

TITLE: PERMISSIVE TAX EXEMPTION				
EFFECTIVE DATE: June 10, 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 1.15% 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 1.15 % 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 addition information as necessary.

Application forms must be accompanied by:

- Copy of most current Notice to Reader financial statements 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;
 - services and facilities for persons requiring additional supports; mental wellness and addictions;
 - programming for seniors;
 - protection and maintenance of important community heritage;
 - arts, cultural or educational programs or facilities;
 - emergency and rescue services
 - 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 or charitable activities will be considered for exemption. Non-profit or Charitable organizations conducting retail and/or commercial activity including the sale of food and/or liquor, may 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 will be required to publicly 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 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 EXEMPTIONS

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 .5 acres, the area of land exempt from taxation, including the statutory exemption, shall be .5 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.