



## CITY OF PRINCE RUPERT CORPORATE POLICIES

POLICY NAME	Permissive Property Tax Exemption	POLICY NO.	180-02
EFFECTIVE DATE	17/9/2012	REVISION DATE	8/28/2023
APPROVED BY:	<input checked="" type="checkbox"/> COUNCIL <input type="checkbox"/> CITY M ANAGER		

### POLICY STATEMENT

The City of Prince Rupert 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 citizens of Prince Rupert.

### DEFINITION

A permissive tax exemption granted to a not-for-profit group means that those taxes are then covered by the remainder of the municipal tax payers. The service provided by the not-for-profit and the need for the tax exemption must be a justifiable burden on other tax payers.

Permissive tax exemptions are at the discretion of Council and there is no obligation to provide an exemption; and exemptions cannot be granted if the organization does not qualify under the *Community Charter*.

### PURPOSE

The Permissive Tax Exemption Policy is intended to provide clarity, consistency and certainty to the municipality, the public and prospective applicants.

## EXTENT, CONDITIONS, AND PENALTIES

1. Council may designate only a portion of land/improvements as exempted where the following circumstances exist:
  - a. A portion of the land/improvements is used by private sector and/or organization not meeting Council's exemption criteria;
  - b. The applicant already receives grant in aid from the municipality, provincial or federal government; and,
  - c. The applicant meets all eligibility criteria, however Council may at its discretion grant a partial exemption.
  
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; and,
  - e. An agreement committing the organization to immediately disclose any substantial increase in the organization's revenue or anticipated revenue (i.e. receives large operating grant from senior government).
  
3. Council may impose penalties on an exempted organization for breaching conditions of exemption, including but not limited to:
  - a. Revoking exemption with notice;
  - b. Disqualifying any future application for exemption for specific time period; and,
  - c. Requiring repayment of monies equal to the foregone tax revenue.
  
4. Council may at its discretion provide partial exemptions.

## PROCESS

1. Council will consider applications for permissive tax exemptions in an annual intake.
2. The opportunity to apply will be advertised annually in the local newspaper, posted on the City's website and advertised on social media in the month of June. Application forms can be downloaded from the City of Prince Rupert website, or picked up at City Hall.
3. Applications must be submitted on or before July 15th of each year to the Finance Manger using the City's application form (attached as Appendix A). The Finance Manager or designate will review the applications and contact applicants if there is any missing information.
4. The permissive tax exemption process for most applicants will follow **a 4-year cycle**. Once an eligible organization has been granted an exemption it will be valid to the end of that 4-year cycle, provided they continue to qualify. All exemptions are to be reviewed by the City each year to ensure that, based on the most current available information, they continue to be qualified for the exemption.
5. Letters will be sent out to current tax exemption recipients to notify them in June of the year the current cycle is ending informing them of the need to re-apply.
6. Applications approved mid-cycle will be harmonized with the current tax exemption cycle (i.e. if received in year two of the cycle the exemption will only be valid until the end of the current cycle).
7. Applications received after the deadline will not be considered for an exemption in the current year but, provided they are eligible, will be put forward to the following annual intake for consideration.
8. Applicants that have a property statutorily exempt under Section 220 paragraphs (h) and (i) of the *Community Charter* (public worship property and elderly citizens housing built between 1947 and 1974) who apply for permissive exemptions for the remainder of said property will be administered on **an 8 year cycle**.

## Application Forms

Comprehensive Application Form – this form must be completed along with required attachments by all first-time applicants and at the end of each exemption cycle when re-applying for an exemption. (Attached as Appendix A)

Annual Confirmation Form – this form must be completed annually by all applicants that have received an exemption for the coming year. The form requests confirmation that the use of the parcel receiving the exemption has not changed and that the information submitted in the original application is substantially the same. (Attached as Appendix B)

Comprehensive Applications with required supporting information must be submitted prior to July 15<sup>th</sup> of each year to be considered for the next permissive tax exemption year or cycle. Incomplete applications will be rejected.

Annual Confirmation Forms must also be submitted by July 15<sup>th</sup> of each year.

## Additional Information

Council may request a presentation from applying organization.

The City of Prince Rupert may request additional information.

The City of Prince Rupert reserves the right to review records and/or property to verify information provided in support of the application.

Successful applicants may be asked to publicly acknowledge the exemption. Council may, at its discretion, reject any or all applicants in any given year.

This policy does not apply to permissive tax exemptions for heritage revitalization, riparian, and other special exemption authority.

**There is no obligation on the part of Council to grant permissive tax exemptions in any given year to any given applicant.**

## ELIGIBILITY CRITERIA

The application forms and supporting documentation are an integral part of this policy. To be eligible for a permissive tax exemption an organization must comply with all of the eligibility criteria outlined below.

1. Applicants must qualify for an exemption under the provisions of the *Community Charter*, general authority for permissive exemptions. (Part 7, Division 7, Section 224).
2. The property must be in compliance with all municipal policies, plans, bylaws, and regulations (i.e. business licensing, zoning).
3. The applicant must be a registered charitable, philanthropic or other not-for-profit society incorporated under the Societies Act of British Columbia.
4. The property/facility being considered for the exemption must be owned or leased by the applicant with a lease agreement in place indicating that the not-for-profit is responsible for paying the property taxes.
5. Exemptions are based on the principal use of the property, not on the charitable service of the organization as a whole. Principal use of property must meet Council's objectives (see "Evaluation Categories" below). For example, if a not for profit organization opened a restaurant as a fundraiser to support their charitable work, the restaurant would not be eligible for exemption because its principal use is not of a charitable nature.
6. The services/programs provided by the not-for-profit must provide a benefit to the broader community and should be available to the general public. Members of the public, within the appropriate age range, should be able to join a club or organization and participate in its activities for a nominal rate or fee. Prince Rupert residents must be the primary beneficiaries of the organization's services. The services provided on the property must be accessible to the public.
7. Applicants that provide liquor and/or meal services as their primary function and/or source of revenue will not be eligible for permissive tax exemption.

8. In addition to the above criteria, not-for-profit organizations whose operations fall into the housing continuum must also meet the following eligibility criteria:
- a. The property/facility must be used to provide short-term stay (less than two years), non-rental housing such as emergency shelters or transitional housing with the provision of and supportive housing for people with special needs.
  - b. Properties that have a residence in the building or on the property will only be exempt if a caretaking function is performed and the property owner (organization) can provide a copy of a current caretaker agreement demonstrating rent is not collected on the residence.
  - c. Properties that provide rental/lease dwelling unit accommodation facilities exclusively to seniors aged 55 and over. Accommodation facilities include those with 8 or more units.

## EVALUATION CATEGORIES

All applications must meet the description of at least one of the following categories:

- a. Supportive housing properties: short-term stay (less than 2 years and stated purpose is to be short-term), emergency or crisis protection, or transitional housing for members of the community with the provision of support services, seniors housing.
- b. Community support programs: support services and programs to members of the community with special needs, who are in some way disadvantaged and need assistance in maximizing their quality of life.
- c. Arts and cultural facilities: preparation and delivery of artistic and cultural events or exhibits to the public.
- d. Complementary extensions to municipal services and programs: The services provided fulfill some basic need that the City could/would otherwise provide.
- e. Athletic or recreational facilities: provide space, equipment, and/or programs for the physical and mental enjoyment of the participants.
- f. Licensed day cares providing group child care or Preschool services to at least 9 children

g. Places of worship:

- i. Facilities for public worship occupied by a religious organization as a tenant;
- ii. Land surrounding places for public worship; church halls and land surrounding them or other property attached and deemed necessary.

## ADMINISTRATION

City staff will review all applications for completeness and contact the applicant if additional information is necessary. City staff will prepare a summary report of applications and bylaw for presentation to Council in September/October for approval and adoption prior to October 31st of each year. Public notice will comply with Section 94 of the *Community Charter*, and notice provisions adopted by City Bylaws in effect in each year application intake is made.

X

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Certified Correct: