

DISTRICT OF NORTH SAANICH

SECTION NO.	SECTION NAME:	POLICY NO.
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3000

FINANCE

3014

SUBJECT: PERMISSIVE TAX EXEMPTION POLICY

1.0 PURPOSE

To provide guidance for the processing and evaluation of applications for the exemption from property taxes pursuant to Section 224 of the *Community Charter*.

2.0 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, "to the extent, for the period and subject to the conditions provided in the bylaw". A permissive tax exemption is a means for Council to support community organizations which further Council's objectives of enhancing quality of life (economic, social, cultural) and delivering services economically.

A Permissive Tax Exemption Bylaw must be passed prior to October 31st for application during the next taxation year.

3.0 ELIGIBILITY CRITERIA

- 3.1 Subject property must be one of:
 - a. Land and/or improvements, owned or held by a corporation listed in 3.2, 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 Section 220 of the *Community Charter*
- 3.2 Nature of the Organization must be:
 - a. Not for profit corporation
 - b. Athletic or service club/association
 - c. Licenced community care facility; licenced private hospital; registered assisted living residence
 - d. Partner of the municipality by agreement under Section 225 of the *Community Charter*
 - e. Municipality, regional district or other local authority

- f. Religious organization as tenant or licensee
 - g. Organization eligible for Section 220 statutory exemption
- 3.3 The applicant organization's use of the land/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 other 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 cultural or educational programs to the public which promote community spirit, cohesiveness and/or tolerance
 - h. Offers services to the public in formal partnership with the municipality

4.0 POLICY

The District of North Saanich may provide permissive property tax exemptions as described in the *Community Charter* 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 for 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.

5.0 APPLICATION PROCESS

Applications must be submitted to the Director of Financial Services, using the prescribed form, before August 31st in any given year, for consideration of exemption for the following year (unless the applicant is already included in a current term bylaw exemption for the following year, this would then be considered a "renewal year"). The Director of Financial Services or designate will review the applications completeness, and contact applicants for additional information as required. Once all information is received, a summary report of all applications, relative to the eligibility and assessment 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 in good standing;
- Description of programs/services/benefits delivered from the subject lands/improvements;

- 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.

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.

6.0 ASSESSMENT

Preference will be given to organizations which provide a service to North Saanich residents and whose mandate aligns with the strategic and climate action goals of the District.

The following criteria, in addition to the criteria outlined in section 3.0, will be considered when determining whether to grant a permissive tax exemption:

- a. the principal use of the property must be consistent, and in compliance, with all applicable municipal policies, bylaws and legislation
- b. the organization must clearly justify the need for the services
- c. the services, activities and facilities must be equally available to all residents of North Saanich
- d. applicants must show evidence of ongoing, active volunteer involvement including District residents
- e. applicants must show evidence of a clear mandate and competent administration

Council may only grant exemptions to the portion of the subject property that meets all the policy requirements. The exemption may apply to the whole or part of the taxable assessed values of land, improvements, or both.

7.0 DURATION OF EXEMPTION

Tax exemptions under Section 224 will be applied for every four years (4) years, effective for the 2024 permissive tax exemptions, unless a bylaw specifies a longer term. The term cannot exceed ten (10) years under Section 224(4)(a) of the *Community Charter*. Applications received “off cycle” will be accepted for consideration and will be harmonized with the four-year tax exemption cycle if granted.

All permissive tax exemptions must be applied for every four years on an application form, including a copy of the organization’s most recent financial statements and proof of registered society status in good standing. Exemptions must not be assumed, even if obtained in a prior cycle.

8.0 CONDITIONS

All recipients of tax exemptions from the District are required to publicly acknowledge the exemption.

Council may impose penalties on an exempted organization for breach of exemption conditions, including but not limited to:

- a. Revoking exemption with notice
- b. Disqualifying any future exemption applications for a specific time period
- c. Requiring repayment of monies equal to the exempted tax revenue.