
Date

The following was adopted as Policy by **Resolution No. 18.07.165** at the Regular Council Meeting held on **July 17, 2018**.

This policy rescinds Tax Exemption Policy No. 12.126.

Policy

Statement

The District of Lake Country 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 Lake Country.

Purpose

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

Legislative Framework

The *Community Charter* provides for tax exemptions under the following two circumstances:

1. Statutory Exemptions General Exemptions (Section 220)

- These are statutory exemptions by the Province of BC through provincial legislation.
- They include a wide range of property held by, or used for, the Province of BC, municipalities, Regional Districts, libraries, public hospitals, public schools, private schools, cemeteries, church buildings, etc.
- For some property, such as churches and private schools, the exemption is limited to the buildings and the land beneath the buildings – the land surrounding the buildings is a permissive exemption by Council.

2. Permissive Exemptions by Council (Section 224)

- Includes classes of properties which are mainly used by non-profit, social, cultural, athletic and recreation organizations. It permits the exemption of a property from all property taxation – municipal, provincial school and all other taxing jurisdictions with the exception of parcel taxes, user fees and other charges that are not based on property assessment.

1. Eligibility Criteria

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

- 1.1 The paramount consideration for a permissive tax exemption is the benefit to the community and the organization must primarily serve the residents of Lake Country. The organization must fulfill some basic need or otherwise improve the quality of life for Lake Country residents in providing a service supporting the social, spiritual, cultural, educational or physical well-being of the community.

- 1.2 Permissive exemptions will also be granted where an organization provides a service that the District would provide given sufficient financial resources. Services provided by the organization should be an extension of, or complementary to, municipal services and programs.
- 1.3 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.
- 1.4 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.
- 1.5 The goals, policies and principles of the organization must not be inconsistent or conflict with those of the District of Lake Country.
- 1.6 Membership in the organization and/or use of the property must be reasonably open to all Lake Country residents.
- 1.7 The organization must be a registered charity or non-profit society registered in the Province of BC.
- 1.8 The organization and property must be in compliance with all municipal bylaws and policies.
- 1.9 Is the registered owner of the property, or a tenant under a lease requiring it to pay taxes directly to the District

2. Limitations

- 2.1 Except where specifically provided within this policy there will be no exemption or reduction to utility fees and charges for tax-exempt properties – including but not limited to fees, charges and parcel taxes for water, sewer and garbage, which all must be current.
- 2.2 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.
- 2.3 The tax burden resulting from the exemption must be a justifiable expense to the taxpayers of Lake Country.
- 2.4 Vacant land being held for a future use will not receive a tax exemption.
- 2.5 This policy does not apply to exemptions for heritage, riparian, industrial or business properties.
- 2.6 Organizations, with the exception of those occupying District facilities and offering services deemed to be consistent with services that otherwise would be offered by the District itself, who are currently in receipt of a District Grant-In-Aid will not be eligible for a permissive exemption. Similarly, the award of a Permissive Exemption shall render such organizations ineligible for a District Grant-In Aid.

3. Definitions

- 3.1 Social service properties:
Properties used by eligible Societies primarily for the provision of support services to members of the community with a range of needs; and for administrative and fund-raising activities in support of those services.
- 3.2 Arts, Cultural and Educational facilities:
Properties used by eligible Societies primarily for the preparation and delivery of cultural and educational programs and events available to the public; and for fund-raising in support of those activities

- 3.3 Athletic or recreational facilities:
Properties used by eligible Societies primarily for the provision of space and equipment for the physical and mental enjoyment of the participants, with or without spectators.
- 3.4 Special needs and supportive housing properties:
Short term emergency or crisis protection for members of the community, supportive housing for people with special needs, halfway houses, transitional homes and group homes with supportive staff and programs
- 3.5 Places of Worship:
- a) Facilities for public worship occupied by a religious organization as a tenant
 - b) Land surrounding places for public worship; church halls and land surrounding them or other property attached and deemed necessary

4.0 Conditions

- 4.1 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 the private sector and/or organizations not meeting Council's exemption criteria
 - b) The applicant already receives grant-in-aid from the municipality and/or other sources
 - c) Only that part of the property used for non-profit activities will be considered for exemption. Commercial activities will be excluded. For clarity, society administration is considered part of the non-profits program delivery.
 - d) A separate caretaker's residence, church manse, or other non-seasonally occupied dwellings on the property would not be eligible to receive a tax exemption.
- 4.2 Council may impose conditions on the exempted land/improvements with the applicant organization, including but limited to:
- a) Registration of a covenant restricting use of the property;
 - b) An agreement requiring a payment equal to the foregone tax revenue should the property be sold, transferred to other parties or no longer used for the purposes stated in the application. Any such repayment would be pro-rated to ensure the portion of the taxation year for which the organization was still entitled to the permissive exemption was honoured by the District;
 - c) An agreement committing the organization to continue a specific service/program;
 - d) An agreement committing the organization to have field/facilities open for public use for certain times or a total amount of time;
 - e) An agreement committing the organization to offer use of the field/facility to a certain groups free of charge or at reduced rates;
 - f) An agreement committing the organization to immediately disclose any substantial increase in the organization's revenue or any changes in the status of the property.
- 4.3 Council may consider an exemption for the environmental and/or sewer parcel tax where the property has no assessed improvements and is being utilized for a cemetery or Wildlife Sanctuary.
- 4.4 Council may impose penalties on an exempted organization for knowing breach of conditions of exemption, including but not limited to:
- a) Revoking exemption with notice;
 - b) Disqualifying any future application for exemption for specific time period
 - c) Requiring repayment of monies equal to the foregone tax revenue

4.5 Approved permissive tax exemptions may be eligible for up to 100% of the exemption; however, this does not include tax levies and solid waste fees associated with the property.

5.0 Applications and Deadline

5.1 The opportunity to apply for a permissive tax exemption will be advertised in the local newspaper twice prior to the application deadline. The notice will include:

- a) Property subject to bylaw
- b) Description of the proposed exemption
- c) Number of years the exemption will be provided
- d) Estimate of the amount of taxes that would be imposed on the property if it were not exempt for the year of exemption and the following 2 years.

5.2 Application forms can be downloaded from the District of Lake Country website, or picked up at the Municipal Hall customer service.

5.3 Eligible organizations may be considered for tax exemption exceeding one year (to a maximum of five years) where it is demonstrated that the services/benefits they offer to the community are of a duration exceeding one year (i.e. for the period of the tax exemption).

5.4 To receive consideration in the next taxation year for a tax exemption, new applicants must submit an application before the end of the second week of August. An example of application periods are as follows:

Exemption Period	Number of Years Exempt	Application Due Date
2019 – 2023	5 Years	August 15, 2018
2020 – 2023	4 years	August 15, 2019
2021 – 2023	3 years	August 15, 2020
2022 – 2023	2 years	August 15, 2021
2023	1 year	August 15, 2022

5.5 Properties on the tax exemption bylaw will be required to re-apply for a periodic review every 5 years. It is the organization’s responsibility to notify the District of Lake Country immediately of any changes in property ownership and or use of the property.

5.6 All applications must include the organization’s most recent Financial Statements and proof that the society is in good standing with the registrar under the Society Act. Applicants will complete a Long Form application every five years.

5.7 For those organizations in receipt of a multi-year exemption, applicants will complete a Short Form application on a yearly basis to indicate any changes in operation or location from the original Long form application.

5.8 All applications forwarded to council for approval must meet the eligibility criteria.

5.9 Council must adopt the tax exemption bylaw for the following year by October 31st of the current year.

5.10 Council may request a presentation from the applying organization

5.11 Applications received after the deadline will not be considered until the following year’s submissions to Council. Applicants may, at that time, request Council to consider a refund of the Municipal portion of taxes paid for the property to be exempted the following year.

6.0 Administration

- 6.1 The Finance Department will review all applications for completeness and contact the applicant if additional information is necessary.
- 6.2 The Finance Department will prepare a summary report of applications and bylaw presentation to Council at their mid-September meeting for consideration, approval and adoption prior to October 31st of each year.
- 6.3 The Finance department will contact applicants prior to the completion of the summary report if their application will not be brought forward for consideration due to the application not meeting the eligibility, criteria or principal intent of this policy.

Original signed by James Baker

Mayor

Original signed by Willene Perez

Corporate Officer