

AGENDA

PERMISSIVE TAX EXEMPTION POLICY REVIEW COMMITTEE

**TUESDAY, MAY 28, 2019 – 11:30 A.M.
COMMITTEE ROOM AT CITY HALL**

1. Recognition of unceded traditional territories
2. Adoption of minutes – May 9, 2019
3. **Draft Policy Review**
Review and discussion regarding draft policy
4. **Next meeting**
5. **Adjournment**

**MINUTES
PERMISSIVE TAX EXEMPTION
POLICY REVIEW COMMITTEE**

**THURSDAY, MAY 9, 2019 – 2:30 P.M.
COMMITTEE ROOM AT CITY HALL**

Present: Mayor Minions
Councillor Haggard
Councillor Poon

Staff: Davina Hartwell, City Clerk
Rosalyn Macauley, Deputy Director of Finance
Pete Bitter, Assistant Collector/Accountant
Diane Koch, Project Coordinator, Finance

1. ELECTION

By consensus, Councillor Poon was elected Chair; and Councillor Haggard was elected Vice-Chair.

2. PURPOSE/PROCEDURES

The City Clerk outlined the purpose of the Committee which is to review and make recommendations to Council in regards to the City's current Permissive Tax Exemption policy. Meeting procedures are as outlined in the City's Procedures Bylaw.

3. PERMISSIVE TAX EXEMPTION INFORMATION

The City Clerk's report received by Council at regular meeting of March 25, 2019 was reviewed.

4. CITY'S POLICY

General discussion was held regarding the City's current policy which the Committee felt doesn't address the future needs of the community. The Project Coordinator reviewed a spreadsheet she has been compiling from a sampling of policies from other communities. The spreadsheet and policies will be forwarded to the Committee for review.

Based on discussion, staff will compile an initial draft of a policy for the Committee's input that includes the process by which applications will be reviewed and evaluated. This will form the basis for an in-depth review at the next meeting of the Committee.

5. NEXT MEETING

The next meeting will be confirmed for the week of May 27th.

6. ADJOURNMENT

It was moved and seconded:

That the meeting be adjourned at 4:00 p.m.

CARRIED

TITLE: PERMISSIVE TAX EXEMPTION				
EFFECTIVE DATE: June __, 2019	DEPARTMENT: Finance	AUTHORIZED BY: Council	REPLACES: June 25/13 May 25/04	PAGE 1 OF 3

PREAMBLE

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. The parameters will provide fair, consistent treatment and consideration for all applicants providing charitable and not for profit services for the benefit of the residents of the City of Port Alberni. After careful consideration of all applications Council may approve a full, a partial, or no tax exemption. This policy guides identification of organizations meeting Council's objectives

POLICY

1. Overall Amount

The total amount of revenue to be foregone by permissive tax exemptions will be set by Council during the development of the Five Year Financial Plan. Permissive tax exemptions approved in the current year for the subsequent tax year will not exceed **XXX**% of the current year's total budgeted property tax requisition. The permissive exemption values will be calculated by using the current year's assessment multiplied by the current year's tax rates. In the case where the calculated permissive exemption values for the subsequent year exceed **XXX** % of the current year's tax requisition, all permissive exemptions will be proportionately reduced.

2. Process

Council will consider applications for permissive tax exemptions annually. The opportunity to apply will be advertised 2 times in the local newspaper and letters will be mailed to organizations having an exemption which will expire at the end of the current year so that they may apply for renewal.

Applications must be submitted on prescribed forms available from City Hall, to the Deputy Director of Finance, before August 1st of each year. The Deputy Director of Finance (or their designate) will review the applications for completeness, and arrange contact with applicants for additional information as necessary.

Application forms must be accompanied by:

- Copy of most current Audited financial statements or prepared by an Accountant, or if a new applicant 3 years is required
- A copy of the most current Budget for the organization;
- Copy of state of title certificate or lease agreement, as applicable; and
- Site plan of subject property.

The Deputy Director of Finance will present a summary report of the applications, relative to the eligibility criteria, to Council for consideration.

3. Eligibility Criteria

- a. Application of this permissive tax exemption policy is subject to applicable provincial legislation. Applicants are encouraged to familiarize themselves with the legislation.
- b. In assessing the application of permissive tax exemption to the land or buildings occupied by a qualifying organization, Council will consider the following priorities for granting an exemption:

The land or buildings shall provide for at least one of the following:

- athletic or recreational programs or facilities for youth;
- mental health and addiction services and facilities;
- facilities or programming for youth and seniors;
- protection and maintenance of important community heritage;
- arts, cultural or educational programs or facilities;
- services for the public in a formal partnership with the City or;
- preservation to an environmental or ecologically sensitive area designated within the Official Community Plan.

- c. The organization must be a Non-Profit or Registered Charity. Only that part of the property used for non-profit activities will be considered for exemption. Non-profit organizations conducting retail and/or commercial activity including the sale of food and/or liquor, will not be eligible for tax exemption.
- d. The organization must be seen to be working towards self-sufficiency by seeking funding from other sources, including grants from other levels of Government.
- e. The organization may be required to show evidence of ongoing, active volunteer involvement
- f. Applicants must show evidence of a clear mandate and competent administration.
- g. All recipients of tax exemptions from the City of Port Alberni may be required to publically acknowledge the exemption.
- h. Where the land was provided by the City, consideration will be given whether the land was granted or otherwise provided by the City to the organization on the understanding that taxes would continue to be paid.
- i. Exemptions will not be granted for land held for future development or land greater than normally required for off street parking, buffer zones or to make a reasonable shaped parcel. This includes all exemptions, including Places of Public Worship.

4. Duration of Exemption

Eligible organizations may be considered for tax exemptions exceeding one year (to a maximum of four years) where it is demonstrated that the services/benefits they offer to the community are of a duration equal to or greater than the period of tax exemption.

Groups receiving a permissive tax exemption greater than one year in duration will be required to confirm their continued qualification for the exemption annually. It is not guaranteed that the exemption will continue for the term. An exemption can be adjusted based on new information.

For permissive tax exemptions exceeding one year in duration, the permissive tax exemption will be reconsidered if the status of the group or benefit to the community changes, with the intent of revoking the permissive tax exemption and/or requiring repayment of the taxes forgone.

5. Extent and Conditions

Council may at its discretion, reject any or all applications brought forward for consideration in any given year.

Council may designate only a portion of the land/improvements as exempted where the following circumstances exist:

- A portion of the land /improvements is used by the private sector and/or organizations not meeting Council's criteria;
- the applicant already receives a grant-in-aid or other benefit from the City;
- the area does not contribute to the community benefit; budget constraints as indicated in Section 1 of this policy.

PLACES OF PUBLIC WORSHIP EXEMPTION BYLAW

Statutory exemptions are provided to buildings used for public worship, and land beneath the building.

All other land and buildings ancillary to the place of public worship are taxable unless a permissive tax exemption is granted by Council.

Where there is a residence located on the same property as a church, the residence and any ancillary buildings and the land upon which the residence and ancillary buildings actually stand, as well as any area of land deemed to be associated with the use and enjoyment of the residential and ancillary buildings shall be assessed and taxed as residential property.

Where the property on which a church is located exceeds XXX acres, the area of land exempt from taxation, including the statutory exemption, shall be XXX acres.

The Places of Public Worship Exemption Bylaw will be reviewed every four (4) years in conjunction with the term of the Permissive Tax Exemption Bylaw to ensure that the relevant exemptions remain applicable and if necessary to make recommendations to Council in regards to potential Bylaw amendments.



City of Port Alberni

Permissive Tax Exemption Application

APPLICATION DEADLINE

Deadline for receipt of applications: **4:30 p.m. August 1, 2019**

To: Finance Department
City of Port Alberni, 4850 Argyle Street, Port Alberni, BC V9Y 1V8

A SEPARATE APPLICATION IS REQUIRED FOR EACH PROPERTY.

REQUIREMENTS

The following items **must be** submitted with your application:

- Copy of last Non-Profit Organization Information Return or Registered Charity Information Return submitted to the CRA and Notice of Confirmation
- Copy of the most recent Audited Financial Statements if a previous applicant and three (3) years if a new applicant.
- Financial Budget (Pro-forma Balance Sheet and Income Statement) for current 12 months
- Copy of Land Title within last 30 days
- Scale Drawing of Property which includes buildings, parking lots, landscaping, playgrounds, fields, etc.
- Copy of Lease Agreement if applicable
- Copy of Caretaker Agreement if applicable

Consideration will only be given to applications with all of the above information submitted.

APPLICANT INFORMATION

Please print clearly

Application Date:	
Business Number:	
Society Registration Number:	

1. Full name or Title of Organization:

2. Is your organization the registered owner of the property?

Yes

No – if No, is the organization a lessee under a lease that requires direct payment of property taxes to the City of Port Alberni?

Yes – if Yes, attach copy of Lease

No – if No, Not eligible for Permissive Tax Exemption

3. Does anyone live in the building(s) or on the property?

No

Yes,

attached is a caretaker agreement that specifies rent free accommodation in exchange for this service

4. Mailing address of the Organization:

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5. Civic Address of Property (if different than mailing address):

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6. Property Legal Description: _____ Roll # _____

Plan: _____ Lot: _____

7. Contact Person for Organization:

Name:	
Phone No.:	
E-Mail:	

8. Is the Organization registered under the Society Act?

No

Yes

If yes, please provide the registration number. _____

9. Is the Organization a Registered Charity:

No

Yes

If yes, provide a copy of last Registered Charity Information Return that has been submitted to the CRA along with Notice of Confirmation.

Has the Board of Directors, property usage, or nature of organization changed since the last submission of Registered Charity Information Return?

No

Yes – if yes, please explain below:

10. If the Organization is not a Registered Charity is it a Non-Profit

Yes

If yes, provide a copy of last Non-Profit Return submitted to the CRA along with Notice of Confirmation, and attach a list of the current Board of Directors.

No – If No, not eligible for Permissive Tax Exemption

11. List all Licenses held by Organization (ie. licenses required under any Act, City of Port Alberni Business Licence, or other)

12. (a) Describe the goal(s) or purpose(s) of the Organization:

(b) How is the property used to accomplish the Organization's goal(s) or purpose(s)?

13. Size of membership or number of patients or residents utilizing the property:

14. How will the community and/or participants benefit?

15. How many volunteer hours does your organization log? _____

16. Does the organization conduct retail and/or commercial activities on the premises, including the sale of food and/or liquor?

No Yes – if yes, percent of revenue: _____

19. Has the organization received Community Investment Program or other grants from the City of Port Alberni, Provincial or Federal Government, Local Government, Crown Agencies, or other funding agencies in the last 5 years?

No Yes – if yes, complete the following:

Year	Purpose of Grant	Amount

20. Is the organization in compliance with all municipal policies, plans, bylaws, and other applicable regulations (ie. business licencing, zoning)?

Yes No – if no, please explain:

CHURCHES ONLY complete sections 21-24:

21. Are all the buildings on the lands in use and continue to be set aside for public worship?

Yes No – if no, please explain:

22. Please provide the maximum occupancy of your church. _____ Occupants

23. Please provide the size of your congregation: _____ people

24. Is there a residence on the church property?

Yes, if yes provide size _____ square feet No

I understand that all required information must be attached to this application to be considered for a Permissive Tax Exemption.

I understand that if this application is approved in full or in part, it is our organization's responsibility to complete a comprehensive application or confirmation of eligibility (as determined by the City of Port Alberni), by the stated deadline in each year in order to be considered for future Permissive Tax Exemptions.

I understand that it is our organization's responsibility to contact the City of Port Alberni if any changes occur with respect to ownership or principal use of property.

I certify that I am a current board member of this organization and that the information provided in this application and supporting documentation is true and accurate to the best of my knowledge.

Name: _____

Signature: _____

Position: _____

Date: _____

Knowingly submitting an application or information that is not true or accurate will result in loss of eligibility