



13211 Henry Ave, Box 159 Summerland BC V0H 1Z0
www.summerland.ca

Council Policy

Permissive Tax Exemptions

Established: November 10, 2014

Contact Department: Financial Services

Guiding Principle

The District of Summerland recognizes the significant value of volunteers, volunteer groups and agencies to the spiritual, educational, social, cultural, and physical well-being of the community. Permissive tax exemptions are a means for Council to support organizations within the community that further Council's objective to enhance the quality of life while delivering services economically to the residents of Summerland.

Purpose

To provide clarity, consistency and certainty to the municipality, the public and prospective applicants in the requirements and evaluations of applications for exemption from property taxes pursuant to Section 224 of the *Community Charter*.

Policy

1. Places of Worship, Private Schools and Hospitals will receive a permissive tax exemption on property not receiving statutory tax exemption under Section 220(1) of the *Community Charter* provided the property is not used for residential purposes and the majority of the property meets the criteria for the statutory tax exemption under Section 220(1) of the *Community Charter*. These organizations are not subject to the eligibility criteria and conditions set out in this policy.
2. Council will consider permissive tax exemption applications from Places of Worship, Private Schools and Hospitals for a cycle of up to ten (10) years. Other Non-Profit Organizations will be considered for a cycle of up to four (4) years. Approved applicants will be exempt for the number of years remaining in the cycle. At the end of each four or ten-year cycle, all organizations will be required to complete new applications to be considered for the following years cycle.

For example (four-year cycle for Non-Profit Organizations):

| <u>Application Period</u> | <u>Number of Years Exempt</u> | <u>Application Due Date</u> |
|---------------------------|-------------------------------|-----------------------------|
| 2022 – 2025 | 4 Years | July 31, 2021 |
| 2023 – 2025 | 3 Years | July 31, 2022 |
| 2024 – 2025 | 2 Years | July 31, 2023 |
| 2025 | 1 Year | July 31, 2024 |

3. Applications for permissive tax exemption will only be accepted during the annual advertised application period and are due by July 31st. Applications must be made using the District's prescribed form to ensure reasonable consideration and opportunity for all applicants.
4. Applicants are responsible to ensure all required information is supplied, or a suitable explanation is offered as to why the information cannot be supplied. Applications that do not include required information will not be considered for a permissive tax exemption.
5. Council may consider an application for a Revitalization Tax Exemption under Section 226 of the *Community Charter*.
6. The Finance Department will review all applications for completeness and contact the applicant if additional information is necessary.
7. The Finance Department will prepare a summary report of all applications and bylaw for presentation to Council in September for consideration, approval and adoption prior to October 31st of each year.
8. Each applicant is required to attend the Council meeting at which permissive tax exemption applications are to be discussed.
9. All recipients of permissive tax exemptions are required to publicly acknowledge the support of the District of Summerland. This information is to be communicated to all beneficiaries, either in the local newspaper or through a letter, as well as, if applicable, in a prominent location in their publications or on their website.

Eligibility Criteria

To be eligible for a permissive tax exemption, an organization must comply with all the eligibility criteria. The application form and supporting documentation are an integral part of this policy. There is no obligation on the part of Council to grant permissive tax exemptions in any given year.

The onus is on each organization to clearly demonstrate how they meet the eligibility criteria outlined below.

1. Compliance with the requirements of Section 224 of the *Community Charter*.
2. Registration as a non-profit society or charitable organization in the Province of BC, or Canada.
3. Benefit to the community by providing programs that contribute to the wellbeing of the citizens of the District of Summerland.
4. Provision of services that are an extension of or complementary to municipal services and programs.
5. Principal use of the property is service delivery for the direct benefit of the community.
6. Ongoing, active volunteer involvement.
7. Membership in the organization and/or use of the property is open to all Summerland citizens who would be reasonably expected to benefit from the programs.

8. Applicants must not be in arrears with the District in regard to any accounts for taxes, fees or charges.
9. The use of the property must be consistent with and in compliance with all applicable municipal bylaws, policies, and legislation.

Applicants not meeting these eligibility criteria and the principal intent of this policy will not be considered by Council.

Applications will be grouped into the following categories:

| <u>Category</u> | <u>Criteria</u> | <u>Permissive Tax Exemption</u> |
|-----------------|--|---------------------------------|
| 1 | <ul style="list-style-type: none"> • Activities open to the broader public and widely accessible • Ongoing fundraising activities • Demonstrated community collaboration • Strongly aligned with Council priorities and strategic plan | 100% |
| 2 | <ul style="list-style-type: none"> • Activities open to the public and accessible • Some fundraising activities • Some community collaboration • Aligned with Council priorities and strategic plan | 90% |
| 3 | <ul style="list-style-type: none"> • Activities somewhat open to the public / semi-private membership • Limited accessibility and/or outreach • Generally aligned with Council priorities and strategic plan | 75% |

The categories and permissive tax exemption percentages noted above are for guidance. During the application review process, Council may, at their discretion, make any changes to the percentages noted above prior to approving a permissive tax exemption to an organization.

Conditions

1. The support of the District will not be used for commercial ventures or private gain.
2. There will be no exemption or reduction of utility fees and charges for tax exempt properties including but not limited to fees, charges and parcel taxes for water, sewer, and electricity.
3. A caretaker's residence, church manse or other dwellings on the property will not receive a tax exemption.
4. Vacant land being held for future use will not receive a tax exemption.
5. Partial exemptions will be considered.
6. Exemptions are not based on the charitable service of an organization, but rather the organization's use of the particular property. An organization that provides liquor and/or meal services as their primary function or source of revenue will not be eligible for permissive tax exemption. For community halls and camps, the property must be made reasonably available to the District's Recreation Department for the scheduling of community recreation programs.

7. Organizations and properties in receipt of property tax exemption are not to re-distribute funds to other charitable organizations.
8. In the event of dissolution, insolvency or bankruptcy of the organization, written notice must be given to the District of Summerland.
9. The District of Summerland must be notified prior to the sale of any of the property that has received a permissive property tax exemption.

Amendments/Reviews

| Date of Council Consideration | Resolution/Report | Description |
|-------------------------------|---|--|
| October 25, 2021 | <i>THAT Council Policy 200.2 "Permissive Tax Exemptions" be amended as attached to the report of the Director of Finance dated October 25, 2021.</i> | Updated application requirements; moved policy into new template |
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