



POLICY MANUAL

POLICY TITLE: Permissive Tax Exemption	POLICY #: 1600-018
AUTHORITY: Legislative Administrative	EFFECTIVE DATE: June 15, 2004
	REVIEW SCHEDULE: Annually
ISSUED BY: Director of Finance	APPROVED BY: Council
DATE ISSUED: October 22, 2012	DATE APPROVED: June 15, 2004
	DATE AMENDED: October 16, 2012

PURPOSE:

The purpose of this policy is to guide identification of organizations and properties meeting Council's objectives.

REFERENCE:

Grants-in-Aid Policy F 1600-012

DEFINITIONS:

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POLICY:

Section 220 of the *Community Charter* describes the general statutory taxation exemptions available to a municipality, providing automatic exemptions for certain types of properties.

Section 224 of the *Community Charter* authorizes Council to provide permissive tax exemptions. A permissive tax exemption is a means for Council to further its objective of enhancing the quality of life (economic, social, cultural) in the Town by assisting organizations that serve these objectives.

Permissive exemptions must be passed by bylaw prior to October 31st for the following taxation year.

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This permissive tax exemption policy guides identification of organizations and properties meeting Council's objectives.

1.0 Process

1.1 Council will consider applications for permissive tax exemptions annually.

Applications must be submitted to the Director of Finance, using the prescribed application form, before August 1st each year. The Director of Finance will review the applications for completeness and arrange contact with applicants for additional information as necessary.

1.2 Application submissions must include:

1.2.1 Copy of audited financial statements for previous year

1.2.2 Copy of state of title certificate or lease agreement, as applicable

Description of programs/services/benefits delivered from the subject lands/improvement including participant numbers, volunteer hours, benefiting group/individuals/special needs populations, fees charged for participation

Description of any third party use of the subject land/improvements including user group names, fees charged, conditions of use

1.3 The Director of Finance will present a summary report of the applications, relative to the eligibility criteria, to Committee of the Whole and arrange for delegations to Committee of the Whole by applicants as necessary.

2.0 Eligibility Criteria

2.1 Subject Property must be one of:

2.1.1 Land or improvements, or both, owned by

2.1.2 Land or improvements, or both, ancillary to a statutory exemption under s. 220 of the *Community Charter*

2.2 Nature of Organization must be:

2.2.1 Non-profit organization

2.2.2 Charitable/philanthropic organization

2.2.3 Athletic or service club/associations

2.2.4 Care facility

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- 2.2.5 Partner of the municipality by agreement under s.225 of the *Community Charter*
 - 2.2.6 Other local authority
 - 2.2.7 Organization eligible to s. 220 statutory exemption (e.g. place of public worship, cemetery, library, Indian land, seniors home, hospital, etc.)
- 2.3 The applicant organization's use of the land or improvements, or both, must benefit the community in one or more of the following ways:
- 2.3.1 Provide recreational facilities for public use
 - 2.3.2 Provide recreation programs to the public
 - 2.3.3 Provide programs to and/or facilities used by youth, seniors or other special needs groups
 - 2.3.4 Preserve heritage important to the community character
 - 2.3.5 Preserve an environmentally or ecologically significant area of the community
 - 2.3.6 Offer cultural or educational programs to the public which promote community spirit, cohesiveness and/or tolerance
 - 2.3.7 Offer services to the public in formal partnership with the municipality
- 2.4 All applications must be consistent with municipal policies, plans, bylaws and regulations.

3.0 Duration of Exemption

- 3.1 Eligible organizations may be considered for tax exemptions exceeding one year (to a maximum of ten (10) years) where it is demonstrated that the services or benefits they offer to the community are of a duration exceeding one year (i.e., for the period of the tax exemption).

4.0 Extent, Conditions and Penalties

- 4.1 Council may designate only a portion of the land or improvements, or both, as exempted where the following circumstances exist:
- 4.1.1 a portion of the land or improvements, or both, is used by the private sector and/or organizations not meeting Council's exemption criteria
 - 4.1.2 the applicant already receives a grant-in-aid from the municipality

If only a portion of a parcel of land or improvements, or both, is

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exempted, the bylaw must include a description of the exempted portion.

- 4.2 Council may impose conditions on the exempted land or improvements, or both, with the applicant organization, including but not limited to:
 - 4.2.1 registration of a covenant restricting use of the property
 - 4.2.2 an agreement committing the organization to continue a specific service or program
 - 4.2.3 an agreement committing the organization to have field/facilities open for public use for certain times or a total amount of time
 - 4.2.4 an agreement committing the organization to offer use of the field/facility to certain groups free of charge or at reduced rates
 - 4.2.5 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)

- 4.3 Council may impose penalties on an exempted organization for knowing breach of conditions of exemption, including but not limited to:
 - 4.3.1 revoking exemption with notice
 - 4.3.2 disqualifying any future application for exemption for specific time period
 - 4.3.3 requiring payment of monies equal to the foregone tax revenue

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