



**COUNCIL ADVISORY COMMITTEE MEETING AGENDA**

**MONDAY, DECEMBER 17, 2012 - 9:00 A.M.**

**1. ADOPTION OF THE MINUTES**

- a) Minutes of the Council Advisory Committee meeting held December 7, 2012 - Page 1

***Recommendation: THAT the minutes of the Council Advisory Committee meeting held December 7, 2012 be adopted.***

**2. CORRESPONDENCE**

- a) Renate Sutherland, Executive Director - Society of Organized Services - Pages 2 to 4

***Recommendation: THAT the correspondence from Renate Sutherland of the Society of Organized Services dated December 6, 2012 regarding permissive tax exemptions be received for information.***

**3. ISSUES**

- a) **PERMISSIVE TAXATION EXEMPTION CRITERIA** - Pages 5 to 33

*For review and report back with recommendations for Council's consideration.*

**4. ADJOURNMENT**

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# TO BE ADOPTED

CITY OF PARKSVILLE

December 7, 2012

Minutes of the Council Advisory Committee meeting held in the Civic and Technology Centre, 100 Jensen Avenue East, Parksville, BC, on Friday, December 7, 2012 at 9:00 a.m.

PRESENT: Councillor Al Greir, Chair  
Jim Banks  
Michele Obara  
Stephanie Weir

Absent: Douglas Courtice

Staff: A. Weeks, Deputy Corporate Officer  
B. Russell, Director of Community Planning

## 1. ISSUES

### a) 180-Day Stay Rule

The committee felt the 180-day stay rule is complicated and unenforceable and therefore should not be included in the bylaw.

**Recommendation:** THAT the maximum 180-day stay limit definition as described in such bylaws as the Campground Regulation Bylaw, 1986, No. 886 and the Zoning and Development Bylaw, 1994, No. 2000 and all amendment thereto, be removed.

Stephanie Weir joined the meeting via Skype at 9:20 a.m.

### b) Renaming of Highway 19A

The committee felt a name change would not decrease the speed along Highway 19A, it would incur unnecessary costs and it may be confusing to tourists.

**Recommendation:** THAT the name "Highway 19A" remain unchanged.

### c) Permissive Taxation Exemption Criteria

To be discussed further on Monday, December 17, 2012 at 9:00 a.m. in the forum.

## 2. ADJOURNMENT

The meeting adjourned at 9:51 a.m.

  
Chair

  
Deputy Corporate Officer

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Society of  
Organized  
Services

December 6, 2012

Council Advisory Committee  
City of Parksville

Society of Organized Services has been in the community since 1968, operating under the mandate: *To provide a volunteer-based, non-profit organization supporting people, who are socially or economically disadvantaged, i.e. the poor and the powerless, by offering services and resources not adequately provided within School District 69.* These supportive programs and services are funded primarily through donations to our Thrift Shop (87% of our funding), with only 4% of our revenue coming from government funds.

It has come to our attention that the proposed policy regarding Permissive Tax Exemption, of which you are charged with reviewing, contains a clause that is very concerning to our organization. It appears to be directed at our Thrift Shop. At the request of Councillor Al Greir, we submit the information below to address the clause that reads: *“Non-profit organizations conducting retail and/or commercial activity and charging rates or fees at or below market value and are considered to be in competition with for-profit businesses and as such are not eligible for permissive tax exemption.”*

From our perspective, the SOS Thrift Shop should not be considered competition with for-profit companies for the following reasons:

- › Canada Revenue Agency defines us a charity, not a business
- › Unlike a for-profit business, we cannot control our stock (what is donated is what we sell) and therefore we cannot cater to our clients needs. For example, if someone wants a blouse in a different size or color, we cannot accommodate their request
- › The goods sold from our Thrift Shop are considered to have no value. For example, in the unfortunate circumstance of a fire in the Thrift Shop, insurance would not compensate us for the loss of our donated inventory unlike a for-profit business whose inventory would be covered
- › Beyond meeting the requirements of a responsible charity/not-for-profit society, we do not hold on to revenue generated from the Thrift Shop, but rather reinvest it in the community
- › We put 95 cents of every dollar realised from the Thrift Shop back into the community and many of these dollars go to support local businesses

If Council were to decide that we are required to pay the property taxes at the Thrift Shop, 188 West Hirst Avenue, it would result in a reduction of our service levels in one or more programs. For example, last year our Medical Appointment Transportation program provided 800 rides for residents. Based on current taxes, this program could be cut in half, as the taxes owed would equal half of the current budget for mileage expenses to our mainly senior volunteers in this volunteer-based program.

I have attached a program guide for your information, so you can see the important programs and services we provide to our community. If members of the Council Advisory Committee would like further clarification or would benefit from a tour of our facility, it would be our pleasure to provide either to you.

Thank you for this opportunity to address our concerns. We trust you have all the information you require to ensure SOS is able to continue to address community needs for the foreseeable future.

Sincerely,

  
Renate Sutherland  
Executive Director

**PAGE**  
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## ADULTS

**Hardship Emergency Support & Referral**  
Provides immediate help in crisis and gives direction to promote self-sufficiency.  
Call ext. 241 for details.

**Medical Appointment Transportation Service**  
Assists people to and from their medical appointments within District 69.  
Donations are gratefully accepted.  
Call ext. 222 to register.

**Meals On Wheels**  
Delivers hot, nutritious meals.  
Cost: \$7.00/meal  
Call ext. 225 to register.

**Haven Homes**  
Provides safety for women and their children experiencing domestic violence.  
Call ext. 225.  
This program is funded by BC Housing.

## PERSONAL DEVELOPMENT

**Women's Personal Growth**  
This 10-week group explores issues of self-esteem, personal boundaries, coping/relaxation strategies, and communication skills. Cost: \$5 per session.  
Sept. 11 to Nov. 13, 6:30-8:30 pm  
Call ext. 241 to register.

**Men's Personal Growth**  
A 10-week journey where men learn to: balance emotions, explore anger triggers, improve relationships, and gain effective communication skills. Cost: \$5 per session.  
Sept. 11 to Nov. 13, 7:00-9:00 pm  
Call ext. 241 to register.

**Couples' Education Group**  
This 10-week group will help you make your relationship stand the test of time.  
Cost: \$5 per session.  
Sept. 13 to Nov. 15, 6:30-8:30 pm  
Call ext. 241 to register.

**Women's 16-Step, Self-Help Group**  
A facilitated group program for adult women in recovery from substance and/or other addictions. A desire to lead a sobriety-centred life is a pre-requisite.  
Orientation: Sept. 5, 2012  
Sessions: Sept. 12 to Dec. 19, 2012  
Wednesdays, 6:30 - 8:30 pm  
Cost: FREE  
Call ext. 225 to register.

**Counselling Referral**  
Referrals to one-on-one professional counselling with community partner counsellors and/or other suitable programs within the community. Fee is determined on an individual basis.  
Call ext. 241 for information.  
This program is partially funded by the Ministry of Children and Family Development.

## SENIORS

Call 250-248-2093 ext. 239 for Seniors program information/registration.

**Seniors in Motion**  
One-on-one needs assessments of physical, emotional and financial conditions to determine appropriate services and supports. Promotes active, independent lifestyles. Home visits can be arranged where mobility issues exist.  
Cost: FREE

**Seniors are Talking**  
A friendly, comfortable place for social interaction. Problem solving and brain storming around common concerns. Topics include health, safety, housing and seniors' benefits. Guest speakers and monthly excursions. Transportation and refreshments are provided.  
Cost: FREE  
Drop-in Wednesdays, 1:00-3:00 pm

# SOS Program Guide



Society of  
Organized  
Services

SOS Child, Youth & Family Centre  
250-248-2093  
245 West Hill Avenue Parksville

# programs for children, youth, families and adults

## PRESCHOOL

(Infants to 5 years) Call 250-248-2093 ext. 237 for Preschool program information/registration.

### Preschool Art

Glitter, glue, paint, clay, cutting and colouring are explored in this parent participation program. Creativity and fine motor skills are developed.

Drop-in Thursdays, 9:15-11:15 am

### Preschoolers on the Move

Music, movement and imagination designed to develop large motor skills and self-esteem in this parent participation program.

Drop-in Fridays, 9:15-11:15 am

### TIC TAC (Time in Comfort for Tots & Caregivers)

All caregivers and their children are welcome to enjoy fun activities and adventures.

Monthly guest speakers.

Drop-in Tues. & Wed., 9:15-11:15 am

Zumba available for TIC TAC participants.

Enjoy a Latin dance work-out!

Tuesdays, 9:30-10:30 am

## CHILDREN & FAMILY

Call 250-248-2093 ext. 237 for Child & Family program information/registration.

### Family Night

Connect with others and learn about family services, support and activities. SOS takes care of dinner so you and your family can spend quality time together.

Drop in Wednesdays, 4:30-7:30 pm

### Girl Talk

Grades 3, 4 & 5

Fun activities inspire confidence, and healthy self-image. Nutritious snacks are provided as well as transportation from Winchelsea and Parksville Elementary Schools.

Pre-registration is required.

Thursdays, 3:00-5:00 pm

### Guyz Time

Grades 3, 4 & 5

Fun activities encourage self-esteem, healthy relationships, and community awareness. Nutritious snacks are provided as well as transportation from Winchelsea and Parksville Elementary Schools.

Pre-registration is required.

Thursdays, 3:00-5:00 pm

### Recreation Assistance for Children & Youth

Assists with registration costs for recreational activities for children and youth in School District 69.

Call ext. 241 for details.

## YOUTH

Call 250-248-2093 ext. 232 for Youth program information/registration.

### Middle School Nite

Grades 6, 7 & 8

Games, field trips, music, creative projects, and dinner are all offered in a safe, friendly, and nurturing environment. Pre-registration is required.

Tuesdays, 4:00-7:00 pm

### Teen Nite

Grades 9-12

Old and new friends get together for dinner, creative projects, games, outings, and more!

Drop-in Mondays, 3:00-8:00 pm

### TNT (Teens in Transition)

Older teens to young adults.

Positive support and helpful information addressing issues specific to each individual's circumstances.

Drop-ins welcome, or call for more information.

### Youth Zumba

Ages 13-18

Bring your friends, or join others for a high-energy workout packed with lots of fun, laughter, new dance moves, and loud music! Instructor lead.

Thursdays, 5:15 - 6:15 pm

Call or drop in to register.

### Grad Wear

For only \$5.00, graduates receive formal clothing and accessories. Gowns & suits are gently used.

Please call for your private shopping appointment.

### After School Education Assistance Ages 11-18

Tutoring in Math and/or English.

Mon/Tues/Wed/Thurs

3:30-4:30 pm or 4:30-5:30 pm

Call ext. 242 to register.

### St. John Ambulance

Baby-Sitting Course

Ages 11-15

St John Ambulance instructor teaches childcare, basic first-aid, and emergency practices. Certificate upon completion.

October 19, 2012 9:00 am-3:30 pm

February 1, 2013 9:00 am-3:30 pm

May 3, 2013 9:00 am-3:30 pm

Call ext. 237 to register.

## ADULTS

### Belly Dancing

All levels welcome. Donations are gratefully accepted.

Drop-in Wednesdays, 6:00-7:30 pm

Call ext. 242 for child-minding availability.

### Hatha Yoga

A gentle approach suitable for beginners and seniors. Donations are gratefully accepted.

Drop-in Mondays,

9:00-10:15 am & 10:30-11:45 am

Call ext. 242 for child-minding availability.

### Income Tax Returns

Assistance with the preparation of basic income tax returns for low-income individuals.

Call ext. 229 for an appointment.



**DECEMBER 3, 2012**  
**REGULAR MEETING OF COUNCIL**

**11. REPORTS**

e) **Director of Administrative Services - Permissive Taxation Exemptions**

12-361 Powell-Davidson - Greir  
THAT the report from the Director of Administrative Services dated November 22, 2012 entitled "Permissive Tax Exemption Criteria" be received; AND THAT the staff report be referred to the Council Advisory Committee for review and recommendation(s) to Council for establishing a new permissive tax exemption policy, criteria and application process. CARRIED.

DEC 03 2012

**REPORT TO COUNCIL**

November 22, 2012

**REPORT TO:** F. C. MANSON, CHIEF ADMINISTRATIVE OFFICER  
**FROM:** D. R. COMIS, DIRECTOR OF ADMINISTRATIVE SERVICES  
**SUBJECT:** PERMISSIVE TAX EXEMPTION CRITERIA

**ISSUE:**

To outline criteria for consideration of permissive tax exemption applications.

**EXECUTIVE SUMMARY:**

At the Town Hall Council meeting held on November 19, 2012 Council adopted a resolution directing staff to develop a comprehensive permissive taxation exemption policy, including a demonstration of financial need for Council's consideration. This report is prepared in response to that resolution.

**REFERENCE:**

Resolution No. 12-342, November 19, 2012, Town Hall Council Meeting.  
Report of the Director of Administrative Services regarding Permissive Tax Exemptions.

**BACKGROUND:**

At the November 19, 2012 Town Hall Council meeting, Council received a report from the Director of Administrative Services providing information on the City's current permissive tax exemption policy, permissive tax exemption programs in other municipalities and the legal requirements for granting permissive tax exemptions.

Arising from consideration of the staff report Council adopted the following resolution:

*"THAT the report from the Director of Administrative Services dated November 1, 2012 entitled "Permissive Taxation Exemptions" be received;  
AND THAT staff be directed to develop a comprehensive permissive taxation exemption policy that includes a demonstration of financial need for evaluating applications for permissive tax exemption based on the City of Victoria's permissive taxation exemption program, with the exception that organization's services not be restricted to residents, for Council's consideration."*

The purpose of this report is to outline proposed criteria for use in submitting and evaluating applications for permissive tax exemptions.

## PROPOSED POLICY

### Purpose

Pursuant to Section 224 of the *Community Charter*, the purpose of this policy is to provide guidelines to Council for evaluation of applications for permissive exemptions from property taxation.

### Policy Statement

Section 224 of the *Community Charter* grants Council authority to provide permissive tax exemptions for land and improvements, used by a variety of not-for-profit organizations providing services which Council considers to enhance the quality of life while delivering services economically to the citizens of Parksville (primarily) and the Oceanside region (secondarily) including:

Not-for-Profit; Local Government; Place of Worship; Seniors Homes; Hospitals; Private Schools; and Public Park/Recreation/Athletic facilities.

The legislation also provides for permissive tax exemptions for some properties which are in addition to statutory exemptions under Section 220 of the *Community Charter*, such as church halls or land surrounding places of public worship and private schools.

Exemptions are provided at the discretion of Council and there is no obligation on the part of Council to grant an exemption. Council may, at its discretion, reject any or all applications in any given year.

Exemptions can only be provided to those organizations who qualify under the *Community Charter*.

Each application will be evaluated on its own merit and in accordance with the criteria herein established.

Exemptions are provided based on the principal use of the property, not on the charitable service of the organization as a whole.

The exemption may apply to the whole or part of the taxable assessed value of the land or improvements or both at the discretion of Council. Council may, at its discretion, award a partial exemption.

Exemptions are provided on an annual basis unless Council, by bylaw, establishes a longer term. In accordance with legislation, the maximum term is 10 years.

All annual exemptions must be renewed by application on an approved form (as may be amended from time to time) by the deadline herein established and must be accompanied by:



1. Copy of last Registered Charity Information Return or Non-Profit Organization Information Return submitted to the CCRA;
2. Copy of most current Audited Financial Statements;
3. Financial Budget (pro-forma Balance Sheet and Income Statement) for the current 12 months;
4. Copy of Lease Agreement if applicable;
5. A statement to justify the need for the services, the benefit provided to the community and statistical or other quantifiable measure demonstrating use and effectiveness of the services provided.

Exemptions are not automatically renewed and must not be assumed even if received in a previous year.

Applications and supporting documentation must be received by 4:00 pm on June 30<sup>th</sup> of each year. Applications received after the deadline or applications which do not include all required information may not be considered.

Applicants may be required to present their application at an open Council meeting.

The permissive tax exemption program is separate and does not form part of the City's overall grants-in-aid program.

All recipients of tax exemptions from the City of Parksville may be required to publicly acknowledge the exemption.

Public notice of proposed permissive tax exemptions will be provided in accordance with Sections 94 and 227 of the *Community Charter*.

#### Evaluation Guidelines

The purpose of the evaluation guidelines is to identify the services and organizations which are the most complementary extensions of municipal services and for which the reduced revenue resulting from the exemption is a justifiable cost to the community. Support should be directed towards services the City would consider providing given adequate resources including:

- Recreational facilities for public use;
- Public recreation programs;
- Programs and/or facilities for use by youth, seniors or other special needs groups;
- Preserves heritage important to the community character;
- Preserves an environmentally and 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.

Services and activities should be equally available primarily to all Parksville and secondarily to all Oceanside residents.

An organization must demonstrate financial need for the exemption as well as financial responsibility and accountability. Financial need would be demonstrated by showing how the lack of tax exemption would seriously impair services to the community or impose significant hardship on users of the facilities.

The organization must provide sources of ongoing revenue funding and demonstrate a willing and purposeful effort toward financial independence.

The organization may be required to show evidence of an ongoing and active use of volunteers.

Only the portion of the property used for non-profit activities will be considered for exemption. Commercial activities will be excluded.

Non-profit organizations conducting retail and/or commercial activity and charging rates or fees at or below market value and are considered to be in competition with for-profit businesses and as such are not eligible for permissive tax exemption.

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.

### Administration

The Permissive Tax Exemption program will be administered jointly by the Administration Department and the Finance Department.

The Director of Administrative Services will provide public notice in a local newspaper and on the City's website, inviting applications, at least two months prior to the application deadline.

Applications must be submitted to the Director of Administrative Services, using the prescribed application form, by 4:00 pm on June 30<sup>th</sup> of each year. The Director of Administrative Services will review the applications for completeness and arrange contact with the applicants for additional information as necessary.

Parksville City Council shall consider each tax exemption request annually on its own merits, using this policy and guidelines, as well as considering information regarding the impact on the annual budget as provided by the Director of Finance.

The Director of Administrative Services will prepare a summary report of applications and the appropriate bylaw for presentation to Council and adoption prior to October 31<sup>st</sup> of each year.

In accordance with Sections 94 and 227 of the *Community Charter*, a public notice will be placed in the local newspaper providing details of the proposed bylaw.

A copy of the adopted bylaw shall be forwarded to each exemption recipient and to the BC Assessment Authority area office.

**OPTIONS:**

1. THAT Council receive and refer the staff report to the Council Advisory Committee for review and recommendations to Council for establishing a new permissive tax exemption policy and application process.
2. THAT Council receive the staff report, amend the proposed policy and criteria contained therein and refer the amended report to the Council Advisory Committee for review and recommendations to Council for establishing a new permissive tax exemption policy and application process.
3. Direct staff to take alternative action.

**ANALYSIS:**

The proposed permissive tax exemption policy and criteria as set out in this report, is designed to provide a foundation for a more detailed evaluation of permissive tax exemption applications. The policy as proposed places more emphasis on the financial resources of organizations, their role within the community, services provided and the number of citizens who benefit from those services.

It is recognized by all parties that the only real source of revenue for local governments is property taxes. By granting permissive tax exemptions, Councils are reducing local governments' available revenue. However, there is a balance to be achieved; reduced property tax revenue versus the provision of enhanced services which help to create a vibrant, healthy community.

In order to achieve this balance Council may determine, at its discretion, a percentage exemption based on various classes of services. For example Council, at its discretion, may establish a 50% exemption for athletic services, while providing a 100% exemption for seniors housing. Or, Council may choose to establish a dollar value cap for permissive tax exemptions.

With respect to a dollar value cap, Council may choose to set an annual cap of \$250,000 for exemptions. Based on applications received, Council may choose to allocate different percentages for different uses or grant every applicant the same percentage based on the availability of funds.

If Council were to set a financial limit on applications and all applications totaled a value within that financial cap, then every applicant could receive a 100% exemption; however if the allocation was oversubscribed then Council would be required to prioritize the applications and provide an exemption based on those priorities.

Therefore, in addition to the criteria as set out in the report, a determination must also be made whether or not to:

- Create a financial limit on the value of permissive tax exemptions in any given year.
- Prioritize services with respect to the percentage of permissive tax exemption to be awarded.
- Or, alternatively determine a percentage of permissive tax exemption based on the classification of services provided i.e. athletics, seniors housing, social support services, organizations partnering with the City to provide services, etc.
- Or, evaluate applications annually and award permissive tax exemptions based on need and affordability in accordance with current circumstances.

**SUSTAINABILITY IMPLICATIONS / ENVIRONMENTAL IMPLICATIONS:**

There are no sustainability or environmental implications to this report.

**FINANCIAL:**

The financial implications of this report arise from the revenue lost through the permissive tax exemption program (\$245,000 in 2012) and the cost of staff and resources to administer the program.

**RECOMMENDATION:**

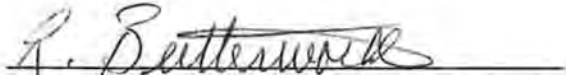
THAT the report from the Director of Administrative Services dated November 22, 2012 entitled "Permissive Tax Exemption Criteria" be received;  
AND THAT the staff report be referred to the Council Advisory Committee for review and recommendation(s) to Council for establishing a new permissive tax exemption policy, criteria and application process.

Respectfully submitted,



D. R. COMIS  
Director of Administrative Services

**OTHER DEPARTMENT COMMENTS:**



L. BUTTERWORTH  
Director of Finance

**CHIEF ADMINISTRATIVE OFFICER COMMENTS:**



F. C. MANSON, CGA  
Chief Administrative Officer

**NOVEMBER 19, 2012**  
**TOWN HALL COUNCIL MEETING**

**3. REPORTS**

a) **Director of Administrative Services - Permissive Taxation Exemptions**

Lefebvre - Powell

12-342

THAT the report from the Director of Administrative Services dated November 1, 2012 entitled "Permissive Taxation Exemptions" be received;  
AND THAT staff be directed to develop a comprehensive permissive taxation exemption policy that includes a demonstration of financial need for evaluating applications for permissive tax exemption based on the City of Victoria's permissive taxation exemption program, with the exception that organization's services not be restricted to residents, for Council's consideration. CARRIED.



**REPORT TO COUNCIL**

November 1, 2012

**REPORT TO:** F. C. MANSON, CHIEF ADMINISTRATIVE OFFICER  
**FROM:** D. R. COMIS, DIRECTOR OF ADMINISTRATIVE SERVICES  
**SUBJECT:** PERMISSIVE TAX EXEMPTIONS

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**ISSUE:**

To provide Council with information regarding Permissive Tax Exemptions including options for consideration in new or revised policy development.

**EXECUTIVE SUMMARY:**

As part of the 2013 annual budget discussions, Council requested that staff provide a report outlining the current Permissive Tax Exemption policy for the City and provide an examination of issues such as whether or not the City should continue to provide permissive tax exemptions, place a limit on exemptions including value and time frame, or implement a graduated reduction with a view to phasing out exemptions over time.

**REFERENCE:**

- Permissive Tax Exemption Applications Policy No. 6.15, September 8, 2004 (attached)
- Community Charter Act of BC, Part 7, Division 7 - Permissive Exemptions, Section 224
- Excerpt from City of Parksville Strategic Plan
- Spreadsheet of current Permissive Tax Exemptions
- City of Victoria "Permissive Property Tax Exemptions Policy"

**BACKGROUND:**

The City of Parksville Strategic Plan includes support for community groups in the following clause:

- **"Volunteerism** - Volunteers will be acknowledged and supported to enhance the sense of community and quality of life for all in the City.
  - Continue to:
    - Provide grants to community groups for events and projects in the City."

In accordance with this objective past Councils have, for many years, provided permissive tax exemptions to community organizations that meet the requirements of the (previous) *Local Government Act* and (current) *Community Charter Act* and who make application for the exemption in accordance with adopted Council policy.

These exemptions fall into the following general categories:

- Not For Profit
- Local Government
- Place of Worship
- Seniors Homes
- Hospitals
- Private Schools
- Public Park/Recreation/Athletic

In the City of Parksville, as Council will see from the attached spreadsheet, the majority of permissive tax exemptions fall into the Not-For-Profit category, followed by Place of Worship, Public Park/Recreation/Athletic and Seniors Homes.

In 2012, for the 2013 taxation year, Council approved 23 applications totaling \$245,000.00; the gross tax benefit to these organizations is estimated at \$465,000. The Council approved exemption is approximately 2.5% of the City's annual budget.

To apply for an exemption, organizations currently fill out a two-page form, but are not required to submit any supporting financial documentation to accompany the application. In contrast, organizations applying for a grant-in-aid must provide a full set of financial statements along with their application.

A survey of several local governments on Vancouver Island and the mainland has determined that while not all municipalities are wrestling with this subject, others, especially larger municipalities are very concerned about the long term budget challenges of continuing to provide exemptions.

In 2011, the City of Victoria adopted a new permissive property tax exemption policy "to provide guidance in the evaluation of applications for exemption from property taxes....."

Some highlights of the Victoria policy, which differ from the City of Parksville policy, include:

- Exemptions are based on the principal use of the property, not on the charitable service of the organization as a whole.
- All annual exemptions must be renewed by application on an approved form including a copy of the organization's most recent financial statements. Exemption must not be assumed, even if obtained in a prior year.
- A tax exemption is similar in effect to a cash grant and therefore forms part of the overall City grants program, subject to annual budget considerations.



- All recipients of tax exemptions from the City of Victoria are required to publicly acknowledge the exemption.

Under Victoria's General Evaluation Guidelines, some areas of interest include:

- The intent of these evaluation categories and guidelines is to identify the services and organizations which are the most complementary extensions of municipal services and for which the burden resulting from the exemption is a justifiable expense to the taxpayers of Victoria. Support should be directed towards services the City would consider providing given adequate resources.
- The organization must justify the need for the services and may be required to make a presentation to Council.
- Services must be offered primarily to citizens of the City of Victoria. Where the stated purpose or client group is clearly regional, the City may accept a share, rather than all, of the burden of a tax exemption. The share would normally be 50% for the CRD and 25% for Vancouver Island or Province of BC.
- A tax exemption may only be granted where an organization can show a financial need for the exemption, as well as financial responsibility and accountability. Financial need would involve showing that the lack of tax exemption would seriously impair services to the community or impose significant hardship on users of the facilities. Accountability may involve measurement of the effectiveness of the services provided.
- The organization must be seen to be working towards self-sufficiency by seeking funding from other sources.
- The organization may be required to show evidence of ongoing, active volunteer involvement.

In addition, the City of Victoria established evaluation categories which designate the percentage of exemption available to a particular type of organization.

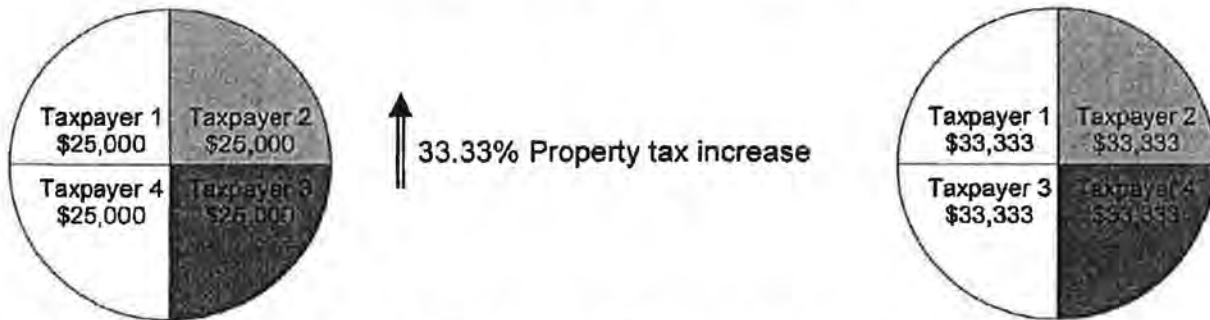
For example, special needs and supportive housing; short term emergency or crisis protection for members of the community and other such organizations would receive a 100% exemption, but athletic or recreational facilities providing space and equipment for the physical and mental enjoyment of the participants would receive a 50% exemption.

While the overall cost seems high to local governments, permissive tax exemptions are one way to provide double the benefit to an organization. While Council is granting an exemption from the municipal tax rate, this also triggers an exemption from the other taxing jurisdictions (school, RDN, BC Assessment Authority) which essentially doubles their exemption. As a result, permissive tax exemptions have a very high value for the recipients and the loss of those exemptions triggers a larger financial expenditure for the organization than just the municipal portion of the tax bill.

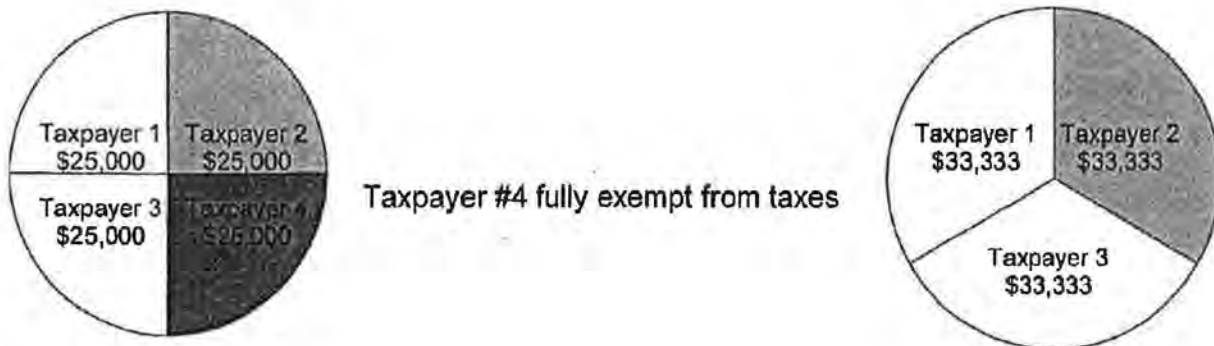
Evaluation of the permissive tax exemption program must examine both the impact on tax payers through the annual tax rates and the impact of partial or full tax loads on the ability of organizations to continue to function.

The following graphic, provided by Revenue Manager Christopher Paine, City of Victoria, illustrates the impact on taxpayers:

Imagine, for example that you have four tax payers who each pay an equal part of property taxes. In this example, the City's property tax budget is \$100,000. Each taxpayer pays \$25,000. If the City property tax budget increases 33%, each taxpayer now pays \$33,333 ( $\$25,000 \times 1.33$ ).



Now imagine that the City does not increase the property tax budget, but instead exempts one taxpayer. Now the \$100,000 tax budget needs to be split between three taxpayers. This has the same impact of a 33% tax increase because the three taxpayers now need to pay a greater share of the total taxes ( $\$100,000/3 = \$33,333$ ).



In contrast to the impact on tax payers, it is important to also consider the value provided to the community by these organizations in terms of quality of life and social support. If cancelling the permissive tax exemption is fatal to an organization's existence, is the impact on the community such that the City would then be placed in the position of having to provide these services via alternate means. If so, is the cost of providing the service more or less than the cost of the permissive tax exemption.

**OPTIONS:**

1. Eliminate permissive tax exemptions completely.
2. Develop a comprehensive policy, including demonstration of financial need for evaluating applications for permissive tax exemption based on criteria to be determined by Council considering the information provided in this report.

3. Develop a comprehensive policy as set out in Option 2 and based on 2013 approved applications, establish a dollar value or percentage of tax revenue cap for permissive tax exemptions. If permissive exemption applications exceed the cap, reduce all exemptions proportionately to accommodate new applicants.

### **ANALYSIS:**

As previously stated, a permissive tax exemption program is an optional program available for implementation by municipal Councils as they so choose. In essence, the manner in which these programs are utilized or not by a municipality is a political decision and as such staff are not making a recommendation for a particular course of action, but are providing information outlining options for the consideration of Council.

An important component in Council's deliberations regarding which option to choose is to decide what is to be achieved by the program. What is the goal to be achieved through providing permissive tax exemptions; is it to promote or provide social, cultural, health and wellness services, seniors' services or community services? If so, are there alternatives to the current service provision models that would be more economically viable for the community?

If Council applied the seven budget categories to the applications for permissive tax exemption, as is done to the annual budget, the majority of applications will fall into Category 7, Community and Social Welfare; as the lowest level of Council priorities, should that have an impact on the level of exemptions to be provided?

Other criteria for consideration include;

1. The overall financial impact of withdrawing or lowering the exemptions on these organizations - withdrawal of municipal exemptions means withdrawal of other tax exemptions thereby doubling the impact.
2. Is it more beneficial for Council to provide the permissive tax exemption and contribute to the continued operation of the organizations, rather than either have the City provide the services or have the community do without the services?
3. Should those organizations having a commercial component that is in competition with other local businesses pay property taxes on that portion of their operation?

*For example, the City of Kelowna policy reads "non-profit organizations conducting retail and/or commercial activity and charging rates or fees at market value are considered to be in competition with for-profit businesses and will not be eligible for tax exemption."*

4. Council establish a cap, either dollar value or budget percentage, for total exemptions and evaluate applications based on that cap. For example, in a given year if applications total 100% of funds allocated, then each applicant receives 100% of their request; however, if applications exceed allocated funds by 10% then each

applicant will receive a lower exemption, spread equally across all applications, until the exemptions equal the funds allocated.

5. Eliminate exemptions for services that are a provincial or federal responsibility such as social housing, schools, private hospitals or social programming.
6. The City currently grants exemptions for privately owned properties that lease space to qualifying organizations; Council may choose to eliminate these exemptions unless a qualifying organization is on title.

*(In theory, savings from this type of exemption are to be passed onto the tenant through lower lease costs, therefore eliminating these types of exemptions may result in increased lease costs to the tenant organizations).*

7. Ensure all applicants are required to provide current financial statements, operating budgets, revenue sources, evidence of a clear mandate and competent management and a statement outlining their service area and local community benefits.

**SUSTAINABILITY IMPLICATIONS / ENVIRONMENTAL IMPLICATIONS:**

There is no sustainability or environmental implications with respect to this report.

**FINANCIAL:**

There are substantive financial implications to permissive tax exemption programs as a whole. In the 2013 tax year the impact on the City's budget is a revenue reduction of \$245,000.00. Future budgetary impacts are likely to be higher, depending upon property assessments and the City's tax rate.

**RECOMMENDATION:**

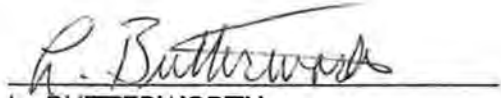
THAT the report from the Director of Administrative Services dated November 1, 2012 entitled "Permissive Tax Exemptions" be received;  
AND THAT staff be advised of Council's preferred option from among the options laid out in the Director of Administrative Services' November 1, 2012 report;  
AND FURTHER THAT staff be directed to implement the option of Council's choice for managing the Permissive Tax Exemption program.

Respectfully submitted,



D. R. COMIS  
Director of Administrative Services

**OTHER DEPARTMENT COMMENTS:**



L. BUTTERWORTH  
Director of Finance

**CHIEF ADMINISTRATIVE OFFICER COMMENTS:**



F. C. MANSON, CGA  
Chief Administrative Officer

# CITY OF PARKSVILLE

## POLICY

SUBJECT: <b><i>Permissive Taxation Exemption Applications</i></b>	POLICY NO: 6.15 RESO. NO: 04-285 CROSS REF:
EFFECTIVE DATE: September 8, 2004	APPROVED BY: Council
REVISION DATE:	RESO. NO: CROSS REF: PAGE 1 OF 3

### PURPOSE

Under the *Community Charter*, a permissive taxation exemption is a means for the City 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 the identification of organizations meeting those objectives and provides a consistent means of recommending permissive taxation exemptions.

### POLICY

#### 1. Eligibility Criteria

A permissive taxation exemption must meet the applicable criteria contained in Sections 224 to 227 of the *Community Charter* in order to be considered. The onus is on each organization to demonstrate how they clearly meet the following eligibility criteria:

a) The subject property must be one of:

- Land and/or improvements owned; or
- Land and/or improvements ancillary to a statutory exemption under s. 220 of the *Community Charter*.

b) Nature of organization must be:

- non-profit organization.
- charitable/philanthropic organization.
- athletic or service club/association.
- care facility/licenced private hospital.

- partner of the municipality by agreement under s. 225 of the *Community Charter*.
  - other local authority.
  - organizations eligible to s. 220 statutory exemption [e.g. place of public worship, cemetery, seniors homes, hospitals, etc.].
- c) The organization's use of the land/improvements must benefit the community in one or more of the following ways:
- 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.
  - preserves heritage important to the community character.
  - preserves an environmentally and 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.

## 2. Extent and Penalties

- a) Council may designate only a portion of the land/improvements as exempted where the following circumstances exist:
- a portion of the land/improvements is used by the private sector and/or organizations not meeting Council's exemption criteria.
  - the applicant already receives a grant-in-aid from the municipality.
- b) Council may impose penalties on an exempted organization for knowingly breaching conditions of exemption, including but not limited to:
- revoking exemption with notice.
  - disqualifying any future application for exemption for a specific time period.
  - requiring repayment of monies equal to the foregone tax revenue.

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3. Limitations

- a) there will be no exemption or reduction to utility fees and charges for taxation exempt properties, including but not limited to fees, charges and parcel taxes for water, sewer and garbage;
- b) where a property's taxation exemption is restricted to a defined portion of a property, the balance of the property will not receive taxation exemption;
- c) partial exemptions by Council will be considered.

4. Process

- a) Council will consider applications for permissive taxation exemption annually. The opportunity to apply will be advertised twice in a local newspaper, posted on the City website and letters mailed to taxation exemption recipients designated in the preceding tax year.
- b) Applications must be submitted to the Director of Administrative Services, using the prescribed application form [which may be amended from time to time as deemed necessary], before the last Friday in August of each year to be considered for a tax exemption in the following year. The Director of Administrative Services will review the applications for completeness and arrange contact with the applicants for additional information as necessary.
- c) The Director of Administrative Services will prepare a report to Council based on the background information provided and arrange for delegations to Council by applicants only if deemed necessary.
- d) All permissive taxation exemptions eligible under the *Community Charter* must be adopted, by bylaw, on or before October 31<sup>st</sup> in any year. Notice of the proposed exemptions must be given in accordance with Section 227 of the *Community Charter* prior to adoption of the bylaw. A copy of the adopted bylaw shall be forwarded to each exemption recipient and to the BC Assessment Authority area office for processing of the taxation exemptions.

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## PERMISSIVE TAXATION EXEMPTION APPLICATION

Pursuant to Section 224 of the *Community Charter* [see 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]

\_\_\_\_\_ BC, Telephone No. \_\_\_\_\_ or \_\_\_\_\_  
City [Phone] [Fax]

\_\_\_\_\_  
[Legal description of the property]

I declare that I have full knowledge of the facts hereinafter deposed with respect to the following 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.

\_\_\_\_\_  
\_\_\_\_\_

-2-

7. CHURCHES ONLY complete this section:

- (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.

8. The exemption claimed under Section 224 is pursuant to subsection (2), clause [\_\_\_\_\_] [Please supply the relevant clause designation from Section 224(2)]

SUBMITTED BY: \_\_\_\_\_  
 [Print Name]

<b>SIGNATURE</b>  _____	<b>DATE</b>  _____
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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 for Permissive Taxation Exemption must be received by the last Friday in August in the year prior to the taxation year for which exemption is requested in order to be included in the annual Permissive Taxation Exemption Bylaw.

- i.e. **An application for Permissive Taxation Exemption for the year 2006 must be received by 4:00 p.m. on Friday, August 26, 2005.**

**SUBMIT TO:**

Administration Department  
 City of Parksville  
 100 Jensen Avenue East, PO Box 1390  
 Parksville, BC, V9P 2H3  
 Telephone: 954-4664 Fax: 248-6650

OFFICE USE ONLY	Folio No.	2006	2005	2004	2003	2002	2001
Previous Approvals							

**NOTE**  
**INCOMPLETE APPLICATIONS WILL NOT BE FORWARDED FOR CONSIDERATION**

## 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) (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*], (j) [*hospitals*] or (l) [*private schools*], any area of land surrounding the exempt building;
  - (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 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) and (h).
  - (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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**General authority for permissive exemptions**

- 224.(1)A council may, by bylaw in accordance with this section, exempt land or improvements, 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,
    - (ii) the council considers are used for a purpose that is directly related to the purpose 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 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 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 necessary to land or improvements so used or occupied;
  - (h)in relation to property that is exempt under section 220 (1) (i) [*seniors' homes*], (j) [*hospitals*] or (l) [*private schools*], any area of land surrounding the exempt building;
  - (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, 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.

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- (5) Subsection (4) (a) and (b) does not apply in relation to exemptions under subsection (2) and (h).
- (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 British Columbia Assessment Authority.
- (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.

2003-26-224; 2003-52-42(a); 2004-67-2; 2007-13-52 (B.C. Reg. 292/2007).



## CITY OF VICTORIA POLICY

Amended February 2011

Approved by: Council Feb 24, 2011

### **PERMISSIVE PROPERTY TAX EXEMPTIONS POLICY**

**Purpose of Policy:** *This policy is intended to provide guidance in the evaluation of applications for exemption from property taxes pursuant to Section 224 of the Community Charter.*

#### **1. POLICY STATEMENT**

- 1.01 Section 220 of the Community Charter provides for statutory tax exemption 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 the building and the land beneath the building – the land surrounding the building and land or ancillary buildings attached to the place of worship, may be given a permissive exemption by Council.  
Section 224 provides for permissive tax exemptions for properties used by a variety of non-profit organizations providing services which Council considers directly related to the purposes 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.
- 1.02 The Community Charter permits exemption from municipal taxes. Similar provisions in other taxing authority legislation extend the exemption to those levies.
- 1.03 Exemptions provided for in Section 224 are at the discretion of Council. There is no obligation to give the exemption.
- 1.04 Exemptions cannot be granted if the organization does not qualify under the Community Charter.
- 1.05 Each application will be considered on its own merits using the guidelines.
- 1.06 Exemptions are based on the principal use of the property, not on the charitable service of the organization as a whole.
- 1.07 The exemption may apply to the whole or part of the taxable assessed value of land, improvements or both, following the criteria set out in Section 2.4 and 4 or at the discretion of Council.
- 1.08 Tax exemptions under section 224 will be considered on an annual basis, unless a bylaw specifies a longer term. That term cannot exceed 10 years under section 224(4a). All annual exemptions must be renewed by application on an approved form, including a copy of the organization's most recent financial statements. Exemption must not be assumed, even if obtained in a prior year.
- 1.09 Applications must be received by May 31st each year for the following year. Applications received after the deadline or applications which do not include all required information may not be considered.
- 1.10 A tax exemption is similar in effect to a cash grant, and therefore forms part of the overall City grants program, subject to annual budget considerations.



## CITY OF VICTORIA POLICY

- 1.11 All recipients of tax exemptions from the City of Victoria are required to publicly acknowledge the exemption.
- 1.12 Section 227 of the Community Charter requires Council to give public notice of proposed exemptions.

### 2. GENERAL EVALUATION GUIDELINES

- 2.1 The intent of these evaluation categories and guidelines is to identify the services and organizations which are the most complementary extensions of municipal services, and for which the burden resulting from the exemption is a justifiable expense to the taxpayers of Victoria. Support should be directed towards services the City would consider providing given adequate resources.
- 2.2 The organization must justify the need for the services and may be required to make a presentation to Council.
- 2.3 The use of the property must be consistent with and in support of all applicable municipal policies and legislation.
- 2.4 Services must be offered primarily to citizens of the City of Victoria. Where the stated purpose or client group is clearly regional, the City may accept a share, rather than all, of the burden of a tax exemption. This share would normally be 50% for the CRD and 25% for Vancouver Island or Province of BC.
- 2.5 Services and activities should be equally available to all residents of the City.
- 2.6 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.
- 2.7 A tax exemption may only be granted where an organization can show a financial need for the exemption, as well as financial responsibility and accountability. Financial need would involve showing that the lack of tax exemption would seriously impair services to the community or impose significant hardship on users of the facilities. Accountability may involve measurement of the effectiveness of the services provided.
- 2.8 The organization must be seen to be working towards self-sufficiency by seeking funding from other sources.
- 2.9 The facility for which the tax exemption is sought must be operated by a charitable, philanthropic, or other not for profit society or organization.
- 2.10 The organization may be required to show evidence of ongoing, active volunteer involvement.
- 2.11 Only that part of the property used for non-profit activities will be considered for exemption. Commercial activities will be excluded. For clarity, society administration is considered part of the non-profit's program delivery.
- 2.12 Exemptions will not be granted for land held for future development or land greater than normally required for offstreet parking, buffer zones or to make a reasonably shaped parcel.
- 2.13 It is required that the organization is on title as owner of the property and responsible for payment of the property taxes.

### 3. RESPONSIBILITIES

- 3.01 City Council shall:
  - a) Approve this policy and any amendments thereto.





## CITY OF VICTORIA POLICY

- b) Consider each tax exemption request annually on its own merits, using this policy and enclosed guidelines, as well as considering other support provided by the City to the organization.
- 3.02 Finance Department shall:
- a) Ensure the implementation of the policy.
  - b) Serve as the City contact for receipt of all permissive tax exemption applications.
  - c) Review individual applications for tax exemption and make recommendations to Council.

### 4. EVALUATION CATEGORIES

- 4.01 Special needs and supportive housing: 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 - 100% exemption
- 4.02 Social services: 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 - 100% exemption
- 4.03 Arts and Cultural facilities: preparation and delivery of artistic and cultural events or exhibits to the public – 100% exemption
- 4.04 Educational facilities – 50% exemption for K to G12 schools receiving statutory exemption.
- 4.05 Athletic or recreational facilities: provide space and equipment for the physical and mental enjoyment of the participants – 50% exemption
- 4.06 Other – various – includes:
  - a) Facilities for public worship occupied by a religious organization as a tenant – 100% exemption
  - b) Land surrounding places for public worship; church halls and land surrounding them or other property attached and deemed necessary.- various

### 5. IMPLEMENTATION

- 5.01 These guidelines will be applied to all applications for permissive property tax exemptions for 2005 and subsequent tax years.
- 5.02 Affordable Rental Housing: Specific projects reviewed at Council, Mar 25,2010, will be considered for exemption upon completion. The exemptions will be for a period not to exceed 10 years in length.

City of Parksville

**Tax Exemption Requests (Section 224)**

Roll		Class	Assessed Value <sup>1</sup>	Estimated		Estimated		
				2013 Gross Taxes	2013 Municipal Portion <sup>2</sup>	2014 Municipal Portion <sup>2</sup>	2015 Municipal Portion <sup>2</sup>	2016 Municipal Portion <sup>2</sup>
<b>NOT FOR PROFIT</b>								
77016	Oceanside Cadet Youth Society	6	85,800	1,951.94	962.23	991.10	1,020.83	1,051.46
366903	Oceanside Community Arts Council and Parksville and District Association for Community Living	6	600,000	13,649.94	6,728.90	6,930.77	7,138.69	7,352.86
650000	Island Corridor Foundation	2	55,600	2,571.87	1,231.97	1,268.93	1,306.99	1,346.20
670040	Parksville and District Historical Society	6	493,000	11,215.70	5,528.92	5,694.78	5,865.63	6,041.60
670041	Parksville and District Chamber of Commerce	6	259,300	5,899.05	2,908.01	2,995.25	3,085.11	3,177.66
10801002	Island Corridor Foundation	6	12,500	284.37	140.19	144.39	148.72	153.18
19458051	Island Corridor Foundation	2	42,900	1,984.41	950.56	979.08	1,008.45	1,038.71
19458052	Island Corridor Foundation	2	112,700	5,213.13	2,497.17	2,572.08	2,649.25	2,728.72
19458053	Island Corridor Foundation	2	33,700	1,558.85	746.71	769.11	792.19	815.95
204000	Forward House Community Society	1	279,000	2,283.47	1,173.79	1,209.01	1,245.28	1,282.63
214001	District 69 Society of Organized Services	6	1,136,000	25,843.88	12,740.06	13,122.26	13,515.93	13,921.41
218000	Governing Council of Salvation Army BC & Yukon Territory Division Headquarters	8	429,200	8,296.71	4,875.04	5,021.29	5,171.93	5,327.08
283000	Kingsley Low-Rental Housing Society	1	515,400	4,218.28	2,168.36	2,233.41	2,300.41	2,369.42
366901	District 69 Society of Organized Services	6	856,000	19,473.91	9,599.90	9,887.90	10,184.54	10,490.07
483100	Parkville and District Association for Community Living	6	255,100	5,803.50	2,860.91	2,946.73	3,035.13	3,126.19
180000	Parkville Seniors Activity and Drop In Centre Society	8	428,000	8,273.51	4,861.41	5,007.25	5,157.47	5,312.19
<b>SUBTOTAL</b>			<b>5,594,200</b>	<b>118,522.52</b>	<b>59,974.12</b>	<b>61,773.35</b>	<b>63,626.55</b>	<b>65,535.34</b>
<b>PLACE OF WORSHIP</b>								
366085	Our Saviour Lutheran Church	8	580,100	11,213.70	6,589.02	6,786.69	6,990.30	7,200.00
366365	Trustees Parksville Baptist Church	8	1,249,000	24,143.95	14,186.68	14,612.28	15,050.65	15,502.16
366665	Anglican Synod Diocese of BC	8	724,000	13,995.37	8,223.50	8,470.21	8,724.31	8,986.04
605801	Trustees Congregation of Knox United Church	8	1,210,000	23,390.06	13,743.70	14,156.01	14,580.69	15,018.11
217000	Mt. Arrowsmith(Pacific No. 49) Branch Royal Canadian	8	375,900	7,266.38	4,269.63	4,397.72	4,529.65	4,665.54
<b>SUBTOTAL</b>			<b>4,139,000</b>	<b>80,009.47</b>	<b>47,012.53</b>	<b>48,422.91</b>	<b>49,875.60</b>	<b>51,371.86</b>
<b>PUBLIC PARK/RECREATION/ATHLETIC</b>								
158001	Regional District of Nanaimo/Parksville Curling Club Society	6	693,000	15,765.68	7,771.88	8,005.04	8,245.19	8,492.55
		8	893,000	17,262.25	10,143.08	10,447.37	10,760.79	11,083.61
158500	The Nature Trust of B.C.	6	3,117,000	70,911.43	34,956.66	36,005.36	37,085.52	38,198.08
670080	Parkville, Qualicum Fish and Game Association	6	23,000	523.25	257.94	265.68	273.65	281.86
		8	505,000	9,761.97	5,736.01	5,908.09	6,085.33	6,267.89
125200	Parkville Lawn Bowling Club	6	169,000	3,844.73	1,895.31	1,952.17	2,010.73	2,071.05
		8	521,000	10,071.26	5,917.74	6,095.27	6,278.13	6,466.48
<b>SUBTOTAL</b>			<b>5,921,000</b>	<b>128,140.56</b>	<b>66,678.61</b>	<b>68,678.97</b>	<b>70,739.34</b>	<b>72,861.52</b>
<b>SENIORS HOMES</b>								
295011	Arrowsmith Rest Home Society	1	3,459,700	28,315.86	14,555.44	14,992.10	15,441.86	15,905.12
295012	Arrowsmith Rest Home Society	1	8,843,000	72,375.38	37,203.72	38,319.83	39,469.43	40,653.51
144011	Parkville Lions Senior Citizen Housing Society	1	4,658,900	38,130.69	19,600.64	20,188.65	20,794.31	21,418.14
<b>SUBTOTAL</b>			<b>16,961,600</b>	<b>138,821.93</b>	<b>71,359.79</b>	<b>73,500.59</b>	<b>75,705.60</b>	<b>77,976.77</b>
<b>TOTALS</b>			<b>32,615,800</b>	<b>465,494.47</b>	<b>245,025.06</b>	<b>252,375.81</b>	<b>259,947.09</b>	<b>267,745.50</b>

1. 2012 assessed value upon which a permissive exemption can be granted.