




POLICY: PERMISSIVE TAXATION EXEMPTION POLICY


SECTION: Finance **POLICY #:** FIN-011

PREPARED BY: Leslie Ford **PAGES:** 1 of 10
Director of Finance

EFFECTIVE DATE: Adopted by Council January 8, 2013

SUPERSEDES: N/A

AUTHORIZED: 
Taylor Bachrach
Mayor


Deborah Sargent
Chief Administrative Officer

POLICY STATEMENT:

The Town of Smithers recognizes the significant value of volunteers, volunteer groups and agencies to the spiritual, educational, social, cultural and physical well being of the community. A permissive tax exemption is 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 Smithers.

PURPOSE:

Section 224 of the Community Charter gives Council the authority to exempt certain land and/or assessments from property taxation. A permissive tax exemption is strictly at the discretion of Council.

This permissive tax exemption policy is to provide clarity, consistency and certainty to the municipality, the public and prospective applicants concerning permissive tax exemptions.

This policy does not pertain to statutory exemption under Section 220 not does it apply to special tax exemptions approved by Council under the provisions of Section 225 (Partnering, Heritage, Riparian and other Special Exemptions) and Section 226 (Revitalization Tax Exemptions).

POLICY:***A. Permissive Taxation Exemption Time Frames:***

Council will review and renew permissive taxation exemptions on a 3-year cycle. Review, approval and adoption of permissive taxation exemption bylaws will occur during the second year of every 3-year Council term. New applicants will have to wait until a next tax exemption review/renew period before being considered.

B. Types of Permissive Taxation Exemptions:

1. **Places of Worship, Private Schools, Certain Seniors Care Facilities** (used exclusively for the long-term care and housing of senior citizens) **and Hospitals**, as defined in Section 220, will receive permissive taxation exemptions and will be added to each 3-year permissive taxation bylaw without having to go through an application process. These organizations receive statutory exemptions under the provisions of Section 220 of the Community Charter for their improvements (buildings) and footprint of the land under the buildings. They are eligible to be added to the Town's permissive taxation bylaws under the provisions of Section 224 - sub sections (f) and (h) - to provide tax exemptions to the land surrounding their exempt buildings.

Any portion of a Place of Worship, Private School, Senior Facility or Hospital assessment that is used for commercial, industrial or residential purposes will not be exempt.

If a Place of Worship, Private School, Seniors Care Facility or Hospital owns a piece of vacant land, it will not be exempt.

Any portion of a Senior Long Term Care or Senior Housing property that is subleased to eligible occupants (such as in the case of BV Senior Christian Care Society), the portion of the land and improvements that is sub-leased will not be exempt.

2. **All others, Not-For-Profit Societies, Charitable Organizations, Athletic or Service Clubs/Associations**, will be required to go through an application process every 3 years. To be eligible for a permissive taxation exemption organizations must comply with the following eligibility criteria. The application form (see attached Schedule A) and required supporting documentation are an integral part of this policy.
 - a) Organizations must qualify for an exemption under the provisions of Part 7, Divisions 7, and Section 224 of the Community Charter, which includes:
 - i) Land or improvements held by a charitable, philanthropic or not-for-profit organization
 - ii) Land or improvement used or occupied by a religious organization, as tenant or licensee, for the purpose of public worship or for the purpose of a hall.

- iii) Land or improvements owned or held by an athletic or service club or association and used as a public park or recreation ground or for public athletic or recreational purposes
- iv) Land or improvements owned or held by an organization and operated as a licensed community care facility, or registered assisted living residence under the Community Care and Assisted Living Act.
- b) The applicant must either own the property they are requesting a permissive tax exemption for, or lease it from a government body.
- c) The applicant must be in compliance with municipal policies, plans, bylaws, and regulations (i.e. business licensing, zonings etc).
- d) The applicant must be a registered Charity or a registered Not-for-Profit Society.

C. Application Process:

1. The Finance Department will notify all current recipients of a not-for-profit permissive taxation exemption in May of the year that the permissive taxation exemption is to be renewed. A letter explaining the application process will be sent and a copy of the application form will be provided. An ad will be placed in the local newspaper and on the Town's website advising not-for-profit organizations of the upcoming permissive taxation application process.
2. Applications for Not-for-Profit/Charitable Organization permissive taxation exemptions must be received by the Town of Smithers by June 30th of the permissive taxation bylaw renewal year.
3. Not-for-Profit/Charitable Organization applicants must provide the following documentation along with their completed application form:
 - a) Copy of their most recent charitable organization return and/or a copy of their up to date not-for-profit society status.
 - b) Copy of their most recent fiscal year-end completed financial statements including Balance Sheet and Income Statement.
 - c) Current list of Board Members/Executive Officers
 - d) Scale Drawing of the Property that includes the buildings, parking lots, landscaping, playgrounds, fields etc.
 - e) Copy of lease agreement, if applicable.
 - f) Copy of Caretaker's agreement, if applicable.
4. Applicants may be requested to provide additional information; and applicants may be requested to make a presentation to Council.
5. The Finance Department will review all applications for completeness and will prepare a summary report with permissive taxation recommendations, for Council for their first Regular Council meeting in September of the bylaw renewal year.

6. Council will review the summary of the applications and the recommendations from staff and will make final decisions about the not-for-profit permissive taxation exemptions by mid September. Staff will then inform all applicants as to Council's decision(s) by letter.
7. A public notice of the proposed bylaw and proposed permissive taxations will be placed in the local newspaper, in accordance with Section 227 and Section 94 of the *Community Charter*.
8. The new 3 year permissive taxation bylaw will be sent to BC Assessment by the end of October, which is their deadline. This will provide the necessary information to BC Assessment concerning Council's permissive taxation exemptions for the following 3 taxation years.

D. Extent and Conditions of Permissive Taxation Exemptions:

1. Council, at its discretion, may approve a partial exemption or deny a permissive taxation altogether, even if an organization meets the eligibility criteria.
2. Council may impose conditions on the exempted land/improvements with the applicant organization, including, but not limited to:
 - a) An agreement committing the organization to continue a specific service/program;
 - b) An agreement committing the organization to have fields/facilities open for public use for specific times or a total amount of time;
 - c) An agreement committing the organization to offer use of the field/facility to certain groups free of charge or at a reduced rate.
3. Council may revoke a permissive taxation exemption, or disqualify an exemption for a specific time period, if an organization knowingly breaches conditions of the exemption.

E. Council Discretion:

Council may, at its discretion, waive any, or all, of Permissive Taxation Exemption policy Fin-011.