

	<b>Village of Sayward</b>	
	<b>Title: Permissive Property Tax Exemption Policy</b>	<b>Policy # 300-01</b>
	<b>Category: Finance</b>	

### 1.0 PURPOSE

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

Division 7 of Part 7 of the *Community Charter* provides for permissive tax exemptions for Land and Improvements owned or held by a variety of not-for-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.

### 2.0 POLICY

This policy is intended to provide guidance in the evaluation of applications for exemption from property taxes pursuant to the *Community Charter*. The total amount of revenue to be set aside to finance permissive tax exemptions will be discussed by Council annually during the development of the Financial Plan.

### 3.0 DEFINITIONS

- a. Statutory Property Tax Exemption: non-discretionary exemption from payment of property taxes pursuant to Section 220, Division 6, Part 7 of the *Community Charter*;
- b. Permissive Property Tax Exemption: discretionary exemption from payment of property taxes pursuant to Sections 224-226, Division 7, Part 7 of the *Community Charter* and granted by Council bylaw.

### 4.0 PROCEDURES

#### 4.1 Process

Council will consider applications for permissive tax exemptions annually. The opportunity to apply will be advertised 2 times in Sayward News and letters will be mailed to tax exemption recipients designated in the preceding tax year.

Applications must be submitted to the Chief Administrative Officer using the prescribed application form (Appendix "A") before August 1<sup>st</sup> of each year, to be considered for the following taxation year. The CAO will review the applications for completeness and arrange contact with applicants for additional information as necessary.

Application submissions must include:

- Copy of Audited Financial Statements or Financial Statements prepared by an accountant for last 3 years,
- Copy of state of title certificate or lease agreement, as applicable,
- Description of programs/services/benefits delivered from the subject lands/improvements including participant numbers, volunteer hours, benefiting groups/individuals/special needs populations, fees charged for participation,
- Description of any 3<sup>rd</sup> party use of the subject land/improvements including user group names, fees charged, conditions of use.

The CAO will present a summary report of the applications, relative to the eligibility criteria, to Council and arrange for delegations to attend Council meeting if necessary.

Staff will draft a Permissive Tax Exemption Bylaw for the year incorporating Council's direction regarding the year's applicants. To apply to taxation in a particular year, the bylaw must be passed on or before October 31<sup>st</sup> of the preceding year.

Appendix "B" provides a template for advertising the Permissive Tax Exemption Bylaw as required by Section 227 of the *Community Charter*.

#### **4.2 Eligibility Criteria**

(a) Subject Property must be one of:

- Land and/or improvements eligible for tax exemption under Division 7 of Part 7 of the *Community Charter*;
- Land and/or improvements ancillary to a statutory exemption under Divisions 6 of Part 7 of the *Community Charter*.

(b) Nature of organization must be:

- Non-profit organization,
- Charitable/philanthropic organization,
- Athletic or Service Club/Associations,
- Care facility/licensed private hospital,
- Partner of the municipality by agreement under s. 225 of the *Community Charter*,
- Other local authority,
- Organization eligible for exemption under s. 220 or 224.

(c) The applicant 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, 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.

#### **4.3 Duration of Exemption**

Tax exemption bylaws must specify the period to which the exemption applies and any other conditions applicable to the exemption. Eligible organizations may be considered for tax exemptions exceeding one year (to a maximum of 10 years) where it is demonstrated that the services/benefits they offer to the community are of a duration exceeding one-year (i.e. for the period of the tax exemption).

#### **4.4 Extent, Conditions, 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.

- (b) Council may impose **conditions** on the exempted land/improvements with the applicant organization, including but not limited to:
- registration of a covenant restricting use of the property,
  - an agreement committing the organization to continue a specific service/program,
  - an agreement committing the organization to have field/facilities open for public use for certain times or a total amount of time,
  - an agreement committing the organization to offer use of the field/facility to certain groups free of charge or at reduced rates,
  - an agreement committing the organization to immediately disclose any substantial increase in the organization’s revenue or anticipated revenue (e.g. receives large operating grant from senior government).
- (c) Council may impose **penalties** on an exempted organization for knowing breach of conditions of exemption, including but not limited to:
- revoking exemption with notice,
  - disqualifying any future application for exemption for specific time period,
  - requiring repayment of monies equal to the foregone tax revenue.

**5.0 REFERENCES / POLICY INTEGRATION**

*Community Charter:*

Part 7 – Municipal Revenue:

- Division 6 — Statutory Exemptions:
  - Section 220 General statutory exemptions
  
- Division 7 – Permissive Exemptions:
  - Section 224 General authority for permissive exemptions
  - Section 225 Partnering, heritage, riparian and other special exemption authority
  - Section 226 Revitalization tax exemptions
  - Section 227 Notice of permissive tax exemptions

Government of BC Ministry of Community, Sport and Cultural Development website:

[http://www.cscd.gov.bc.ca/lgd/gov\\_structure/community\\_charter/finance/permissive\\_exemptions.htm](http://www.cscd.gov.bc.ca/lgd/gov_structure/community_charter/finance/permissive_exemptions.htm)

**6.0 APPROVAL HISTORY**

<b>ISSUED BY:</b> CAO	<b>APPROVED BY:</b> Mayor & Council	<b>RESOLUTION NO:</b>	<b>DATE:</b> July 2004
<b>REVISED BY:</b> CFO	<b>APPROVED BY:</b> Mayor & Council	<b>RESOLUTION NO:</b> R19/92	<b>DATE:</b> April 16, 2019

Signed by:

Mayor: Original signed by “J. MacDonald”	CAO: Original signed by “L. Clark”
Date: 19 November 2019	Date: 19 November 2019

**Appendix "A" – Permissive Tax Exemption Application Form**

**APPLICATION FOR PERMISSIVE TAX EXEMPTION**

1.) Full name or title of organization:

\_\_\_\_\_

2.) Society number/non-profit number, or registered charity number:

\_\_\_\_\_

3.) Mailing address of the organization (including Postal Code):

\_\_\_\_\_

4.) Application contact (name, phone, e-mail address):

\_\_\_\_\_

5.) Name and phone number of two other officials in organization (i.e. Pastor, President, Manager, Director, etc.)

1. Name: \_\_\_\_\_

2. Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Phone No.: \_\_\_\_\_

Phone No.: \_\_\_\_\_

E-mail: \_\_\_\_\_

Email: \_\_\_\_\_

6.) Property address:

\_\_\_\_\_

7.) Folio number:

\_\_\_\_\_

8.) The lands are registered in the name of:

\_\_\_\_\_

*(In the case of a Society, Corporation, Association, please include a copy of the Certificate of Title)*

9.) The exemption claimed under Section 224 –226 is pursuant to Subsection 1, Clause

( \_\_\_\_\_ ) *(Please supply the relevant clause designation from Section 224-226, see attached)*

10.) The gross floor area of the building: \_\_\_\_\_

11.) **We require a current site plan of the property** indicating the grounds and buildings and their uses. This would include buildings, storage buildings, walkways, parking lot, playgrounds, bush areas, etc. Show dimensions.

12.) What is the principal use of the property?

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

13.) Is any part of the building or of the property used or rented by commercial or private operators or by any group other than your organization? If yes, please disclose below:

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

14.) Please provide details of other activities on your property; such as daycare centres, catering and hall rental, thrift/gift shop.

The following information is required for each activity:

- Hours per day and/or days per week of operation
- Fees or charges
- Approximate number of participants/patrons
- Is the activity operated by a church or by an outside organization?

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

15.) a.) How is your organization non-profit?

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

b.) How is your organization a complementary extension to Village services and programs?

\_\_\_\_\_

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c.) How is your organization accessible to the public?

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d.) How is your organization used primarily by Sayward residents?

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16.) Other activities which may be pertinent to your application:

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17.) Has there been any change in the status or use of the buildings or property in the last 12 months?

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18.) CHURCHES ONLY complete the following additional questions:

(i) What is the seating capacity of the church?

Permanent: \_\_\_\_\_

Portable: \_\_\_\_\_

(ii) What is the gross floor area of the

Church: \_\_\_\_\_

Hall: \_\_\_\_\_

Other Buildings: \_\_\_\_\_

Total Gross Floor Area: \_\_\_\_\_

- (iii) Every building on the lands is in use and continues to be set aside for public worship or for a Church Hall. Yes \_\_\_\_\_ No \_\_\_\_\_

On behalf of \_\_\_\_\_, I/we hereby declare that all the information presented and provided with this application is true and correct.

Should a permissive tax exemption be granted on the above listed property, I am agreeable to the following terms:

- 1.) If the property is sold prior to the exemption expiration, the organization will remit to the Village an amount equal to the taxes that would have otherwise been payable to the Village by a non-exempt owner.
- 2.) The property use will be in compliance with applicable municipal policies and bylaws.
- 3.) The organization will publicly acknowledge the permissive tax exemption granted by the Village.

DATED THIS \_\_\_\_ DAY OF \_\_\_\_\_ 20\_\_\_\_\_.

Authorized Signature: \_\_\_\_\_

NOTE:

1. The personal information on this form is collected for the purpose of an operating program of the Corporation of the Village of Sayward as noted in Section 26 (c) of the Freedom of Information and Protection of Privacy Act (FOIPPA). If you have any questions about the collection and use of this information, please contact the CAO at 250-282-5512
2. The Application for Permissive Tax Exemption must be received by 1<sup>st</sup> of August in the year prior to the taxation year(s) for which exemption is requested in order to be included on the applicable annual Permissive Tax Exemption Bylaw. i.e. An application for a permissive tax exemption for the year 2020 or years 2020 to 20\_\_ must be received by the 1<sup>st</sup> of August of 2019, the year prior to year one of the tax exemption period.
3. Permissive Tax Exemption Applications are to be submitted to: Village of Sayward, Box 29, 652 H'Kusam Way, Sayward, B.C. VOP IRO

## EXCERPT FROM SECTION 4 OF THE *COMMUNITY CHARTER* (ATTACHMENT TO APPLICATION)

### General Statutory Tax Exemptions

#### Section 220

(see full text in the *Community Charter*)

Unless otherwise provided in this Act or the Local Government Act, the following property is exempt from taxation to the extent listed:

- a) land, improvements or both vested in or held by Provincial Government,
- b) land, improvements or both vested in or held by municipality (i) the municipality, or the municipality jointly with another municipality or regional district,
- c) land, improvements or both exempt from municipal taxation by another Act,
- d) land, improvements or both (i) of a public library under the *Library Act*, or vented in or held by a municipality and occupied by a public library under the *Library Act*,
- e) land, improvements or both of an Indian ... except for municipal taxes,
- f) land, improvements or both held in trust (i) by Crown for Indian band and (ii) are not leased or occupied by non-band member,
- g) land actually used an occupied for the internment of the dead and improvements used by cemetery, mausoleum and columbarium (municipal portion only) .....,
- h) a building set apart for public worship owned and used by church (municipal portion only),
- i) a building that was constructed with the assistance of aid granted by the Provincial government after Jan 1, 1947 but before April 1, 1974 owned and used by non-profit society for elderly citizens home (municipal portion only),
- j) a building set apart and used solely as a hospital,
- k) land and improvements for future hospital requirements,
- l) land and improvements owned by private schools,
- m) fruit trees,
- n) farm improvements to a maximum of assessed value of \$50,000,
- o) dwellings, fixtures and machinery used to operate a farm,
- p) improvements used for emergency protection,
- q) sewage treatment plants, manure storage facilities, effluent reservoirs, effluent lagoons, deodorizing equipment, dust and particulate matter eliminating equipment,
- r) floating dry dock if the dry dock has lift capacity of greater than 20000 tonnes.

#### Section 221

(see full text in the *Community Charter*)

Grandparented pollution abatement exemptions

#### Section 221.1

(see full text in the *Community Charter*)

Grandparented dust and particulate matter eliminator exemptions

#### Section 222



(see full text in the *Community Charter*)

Phased farm property tax exemption – for property that has been newly incorporate into a municipality that was prior to incorporation exempt from taxes under the Taxation Rural Area Act. Exempt from taxes for five years on sliding scale that is reduced by 20% per year.

### **Section 223**

(see full text in the *Community Charter*)

Exemptions under regulations (see full text in the *Community Charter*)

Land and Improvements assessment classification 4, 5, or 6

### **Division 7 Permissive Exemptions**

(see full text in the *Community Charter*)

### **Section 224**

(see full text in the *Community Charter*)

A council may by bylaw exempt land and improvements from the municipal portion of taxes, subject to conditions and for a specific period, the following:

- (a) land or improvements that are owned or held by a charitable, philanthropic or other not for profit corporation and that Council considers are used for a purpose that is directly related to the purposes of the corporation
- (b) land or improvements that are owned or held by a municipality, regional district or other local authority and that council considers are use for a purpose of the local authority
- (c) land or improvements that council considers would be exempt under section 220 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 a corporation or organization if the land and improvements are owned by a public or local authority and the land and improvements are used by the corporation or organization for a purpose for which a tax exemption could be provided if the land and improvements were owned by that organization or corporation
- (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 a corporation or organization if the land and improvements are owned by a person providing a municipal service under a partnering agreement, an exemption under section 225 would be available, the partnering agreement contemplates a tax exemption and the land and improvements are used by the corporation or organization for a purpose for which a tax exemption could be provided if the land and improvements were owned by that organization or corporation
- (f) land surrounding a building that is used for a church; a church hall and the land surrounding the hall
- (g) land or improvements used or occupied by a religious organization for public worship or hall
- (h) land surrounding seniors homes, hospitals and private schools
- (i) land or improvements owned or held by athletic or service club, and used as a public park, recreation ground or for public athletic or recreational purposes
- (j) land or improvements owned, held and operated as a private hospital, licensed community care facility, or registered assisted living residence.

### **Section 225**

(see full text in the *Community Charter*)

Authority to exempt eligible partnering, heritage, riparian, cemetery or golf course property for any period. Must have the ability to make agreements with property owners regarding the extent of the exemption and

the conditions under which it may be offered. – maybe required to register a restrictive covenant against the property or repay the exemption under specific conditions

**Section 226**

(see full text in the *Community Charter*)

Revitalization tax exemptions. Must be a designated revitalization area under the OCP with set objectives. The exemptions are limited to an increase in assessed value that are due to new or altered improvement and are for a maximum 5 years.

**Appendix “B” - Example Ad for posting and advertising**



**NOTICE OF TAX EXEMPTION BYLAW NO. XXX, 20XX**

Take notice that the Council of the Village of Sayward intends to adopt Tax Exemption Bylaw No. XXX, 20XX.

The purpose of the Tax Exemption bylaw is to exempt the following properties from taxation:

Lot x, Plan xxxxx, Sayward District, Roll No. xxx.xxx, owned by \_\_\_\_\_

Estimate of the amount of taxes that would be imposed on the properties if they were not exempt:

Legal description	Civic Address	Name of Organization	Value of Permissive Tax Exemption		
			20XX	20XX	20XX

Any person who wishes to review a copy of the proposed Tax Exemption Bylaw may do so by coming to the Village Office at 652 H’Kusam Way, Monday to Friday 9:00 am to 4:00 pm, excluding holidays.

Name, CAO  
Village of Sayward  
652 H’Kusam Way  
Sayward, B. C. VOP IRO

This notice is given in accordance with Section 227 of the *Community Charter*.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20XX