

## POLICY STATEMENT AND REGULATIONS

**Number: 200.16**

### **Permissive Tax Exemptions**

#### **POLICY**

The Community Charter provides that on or before October 31 in any year, Council may, by bylaw exempt land and/or improvements from municipal property taxes. In addition to the Community Charter requirements, those organizations applying for exemption must comply with the guidelines set out in this policy.

Permissive tax exemption must be applied for each year. Organizations receiving a tax exemption must demonstrate that they are making efforts to obtain funding from other sources. Council may consider providing qualified applicants with an exemption but there is an expectation that the recipient will eventually become self sufficient and no longer require the exemption. Normally any exemptions granted will be phased out over a five year period.

#### **ELIGIBILITY CRITERIA**

The onus is on each organization to demonstrate how they clearly meet the following criteria:

- a) The paramount consideration for a permissive tax exemption is the benefit to the community and the residents of Summerland. The organization must fulfill some basic need or otherwise improve the quality of life for Summerland residents.
- b) Organizations must meet the guidelines of section 224 of the Community Charter.
- c) Permissive tax exemptions may be granted where an organization provides a service that the District would provide given sufficient financial resources. Services provided by an organization should be an extension of, or complementary to, municipal services and programs.
- d) Permissive tax exemptions are based on the principal use of the property. Exemptions are not based on the charitable service of an organization, but rather the organization's use of the particular property to the direct benefit of the community.
- e) Organizations applying for exemption must show evidence of ongoing, active volunteer involvement.
- f) For community halls and camps, the property must be made reasonably available to the District's Parks and Recreation Department for the scheduling of community recreation programs.
- g) The goals, policies and principles of the organization must not be inconsistent with those of the District of Summerland.
- h) Membership in the organization and/or use of the property must be reasonably open to all Summerland residents.
- i) The organization must be a registered non-profit society in the Province of BC. The support of the District will not be used for commercial or private gain.

- j) The organization and property must be in compliance with all municipal bylaws and policies.
- k) The Council recognizes that organizations contribute to the well being of the citizens of the Municipality and to the improvement of their quality of life, and that exemption from taxation by Council may contribute to the organization's ability to provide its services to the community.
- l) Organizations and properties in receipt of property tax exemption are not to re-distribute funds to other charitable organizations.
- m) The organization and property must not be involved in a commercial venture.
- n) Council may consider an application for a Revitalization Tax Exemption under Section 226 of the Community Charter.
- o) Places of Worship, Private Schools and Hospitals will receive a permissive tax exemption on property not receiving general tax exemption under Section 220(1) of the Community Charter as long as the property is not being used for residential purposes and the main portion of the property meets the criterion for the general tax exemption under Section 220(1) of the Community Charter.
- p) An organization that provides liquor and/or meal services as their primary function and/or source of revenue will not be eligible for permissive tax exemption.

## **LIMITATIONS**

- a) 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.
- b) A caretaker's residence, church manse or other non-seasonally occupied dwellings on the property will not receive a tax exemption.
- c) Where a property's tax exempt use is restricted to a defined portion of a property, the balance of the property will not receive a tax exemption.
- d) The tax burden resulting from the exemption must be a justifiable expense to the taxpayers of Summerland.
- e) Vacant land being held for future use will not receive a tax exemption.
- f) Partial exemptions by Council will be considered.

## **APPLICATIONS**

- a) To receive consideration in the next taxation year for a tax exemption, new applications must be submitted before the end of July. The application must be made using the District's prescribed form and must include all required information.
- b) Unless all required information is supplied or a suitable explanation offered as to why this information cannot be supplied, the tax exemption application will not be considered.
- c) The District's Permissive Tax Exemptions Policy Statement and Regulations process and guidelines will be publicized by posting a notice advising the community of the tax exemption process.

## **ACKNOWLEDGEMENT OF TAX EXEMPTIONS**

- a) All recipients of tax exemptions from the District of Summerland are required to publicly acknowledge the exemption.
- b) 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 publication.
- c) If such publication lists community and government organizations in Summerland, such a list should also include the Council of the District of Summerland.
- d) In the event of dissolution, insolvency or bankruptcy of the organization, written notice must be given to the District of Summerland. This requirement should be acknowledged in the organization's bylaws and Articles of Association.
- e) If the property for which an organization is seeking tax exemption is owned by the organization, the District of Summerland must be notified prior to the sale of any of the property that has benefitted from a property tax exemption. This requirement should be acknowledged in the organization's bylaws and Articles of Association.

## **ACCOUNTABILITY**

When applying for a taxation exemption by Council, or upon request, the applicant will supply an audited financial statement for the most recent fiscal year, or where audited financial statements are not available, the applicant will supply financial statements that have been verified as correct by two signing officers from the organization.

ADOPTED: June 22, 2009