



Village of Chase Policy Manual

Title: ADM – 28 Permissive Property Tax Exemption

Date Adopted: 10 March 2015

Revised:

Date Effective: 11 March 2015

Reviewed:

Special Notes / Cross Reference:

POLICY:

In order to fairly consider and evaluate all requests for property tax exemptions in the best interest of the community, a process of applications is developed which reveals to the public the purposes for which exemptions will be granted.

PURPOSE:

Statutory exemptions are provided by the Province of British Columbia under section 220(1) (h) of the Community Charter for Municipalities, Cemeteries, buildings used for worship, hospitals and several other specified purposes. Council has no authority in this area and this policy does not apply to these exemptions.

The Village of Chase will consider granting permissive tax exemptions under section 224 of the Community Charter to organizations within the Village that provide a service to the community which service results in an improvement in the quality of life within the community.

POLICY:

During the development of the financial plan, council will review the estimated annual revenue to be forgone by permissive tax exemptions for the following year. The value of permissive tax exemptions granted shall not exceed 5% of the annual municipal levy.

Permissive Tax Exemptions – Section 224 Community charter

Council may by bylaw exempt land or improvements from taxation. There is no obligation to give an exemption and an exemption cannot be granted if the owner does not qualify under the Community Charter.

A bylaw under section 224 must establish the term of exemption, which may not be more than ten (10) years; must comply with the notice requirements of section 227; and must come into force and effect before 31 October in the preceding calendar year.



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Permissive Tax Exemptions will usually be granted for a period of one (1) year, but at the discretion of council may consider longer periods up to a maximum of ten (10) years on a case by case basis.

All existing exemptions and new applications will be reviewed annually by the Finance department to ensure, based upon the most current available information, the organizations qualify for a permissive exemption. The results of the reviews and all applications will be reported to council for consideration.

Aid to Charitable, Philanthropic Organizations and Not for Profit Corporations

Section 224 (2)(a) provides for a permissive tax exemption for land and improvements that are owned or held by charitable, philanthropic, not for profit corporations, or other local authorities that Council considers are used for purposes that are directly related to the purposes of the corporation providing services to the residents of the Village and surrounding region. The objective is to provide assistance to community organizations which provide services needed by the residents which depend upon contributions and volunteer efforts to sustain their operations.

Permissive exemptions may be granted to such properties subject to the following:

The organization can show a financial need for the exemption;

The organization can establish that they are a charitable or philanthropic organization;

That the property is not operated for profit or gain and is used exclusively for charitable or philanthropic purposes;

The organization can show that it is in receipt of public funding and/or volunteer labour;

The organization provides services needed by the residents of the community.

Mixed Use:

Partnering Agreements – Section 224 (2) (e) provides for a permissive exemption for the interest of a public authority, local authority or any other corporation or



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organization in lands and improvements that are used for the purpose of providing municipal services under a partnering agreement;

Public Worship – Section 224 (2) (f) provides for a permissive tax exemption in relation to lands surrounding statutory exempted buildings for worship. Council may provide an exemption for land and auxiliary buildings considered reasonably necessary for public worship. Section 224 (2) (g) provides for the same exemption in the case of lease land being utilized.

Seniors Homes – Section 224 (2) (h) provides for a permissive exemption for property surrounding statutory exempt Seniors Homes, Hospitals, or Private Schools

Recreational Facilities – Section 224 (2) (i) provides for permissive tax exemptions for lands held by Athletic or Service Clubs used as a public park or recreation ground for public athletic or recreational purposes.

Private Care Facilities – Section 220 (2) (j) provides for permissive tax exemption for properties operated as a private hospital licenced under the “Hospital act” or a s licenced community care facility or registered assisted living residence, under the “Community Care and Assisted Living Act”.

General Conditions

A permissive tax exemption shall only be granted to an organization that has submitted a complete application with supporting documentation for consideration by council.

A permissive tax exemption shall only be granted where the organization can show a financial need for the exemption. Determination of financial need would involve showing the value of the services or programs provided and that the lack of the tax exemption would impair services to the community or would Impose significant hardship on the users of the facility (such as user fees which would be substantially higher than those charged for other activities involving similar levels of supervision, instruction or capital investment).

The purpose of the use should be one that, in the opinion of Council, will result in an improvement in the quality of life within the community.

Many non-profit organizations are not organized for the benefit of their members but to provide a range of services or programs to community residents who may not be members of the organization. These services or programs must be provided



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in a professional and ethical manner and, within budget constraints, provided fairly to those members of the public eligible and in need of the service.

The organization must demonstrate that they hold annual meetings open to the general public, and have bylaws in compliance with appropriate federal and provincial statutes governing the organization.

The organization should not be operated for profit.

In reviewing any application, consideration will be given to the type and range of funding sources for the organization to ensure it is viable, sustainable and well run. It is intended that the exemption provided goes to an organization demonstrating good stewardship and successful program delivery.

Council may determine the proportion of assessment that is subject to permissive tax exemption based upon the equivalent proportion of services or programs provided by the organization that are beneficial to the community.

Where an organization has a facility that contains service areas such as food services, licenced premises, retail facilities, or concession stands operated either by owner or tenant, the proportion of the assessed value of the improvement eligible may be determined by council.

If all or part of the facility is leased to commercial ventures, or to organizations not eligible for exemption, council may determine the proportion of the assessed values of the improvements eligible for exemption.

Information Requirements

Information to be provided on the permissive exemption application form may vary depending upon the nature of the application and shall include the following information:

Most current financial statement and budget for the following year;

Statement of the likely impact if tax exemption is not granted;

If a recreation or sport Facility, a statement as to whether the facility is to be open to the public or members only, and whether the membership (if required) is available to any member of the community.

A description of the services or programs delivered by the organization;



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Information on how the organization involves members of the public;

Information on the extent of use of the property, and the types of users;

An explanation of any retail facilities and the details of their operating arrangements;

Information on any leases of the property for commercial or private purposes.

Council reserves the right to request any additional information which may be required to enable council to determine if property tax exemption is warranted.

Application Deadline

All applications are to be received no later than 31 May in the year prior to which the exemption shall apply.

PROCEDURES

Administration will advertise the need for submission of applications for Property Tax Exemption.

Upon receipt of applications administration will prepare a report for consideration by council in committee. Committee of the Whole will recommend to administration the properties and allowances for property tax exemption to be drafted into a bylaw.

Draft bylaw will then be presented to council for three readings and adoption.