



Policy Title: Permissive Tax Exemption

Policy No: 04-03

Section: FINANCE – TAXES

Initially approved: August 17, 2009

Last Reviewed: May 22, 2018

Scheduled to be Reviewed:

POLICY STATEMENT:

The City of Rossland recognizes the significant value of volunteers and volunteer organizations 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 citizens of Rossland. The goal of this policy is to ensure that the organizations applying for permissive tax exemption meet the criteria and that the application process is consistent.

EXTENT, CONDITIONS & PENALTIES:

1. Council may designate only a portion of the land/improvements as exempted where the following circumstances exist:
 - a. A portion of the land/improvements is used by a private sector and/or organizations not meeting Council's exemption criteria.
 - b. The applicant already receives a grant in aid from the municipality, provincial or federal government.
 - c. The applicant meets all eligibility criteria, however Council may, at its discretion, grant a partial exemption such as where an organization derives a profit from a portion of their land/improvements.

2. Council may impose conditions on the exempted land/improvements with the applicant organization including but not limited to:
 - a. Registration of a covenant restricting use of the property
 - b. An agreement committing the organization to continue a specific service/program
 - c. An agreement committing the organization to have field/facilities open for public use for specific times or a total amount of time
 - d. An agreement committing the organization to offer use of the field/facility to certain groups free of charge or at reduced rates
 - e. An agreement committing the organization to immediately disclose substantial increase in the organization's revenue or anticipated revenue (ie. Receives a large operating grant from senior government).

3. Council may impose penalties on an exempted organization for knowingly breaching conditions of exemption, including but not limited to:
 - a. Revoking exemption without notice
 - b. Disqualifying any future application for exemption for specific time period
 - c. Requiring repayment of monies equal to the foregone tax revenue.
4. Council may impose a “funding cap” determined as an amount or a percentage of the budget.
5. Eligible organizations may be considered for tax exemptions exceeding one year (to a maximum of 10 years) where it is demonstrated that the services/benefits they provide to the community are of a duration exceeding the one year exemption period.

ELIGIBILITY CRITERIA:

Eligibility for exemption should be based on the principal use of the property. To be eligible for permissive tax exemption, an organization must comply with all of the eligibility criteria outlined below. There is no obligation on the part of Council to grant permissive tax exemption in any given year.

A property may be eligible for the exemption if the applicant meets all the following criteria:

- a.) Is the registered owner of the property, or a tenant under a lease requiring it to pay taxes directly to the City.
- b.) Is a British Columbia registered charity or non-profit Society.
- c.) Qualifies for an exemption under the provisions of the Community Charter (Part 7, Division 7, Section 224) (other incidental uses would not disqualify the applicant but, if substantial, will reduce the percentage of exemption).
- d.) Principal use meets Council’s objectives.
- e.) Provide benefits and accessibility to the residents of the City of Rossland. Residents must be primary beneficiaries of the organization’s services. Council may provide partial exemptions.
- f.) Provides a service supporting the social, spiritual, cultural, educational or physical well-being of the community.
- g.) Is in compliance with municipal policies, plans, bylaws, and regulations (ie. Business licencing, zoning, etc.)

Places of Worship must meet the following criteria:

- a.) Qualify for an exemption under the provisions of the Community Charter (Part 7, Division 7, Section 220 and 224).

- b.) The land surrounding the Place of Worship building will be exempt to the extent that the building is sitting on the lot. Empty lots in the proximity of the Place of Worship building will not be exempt.
- c.) Vacant land held for future use and/or investment will not be exempt.
- d.) Property used exclusively for parking unless in direct relationship to the Place of Worship will not be exempt.
- e.) Manses, including land equivalent to a normal sized City lot, are not exempt from taxation.

Applications will not be considered for the following:

- a.) Organizations that provide retail or commercial businesses that can compete with privately owned businesses.
- b.) That provide liquor and/or meal services as their primary function and/or source of revenue.

PROCESS:

- Council will consider applications for permissive tax exemption annually.
- The opportunity to apply for permissive tax exemption will be advertised once in the local newspaper and letters will be mailed to tax exemption recipients designated in the preceding tax year commencing June 1st of each year.
- Applications must be submitted to the Finance Department, using the prescribed application form, before July 15th of each year. The Finance Department will review the applications for completeness and arrange contact with applicants for additional information as necessary.
- Application submissions must include:
 - Completed application form
 - Copy of financial statements for last 3 years
 - Copy of Registered Charity or Non-Profit Information return for previous year
 - Copy of title certificate or lease agreement, as applicable
 - Scale drawing of property (buildings, parking lots, landscaping, playgrounds, fields, etc.)
 - Description of programs/services/benefits delivered from the subject lands/improvements including participant numbers, volunteer hours, fees charged for participation, benefits to the community
 - Description of any 3rd party use of the subject land/improvements including user group names, fees charged, terms of use
- The Finance Department will prepare a summary report for presentation to Council by the end of August. Staff will arrange for delegations to Council by applicants as necessary.
- The Permissive Tax Exemption bylaws and public notice will be prepared by September 15th. Public Notice, in accordance with Community Charter section 94, must be placed in 2 successive papers prior to adoption of the bylaw. Notice will also be posted on the City's website.

- The Permissive Tax Exemption bylaw must be adopted prior to October 31st and notice given to BC Assessment for those properties receiving exemption.
- Letters will be mailed to recipients notifying them of their exemption status for the following year.
- Late applicants will be held until the next review cycle.

CITY OF ROSSLAND
PERMISSIVE TAX EXEMPTION APPLICATION
Pursuant to Section 224 of the Community Charter

I _____ of _____,
Name Street Address

City/Town Telephone No. () (Home) or () (Work)

1. I am the _____ of the
Position Currently Held Within Organization

Name of Organization

I have knowledge of the facts with respect to the following property for which a permissive tax exemption is being applied for.

Property Address Roll/Folio No.

Legal Description of Property

2. Full name of organization: _____

3. Mailing address of organization: _____

4. Name and phone number of two officials in organization:

Name _____ Name _____

Title _____ Title _____

Phone No. _____ Phone No. _____

5. Society Registration Number: _____

Business Number (if applicable): _____

6. The lands are registered in the name of: _____

7. The exemption claimed under Section 224 is pursuant to Subsection 2, Clause (_____)

What is the principal use of the property?

8. Is any part of the building or property used or rented by commercial or private operators or by any group other than your organization? If so, describe the user groups, fees charged and terms of use.

9. Does anyone live in the building(s)? If yes, how many people? What is the square footage of the living area?

10. Is your organization in compliance with all municipal policies, plans, bylaws, and regulations of the City of Rossland (ie. Business licencing, zoning bylaw, etc.)? If not, please give an explanation.

11. Has there been any change in the status or use of the building(s) or property in the last 12 months? If yes, please explain briefly.

12. Describe the programs/services/benefits delivered from the subject property including participant numbers, volunteer hours, fees charged for participation, and benefits to the community.

13. How is your organization accessible to the public?

14. Who are the primary beneficiaries of your services (ie. Residents of Rossland, Residents of surrounding area, visitors)? What is the percentage of each?

15. Explain how the purposes of your organization are directly related to the objectives and purposes of Council and the City.

16. Other activities which may be pertinent to your application:

The information contained in this application is true and correct to the best of my knowledge.

Name (Please Print)

Authorized Signature

Date

APPLICATIONS MUST BE ACCOMPANIED BY THE FOLLOWING DOCUMENTATION:

- **Copy of financial statements for last 3 years**
- **Copy of Registered Charity or Non-Profit Information return for previous year**
- **Copy of title certificate or lease agreement, if applicable**
- **Scale drawing of property (buildings, parking lots, landscaping, playgrounds, fields, etc.)**
- **Any additional information that would assist in the evaluation of your request for tax exemption.**

DEADLINE: JULY 15