



THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH
COUNCIL POLICY

Effective Date July 26, 2021 Amendment Date(s): May 24, 2022	POLICY NO. 11.FIN
	File No: 340-50/2021
SUBJECT: Permissive Tax Exemption Policy	
Department: Finance	

PURPOSE

To provide a framework for evaluation of applications for the exemption from property taxes pursuant to Division 7 – Permissive Exemptions of the *Community Charter*.

APPLICATION

This policy applies to all permissive tax exemption applications.

LEGISLATION, OBJECTIVES, AND PRINCIPLES

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 by providing worthwhile programs and services, and exhibit principles of equity/fairness, inclusiveness, and accessibility.

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 exemptions that are deemed to meet Council’s objectives and principles, and may be eligible for exemption.

Permissive exemptions must be passed by bylaw on or before October 31st for the following taxation year.

POLICY

The District of Central Saanich may provide permissive property tax exemptions to not-for-profit and other organizations at the discretion of Council.

Council will consider applications for permissive tax exemptions annually, or as required according to Bylaw. Full applications will be required by applicants for a new bylaw term. Renewal years during the term of a bylaw

will require a short form application to ensure the organization and use of the property remain consistent with the bylaw approval.

PROCESS

Applications must be submitted to the Financial Officer, using the prescribed form, before July 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 requirements and other information:

- Copy of financial statements for the previous year;
- Evidence through the Canada Revenue Agency as a charity or BC Registry Services as a registered society of it's good standing. Exemptions will only be granted to Registered Charity or Non-Profit Organizations.
- 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.

ELIGIBILITY CRITERIA

1. Subject property must be one of:
 - a) Land and/or improvements, owned or held by an organization listed in section 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. Nature of the applicant organization must be:
 - a) Not for profit organization;
 - b) Registered Charity;
 - c) Philanthropic organization
 - d) Athletic or service club/association;
 - e) Partner of the municipality by agreement under s. 225 of the *Community Charter*;
 - f) Municipality, regional district or other local authority;
 - g) Religious organization as tenant or licensee; or
 - h) 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.
3. The applicant organization's primary 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 and/or social programs to the public;
- c) Provides programs or care to and/or facilities used by youth, seniors, or special needs groups;
- d) Provides affordable or special needs housing eligible for a Housing Agreement with the District, as per Section 483 of the local Government Act;
- e) Promotes economic development or tourism;
- f) Preserves heritage important to the community character;
- g) Preserves an environmentally, ecologically significant area of the community;
- h) Offers to the public cultural or educational programs which promote community spirit, cohesiveness and/or tolerance; and/or
- i) Offers services to the public in formal partnership with the municipality.

4. Additional information

- a) The District may request additional information, as deemed necessary.
- b) The District reserves the right to review records and/or property to verify information provided in support of the Application; and to share this information with BC Assessment for the purpose of assigning an Exemption assessed value.
- c) The Applicant and subject property owner, where applicable, must be in compliance with District policies, plans, bylaws, and regulations (i.e. business licensing, zoning).
- d) The Applicant must own or lease the subject property; and in the case of a lease, the lease requires payment of property taxes directly by the Applicant or written confirmation by the lessor that the entirety of the exemption will be provided to the applicant.
- e) The Applicant's services and activities must be inclusive, accessible and equally available to all residents of the District.
- f) The primary use of the property must provide benefits and accessibility to the residents of Central Saanich and members of the public for a nominal rate or fee.
- g) Successful applicants will be expected to publicly acknowledge the Exemption.

5. The total of Permissive Tax Exemptions approved in the current year for the subsequent year will not exceed 1.5% of the current year's total budgeted property tax requisition. The permissive exemption values will be calculated by using the current year's property assessment multiplied by the current year's tax rates. In the case where the total calculated permissive exemption values for the subsequent year exceed 1.5% of the current year's tax requisition, all permissive exemptions will be proportionately reduced.

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.

EXTENT, CONDITIONS, PENALTY

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; or
 - b) The applicant already receives a grant-in-aid from the municipality.

2. Council may impose penalties on an exempted organization for knowingly breaching conditions of the 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.

APPROVALS

New bylaw applications and annual renewal applications will be received and reviewed by staff. Staff will provide information, commentary, and recommendations for Council's consideration of approval.