

TITLE:			
PERMISSIVE TAX EXEMPTION			
Origin:	Finance		
Issued:	Council - March 10, 2008	#2008.08.144	Ref: FN-023
Amended:	Council - August 9, 2010	#2010.27.428	Page: 1 of 4
	Council – October 13, 2015	#2015.34.443	

Preamble

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 support organizations within the community which further Council's objectives of enhancing quality of life (economic, social, cultural) and delivering services economically. Exemptions allowable under Section 224 are at the discretion of Council; there is no obligation to give the exemption. This policy provides guidance to organizations about the types of exemption that are deemed to meet Council's objectives, and may be eligible for exemption.

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

Policy

1. Process

Council will consider applications for permissive tax exemptions annually, or as required.

Applications must be submitted to the Financial Officer, using the prescribed form, before May 31st in any given year, for consideration of exemption for the following year. The Financial Officer or designate will review the applications for completeness, and contact applicants for additional information as necessary. Once all the required information is received, a summary report of all applications, relative to the eligibility criteria, will be prepared for Council.

Application submissions must include:

- Copy of audited financial statements for the previous year;
- Copy of state of title certificate or lease agreement, as applicable;
- Description of programs/services/benefits delivered from the subject lands/improvements (participant numbers, volunteer hours, benefiting groups/individuals/special needs populations, fees charged for participation) supporting the requirement that the use is "for a purpose that is directly related to the purposes of the corporation";
- Description of any third party use of the subject land/improvements including user group names, fees charged, and conditions of use.

All organizations whose tax exemption period is set to expire will be contacted and reminded to reapply, if appropriate.

2. Eligibility Criteria

- 2.1 Subject property must be one of:
 - a. Land and/or improvements, owned or held by an organization listed in 2.2, the use of which council considers to be directly related to the purposes of the corporation;
 - b. Land and/or improvements, ancillary to a statutory exemption under s. 220 of the *Community Charter*.
- 2.2 Nature of the applicant organization must be:
 - a. Not for profit organization;
 - b. Athletic or service club/association;
 - c. Partner of the municipality by agreement under s. 225 of the *Community Charter*;
 - d. Municipality, regional district or other local authority;
 - e. Religious organization as tenant or licensee; or
 - f. Eligible for s.220 statutory exemption (e.g. place of public worship, cemetery, library, Indian land, seniors' home, hospital etc.) were it not for a secondary use.
- 2.3 The applicant organization's use of the land and/or improvements must benefit the community in one or more of the following ways:
 - a. Provides recreational facilities for public use;
 - b. Provides recreation programs to the public;
 - c. Provides programs to and/or facilities used by youth, seniors, or special needs groups;
 - d. Promotes economic development or tourism;
 - e. Preserves heritage important to the community character;
 - f. Preserves an environmentally, ecologically significant area of the community;
 - g. Offers to the public cultural or educational programs which promote community spirit, cohesiveness and/or tolerance;
 - h. Offers services to the public in formal partnership with the municipality;
 - i. Provides affordable or special needs housing eligible for a Housing Agreement with the Town, as per s. 905 of the Local Government Act.

3. Duration of 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. Extent, Conditions, Penalty

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

- 4.2 Council may impose conditions on the exempted land and/or improvements, with the applicant organization, including but not limited to:
 - a. An agreement committing the organization to continue a specific service/program;
 - b. An agreement committing the organization to have fields/facilities open for public use for certain times or a total amount of time;
 - c. An agreement committing the organization to offer use of the field/facility to certain groups free of charge or at reduced rates;
 - d. 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:
 - a. Revoking exemption with notice;
 - b. Disqualifying any future application for exemption for specific time period;
 - c. Requiring repayment of monies equal to the foregone tax revenue.



Town of Sidney

Permissive Tax Exemption Application

Deadline: May 31, 20XX

COUNCIL WILL CONSIDER APPLICATIONS FOR A PERMISSIVE TAX EXEMPTION PROVIDING THE FOLLOWING INFORMATION IS SUPPLIED:

Date:	_____		
Name of Organization:	_____		
Address:	_____ _____		
Contact Person(s):	_____	_____	_____
	Name	Position/Title	Phone #

ATTACHMENTS REQUIRED:

1. Copy of the audited financial statements for the previous year;
 2. Copy of the state of title certificate or lease agreement (including legal description), as applicable;
 3. Description of the programs/services/benefits delivered from the subject lands and/or improvements including participant numbers, volunteer hours, benefiting group/individuals/special needs populations, fees charged for participation;
 4. Description of any third party use of the subject land and/or improvements including user group names, fees charged, conditions of use.
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ELGIBILITY CRITERIA: FOR EACH CATEGORY, PLEASE CHECK APPLICABLE ITEMS

- A. SUBJECT PROPERTY MUST BE ONE OF:
- Land or improvements, or both, owned or held by an entity described in B. below
 - Land or improvements, or both, ancillary to a statutory exemption under s. 220 of the *Community Charter*
- B. NATURE OF THE ORGANIZATION MUST BE:
- Not for profit corporation
 - Municipality, regional district, public/local authority
 - Athletic or service club/association
 - Partner of the municipality by agreement under s.225 of the *Community Charter*
- C. COMMUNITY BENEFITS:
- Provides recreational facilities for public use
 - Provides recreation programs to the public
 - Provides programs to and/or facilities used by youth, seniors or special needs groups
 - Promotes economic development or tourism
 - Preserves heritage important to the community character
 - Preserves an environmentally or 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
 - Offers affordable workforce rental housing under a Housing Agreement with the municipality.