



Policy Manual

POLICY TITLE	Permissive Tax Exemption Policy		POLICY #	05-08-01
AUTHORITY:	Legislative	√	EFFECTIVE DATE:	2010-January-01
	Administrative		REVIEW DATE:	2014-January-01
Issued By:	Director of Administrative Services		APPROVED BY:	Council
Issued Date:	2009-MM-DD		Approved Date:	2009-MM-DD

Purpose

The District of Squamish may on a request-by-request basis, support voluntary non-profit organizations by exempting land or improvements, or both, from taxation under Section 224 of the Community Charter.

This policy is intended to provide guidance to Council in the processing of applications for exemption from property taxes. This is a means for Council to support organizations within the community.

The District of Squamish would like to provide consistent, equal treat treatment and consideration for all applicants. There is no obligation on the part of Council to grant exemptions.

Policy

1.0 Eligibility Criteria

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

1.1 Tax exemptions may be provided under this section for the following:

Policy Manual

PERMISSIVE TAX EXEMPTION POLICY Page 2 of 13

- Land and/or improvements that are owned or held by a charitable, philanthropic or other not for profit corporation, and
- Land and/or improvements that council considers used for a purpose that is directly related to the purpose of the corporation;
- Land and/or improvements ancillary to a statutory exemption under s.220 of the Community Charter.

1.2 Nature of the organization must be:

- Non-profit organization.
- Charitable/philanthropic organization
- Athletic or service club/association
- Care facility/licenced private hospital
- Other local authority
- Partner of the municipality by agreement under section 225 of the Community Charter
- Revitalization area under section 226 of the Community Charter

1.3 The organization's use of the land/improvements must benefit the community in one or more of the following ways:

- Provides programs to and/or facilities used by youth, seniors or other special needs groups.
- Provides recreational facilities for public use.
- Provides recreation programs to the public.
- Provides supportive housing for people with special needs.
- 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 promotes community spirit, cohesiveness and/or tolerance.
- Offers services to the public in formal partnership with the municipality.

2.0 Extent and Penalties

- ### 2.1 Council may consider to not give a grant-in-aid for organizations receiving a permissive exemption.

Policy Manual

PERMISSIVE TAX EXEMPTION POLICY Page 3 of 13

2.2 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.

3.0 Limitations

There will be no exemption or reduction to utility fees and charges for taxation exempt properties. Water, sewer, garbage and parcel taxes will be invoiced.

END OF POLICY

Responsibility Financial Services Department, Director of Financial Services,
Deputy Treasurer

Procedures

1. Council will consider application for permissive taxation exemption annually. The opportunity to apply will be advertised twice in a local newspaper, posted on the District website and letters mailed to taxation exemption recipients designated in the preceding tax year.
2. Applications (Schedule 1) must be submitted to the Director of Financial Services and/or Deputy Treasurer, 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 Financial Services and/or Deputy Treasurer will review the applications for completeness

Policy Manual

PERMISSIVE TAX EXEMPTION POLICY
Page 4 of 13

and arrange contact with the applicants for additional information as necessary.

3. The Director of Financial Services and/or Deputy Treasurer will prepare a report to Council based on the background information provided and arrange for delegations to Council by applicants only if deemed necessary.
4. All permissive taxation exemptions eligible under the Community Charter must be adopted, by bylaw, on or before October 31 in any given 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.

References

Permissive Tax Exemption Policy, draft template, Civic Info City of Parksville, The Township of Spallumcheen, City of Victoria, City of Prince George, District of Maple Ridge, The Corporation of Delta, City of Kamloops, and City of Nanaimo
Community Charter sections 220- 227

Distribution

Email to Council, Administrative Services, CAO,

Record of Amendments

Policy Date

Issue Date

Reviewed

Replaced

Reissued



APPLICATION FOR PERMISSIVE EXEMPTION

Schedule 1

- (1) Name of Society/Organization _____
Registered Owner Name (if different than above) _____
Address of Society/Organization: _____

Civic Address of Property _____
Property Tax Roll Number _____
Legal Description of Property _____
Mailing Address: _____
- (2) Contact Person (who may be able to provide additional information about this application)
Name _____
Title _____
Address _____
Email _____
Telephone Number _____ Fax Number _____
- (3) Organization Executives:
President/Chairperson _____
Vice President / Vice Chairperson _____
Treasurer _____
- (4) Purpose of Organization (provide a brief description of the major programs/services/benefits delivered by your organization and the main user groups)

- (5) Date of Incorporation: _____
- (6) Registered Society? Registration Number _____
- (7) Charitable Organization Number (if applicable) _____



APPLICATION FOR PERMISSIVE EXEMPTION

- (8) Number of years in operation: _____
- (9) What fees are charged for admission and/or membership?

- (10) List all licences held by the organization, (for example, licenses under the Community Care Facility Act, Hospital Act)

- (11) Does your organization own the property you are claiming exemption for?
Yes ___ No ___ if no, please provide a copy of your current lease agreement.
- (12) What is the principal use of the property? _____
- (13) Please prepare and attach an appropriate scale drawing showing the following:
a) Property boundaries and all dimensions;
b) Location and size of all buildings (if more than one building, number 1, 2, 3, etc.)
c) Location and size of all parking lots and capacity;
d) Location and size of all major landscaped areas; and
e) Location and size of undeveloped land.
- (14) For each building identified on your drawing, indicate the purpose and use(s) of the building:
- Building 1: _____

- Building 2: _____

- Building 3: _____

- Building 4: _____

- (15) Does anyone live in the building(s)? If yes
a) How many people? _____



APPLICATION FOR PERMISSIVE EXEMPTION

b) What is the square footage of the living area? _____

(16) Does your organization receive any income from rental or use of the building(s), parking lot(s), or other portions of the land(s)?

Yes _____ No _____

If “yes”, indicate the amount of annual income for each and the total revenue from this source:

<u>Income Source</u>	<u>Annual Income</u>	<u>Hours per Day or Days per Week</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Total income from all sources: _____

(17) How is your organization accessible to the public?

(18) How does your Society/Organization benefit the District of Squamish?

(19) Please demonstrate that Squamish residents use the your service/facilities and the organization’s regulation must allow Squamish residents to participate.



APPLICATION FOR PERMISSIVE EXEMPTION

- (20) a. The number of users of your service during the most recent fiscal year _____
 b. Of these users, specify the number of which are Squamish residents _____

- (21) Is the organization run by volunteers, paid staff or a combination?
 a. Please state the number of volunteers _____
 b. Please state the number of volunteer hours worked per year _____
 c. Please state the number of paid staff _____

(22) The exemption claimed under Section 224 is pursuant to subsection (2), clause [_____] [Please supply the relevant clause designation from Section 224 (2)]

(23) Please include a copy of:
 a. Your organizations financial statements for the most recent fiscal year (audited is preferred) if one is not available, please explain why: _____

b. Most recent registered charity information return (T3010) or non-profit society returns (T2 and 1044)

c. Budget for current taxation year

(24) Please indicate all funding sources for your organization.

(25) If your organization has received grants or tax exemptions in previous years from the District of Squamish, another municipality, other government or non-government organizations (i.e. Provincial Government, Federal Government, BC Housing) please provide the following information.

Year	Funding Agency	Type of Grant	Amount

(26) Does any of this funding include provision for property taxes? Yes ___ No ___



APPLICATION FOR PERMISSIVE EXEMPTION

(27) Provide information on pending applications for grants with municipalities, other government and non-government organizations.

Year	Funding Agency	Type of Grant	Amount

(28) Provide information on income from rental or use of building on the exempt property, or other portions of the land, for example meeting rooms and fields.

Source of income	Organization using facility	Income received per use	Annual Income

(29) Provide information on any other properties the organization owns and which provide revenue.

Property	Annual Income

(30) Please describe the **IMPACT** on your organization if a permissive tax exemption is not awarded (e.g. increase membership fees, eliminating programs, solicit funding from additional sources etc.).

I certify that the information provided in this application and supporting documentation is true and accurate.

Name: _____

Signature: _____

Position: _____

Date: _____



APPLICATION FOR PERMISSIVE EXEMPTION

Applications for Permissive Tax 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 2010 must be received by 4:00 p.m. on Friday, August 28, 2009.*

Freedom of Information And Protection of Privacy Act

The personal information collected on this form is done so pursuant to the Community Charter and/or the Local Government Act and in accordance with the Freedom of Information and Protection of Privacy Act. The personal information collected herein will be used only for the purpose of processing this application or request and for no other purpose. The District considers this information to be public and it will be considered at meetings of the public and is available for public inspection. Further information may be obtained by speaking with the District's Director of Administrative Services at 604.815.5006 or 37955 Second Avenue, Squamish, BC

Pg. 4 of 7 Information Sheet

Council of the District of Squamish is authorized by Section 224 of the Community Charter to grant a permissive exemption for the purposes of benefiting the community. (Attached)

Council has established priorities as follows:

- 1) Council goals/objectives in granting permissive tax exemptions. Subject to change.
- 2) Other areas authorized by statute.

APPLICATION PROCESS

- 1) Only non-profit organizations, meeting the requirement of Section 224 of the Community Charter are eligible to apply.
- 2) All applications should be filled in on the application form provided.
- 3) Financial assistance from other levels of government must be identified.
- 4) Reminders will be sent to non-profit organization's, which received tax exemptions in the previous year, two months prior to the submission date. I.e June 30 in the next year
- 5) All applications should be accompanied by:
 - a copy of your organizations financial statements for non-profit societies and
 - a copy of your organizations current year's budget.
 - a copy of your registered charity return or non profit society return
 - and other documentation as required
- 6) District of Squamish will place "Permissive Tax Exemptions" advertisements in the local newspapers two months prior to the submission date.
- 7) Applications for Permissive Tax 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 2009 must be received by 4:00 p.m. on Friday, August 28, 2009.

APPLICATION REVIEW PROCESS

- 1) The Director of Financial Service and/or Deputy Treasure will receive, review and evaluate all applications to determine whether the applicant meets the criteria of Section 224 Community

APPLICATION FOR PERMISSIVE EXEMPTION

Charter.

- 2) A report to council, prior to adoption will indicate any Applicants who do not meet the criteria.
- 3) Applicants may be requested to attend a Council Meeting to discuss their application.
- 4) The Director of Financial Services and/or Deputy Treasurer will recommend to Council the extent of the tax exemption to be authorized by bylaw.
- 5) Final approval of applications will be confirmed by adoption of the Tax Exemption Bylaw on or before October 31 of each year.

Pg. 5 of 7

Community Charter 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

APPLICATION FOR PERMISSIVE EXEMPTION

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);

Pg. 6 of 7

Community Charter

Division 7 — Permissive Exemptions

- (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 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) 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.

Notice of permissive tax exemptions

- 227** (1) A council must give notice of a proposed bylaw under this Division in accordance with section 94 [public notice].
- (2) Subject to subsection (3), the notice under subsection (1) must
 - (a) identify the property that would be subject to the bylaw,
 - (b) describe the proposed exemption,
 - (c) state the number of years that the exemption may be provided, and

APPLICATION FOR PERMISSIVE EXEMPTION

- (d) provide an estimate of the amount of taxes that would be imposed on the property if it were not exempt, for the year in which the proposed bylaw is to take effect and the following 2 years.
- (3) In the case of a bylaw under section 226 (4) [revitalization tax exemption program bylaw], the notice under subsection (1) must
 - (a) identify the designated area for the program,
 - (b) describe the reasons for and the objectives of the program,
 - (c) describe how the proposed program is intended to accomplish the objectives, and
 - (d) state the maximum term of exemptions that may be provided under the program.