally required for off street parking, buffer zones or to make a reasonably shaped parcel.

EVALUATION CATEGORIES

All applications must meet the description of at least one of the categories below:

1. Places of Worship:
 - a. facilities for public worship - up to 100% exemption.
 - b. land surrounding places for public worship; church halls and land surrounding them or other property attached and deemed necessary - *up to 100% exemption.*
2. Societies for Seniors and Disadvantaged:
 - a. short term emergency or crisis protection for members of the community, supportive housing for people with special needs, halfway houses, transitional homes and group homes with supportive staff and programs - *up to 100% exemption.*
 - b. support services and programs to members of the community with special needs, who are in some way disadvantaged and need assistance in maximizing their quality of life - *up to 100% exemption.*

3. Rail / Track Property: rail or track and other related property owned by a non-profit organization - *up to 100% exemption.*
4. Public Park / Recreation / Athletic / Youth: provide space and equipment for the physical and mental enjoyment of the participants - *up to 50% exemption; where annual space and equipment operating and maintenance costs exceed 30% of annual revenue, up to a 100% permissive tax exemption may be provided.*
5. Seniors Housing: complex seniors care facilities or non-profit organizations providing affordable housing for low income seniors in the community - *up to 100% exemption; Kingsley Manor (312 Hirst Avenue West) and Hustwick Place (205 Jensen Avenue East) be provided a 100% exemption outside the exemption cap as per Council resolution No. 17-336 passed at the December 4, 2017, regular meeting of Council.*
6. Arts and Cultural facilities: preparation and delivery of artistic and cultural events or exhibits to the public - *up to 100% exemption.*
7. Environmental: programs and/or facilities to preserve environmentally and/or ecologically significant area of the community - *up to 100% exemption where limited public access is provided; up to 50% where no public access is allowed.*



PERMISSIVE TAXATION EXEMPTION APPLICATION FOR 2019

Pursuant to Section 224 of the *Community Charter* [attached for your convenience]

[Please submit separate applications if you are applying for more than one property]

1. _____
[Full name or title of Corporation, Association, Society or Organization]

[Civic address of the property]

[Mailing Address, including postal code]

_____ BC, Telephone No. _____ or _____
[City] [Phone] [Fax]

[Legal description of the property]

I declare that I have full knowledge of the facts with respect to the subject property and the authority to represent that organization for which a permissive taxation exemption is being applied for:

2. I am the _____ of the
[Position currently held within the organization]

[Full name or title of Corporation, Association, Society or Organization]

3. _____
[What is the principal use of the property?]

4. Is your organization registered under the *Society Act*? Yes No
If yes, please provide registration number: _____

5. Does your organization own the property you are claiming exemption for? Yes No
If no, please provide a copy of your current lease agreement.

6. Is any part of the building or of the property used or rented by commercial or private operators other than your organization? If yes, please explain and indicate the amount of revenue received.

9. CHURCHES ONLY complete Section 9:

- (I) Are all the buildings on the lands in use and continue to be set aside for public worship or for a Church hall? Yes No

If No, please briefly explain: _____

NOTE: Under the *Community Charter*, only the building set apart for public worship and the land on which the building stands are included in the Statutory Tax Exemptions. All other areas that are not used for public worship and the surrounding lands may only be considered under a Permissive Tax Exemption.

10. SUBMITTED BY: _____
 [Print Name]

SIGNATURE _____	DATE _____
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NOTE: The personal information on this form is collected for the purpose of administering the Permissive Taxation Exemption applications of the City of Parksville as noted in Section 26(c) of the *Freedom of Information and Protection of Privacy Act*.

Applications must be received by no later than 4 pm on Friday, June 29, 2018. This application is for the 2019 taxation year. **PLEASE ENSURE THAT:**

- All questions have been completed in full.
- A copy of your most recent financial statements and budget are attached.
- A copy of the last Registered Charity Information Return or Non-Profit Organization Information Return is attached.
- A copy of the lease agreement (*if applicable*).

NOTE:

INCOMPLETE APPLICATIONS WILL NOT BE FORWARDED FOR CONSIDERATION

SUBMIT TO:

Administration Department, City of Parksville
 100 Jensen Avenue East, Box 1390, Parksville, BC, V9P 2H3
 Telephone: 250.954.3070 Fax: 250.248.6650

OFFICE USE ONLY	Folio No.	2017	2016	2015	2014	2013	2012
Previous Approvals							

COMMUNITY CHARTER

Part 7: Division 7 - Permissive Exemptions

General authority for permissive exemptions

224. (1) A council may, by bylaw in accordance with this section, exempt land or improvements, or both, referred to in subsection (2) from taxation under section 197 (1) (a) [municipal property taxes], to the extent, for the period and subject to the conditions provided in the bylaw.
- (2) Tax exemptions may be provided under this section for the following:
- (a) land or improvements that
 - (i) are owned or held by a charitable, philanthropic or other not for profit corporation, and
 - (ii) the council considers are used for a purpose that is directly related to the purposes of the corporation;
 - (b) land or improvements that
 - (i) are owned or held by a municipality, regional district or other local authority, and
 - (ii) the council considers are used for a purpose of the local authority;
 - (c) land or improvements that the council considers would otherwise qualify for exemption under section 220 [*general statutory exemptions*] were it not for a secondary use;
 - (d) the interest of a public authority, local authority or any other corporation or organization in land or improvements that are used or occupied by the corporation or organization if
 - (i) the land or improvements are owned by a public authority or local authority, and
 - (ii) the land or improvements are used by the corporation or organization for a purpose in relation to which an exemption under this Division or Division 6 of this Part would apply or could be provided if the land or improvements were owned by that corporation or organization;
 - (e) the interest of a public authority, local authority or any other corporation or organization in land or improvements that are used or occupied by the corporation or organization if
 - (i) the land or improvements are owned by a person who is providing a municipal service under a partnering agreement,
 - (ii) an exemption under section 225 [*partnering and other special tax exemption authority*] would be available for the land or improvements in relation to the partnering agreement if they were used in relation to the service,
 - (iii) the partnering agreement expressly contemplates that the council may provide an exemption under this provision, and
 - (iv) the land or improvements are used by the corporation or organization for a purpose in relation to which an exemption under this Division or Division 6 of this Part would apply or could be provided if the land or improvements were owned by that corporation or organization;
 - (f) in relation to property that is exempt under section 220 (1) (h) [*buildings for public worship*],
 - (i) an area of land surrounding the exempt building,
 - (ii) a hall that the council considers is necessary to the exempt building and the land on which the hall stands, and
 - (iii) an area of land surrounding a hall that is exempt under subparagraph (ii);
 - (g) land or improvements used or occupied by a religious organization, as tenant or licensee, for the purpose of public worship or for the purposes of a hall that the council considers is necessary to land or improvements so used or occupied;
 - (h) in relation to property that is exempt under section 220 (1) (i) [*seniors' homes*] or (j) [*hospitals*], any area of land surrounding the exempt building;
 - (h.1) in relation to land or improvements, or both, exempt under section 220 (1) (l) [*independent schools*], any area of land surrounding the exempt land or improvements;
 - (i) land or improvements owned or held by an athletic or service club or association and used as a public park or recreation ground or for public athletic or recreational purposes;
 - (j) land or improvements owned or held by a person or organization and operated as a private hospital licensed under the Hospital Act or as a licensed community care facility, or registered assisted living residence, under the *Community Care and Assisted Living Act*;

- (k) land or improvements for which a grant has been made, after March 31, 1974, under the *Housing Construction (Elderly Citizens) Act* before its repeal.
- (3) The authority under subsection (2) (e) and (g) to (j) is not subject to section 25 (1) [*prohibition against assistance to business*].
- (4) Subject to subsection (5), a bylaw under this section
 - (a) must establish the term of the exemption, which may not be longer than 10 years,
 - (b) may only be adopted after notice of the proposed bylaw has been given in accordance with section 227 [*notice of permissive tax exemptions*], and
 - (c) does not apply to taxation in a calendar year unless it comes into force on or before October 31 in the preceding year.
- (5) Subsection (4) (a) and (b) does not apply in relation to exemptions under subsection (2) (f), (h) and (h.1).
- (6) If only a portion of a parcel of land is exempt under this section, the bylaw under this section must include a description of the land that is satisfactory to the assessment commissioner.
- (7) A bylaw under this section ceases to apply to property, the use or ownership of which no longer conforms to the conditions necessary to qualify for exemption and, after this, the property is liable to taxation.

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