

DISTRICT OF PORT HARDY

POLICY MANUAL

COUNCIL POLICY FINANCE

PERMISSIVE TAX EXEMPTION POLICY

POLICY # CP2.8

Original Approved: May 14, 2002
Last Amended: September 24, 2013

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Preamble

A permissive tax exemption is a means for Council to support organizations within the community which further Councils objectives of enhancing quality of life (economic, social, cultural) and delivering services economically. This policy guides identification of organizations meeting Councils objectives.

POLICY

1.Overall Amount

The total amount of revenue to be foregone by permissive tax exemptions to be approved will be set by Council annually during the development of the Financial Plan.

2.Process

Council will consider applications for permissive tax exemptions annually. The opportunity to apply will be advertised 2 times in the local newspaper and by letters mailed to tax exemption recipients designated in the preceding tax year.

Applications must be submitted to the Corporate Officer, using the prescribed form, before September 1st of the year prior. The Corporate Officer will review the application for completeness, and arrange contact with applicants for additional information as necessary.

Application submissions must include:

- Copy of current audited financial statements
- Description of programs/services/benefits delivered from the subject lands/improvements including participant numbers, volunteer hours, benefiting groups/individuals/special needs populations, fees charged for participation
- Description of any 3rd party use of the subject land/improvements including user group names, fees charged, conditions of use

The Corporate Officer will present a summary report of the applications, relative to the eligibility criteria, to Council and arrange for delegations to Council by applicants as necessary.

3.Eligibility Criteria

(a) Subject Property must be one of:

- Land and/or improvements owned by the District of Port Hardy
- Land and/or improvements ancillary to a statutory exemption under s 220 of the Community Charter

(b) Nature of Organization must be:

- Non-profit organization
- Charitable/philanthropic organization
- Athletic or Service Club/Associations

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- Care facility/licensed private hospital
- Partner of the municipality by agreement under s 225 of the Community Charter
- Other local authority
- Organization eligible to s. 220 statutory exemption (e.g. place of public worship, cemetery, library, seniors homes, hospital, etc.)

(c) The applicant organization's use of the land/improvements must benefit the community in one or more of the following ways:

- provides recreational facilities for public use
- provides recreation programs to the public
- provides programs to and/or facilities used by youth, seniors or other special needs groups
- preserves heritage important to the community character
- preserves an environmentally, ecologically significant area of the community
- offers cultural or educational programs to the public which promote community spirit, cohesiveness and/or tolerance
- offers services to the public in formal partnership with the municipality

4.Duration of Exemption

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 offer to the community are of a duration exceeding one-year (i.e. for the period of the tax exemption).

5.Extent, Conditions, and Penalties

(a) Council may designate only a portion of the land/improvements as exempted where the following circumstances exist:

- A portion of the land/improvements is used by the private sector and/or organizations not meeting Council's exemption criteria
- the applicant already receives grant-in-aid from the municipality

(b) Council may impose conditions on the exempted land/improvements with the applicant organization, including but not limited to:

- registration of a covenant restricting use of the property
- an agreement committing the organization to continue a specific service/program
- an agreement committing the organization to have field/facilities open for public use for certain times or a total amount of time
- an agreement committing the organization to offer use of the field/facility to certain groups free of charge or at reduced rates
- an agreement committing the organization to immediately disclose any substantial increase in the organization's revenue or anticipated revenue (e.g. receives large operating grant from senior government)

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(c) Council may impose penalties on an exempted organization for knowing breach of conditions of exemption, including but not limited to:

- revoking exemption with notice
- disqualifying any future application for exemption for specific time period
- requiring repayment of monies equal to the foregone tax revenue

6. Accountability

Approved applicants, at the request of council, may be required to present to Council an update of the organization's activities.

This update will be presented at an open Council meeting prior to August 31 of the exemption year.

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APPLICATION

In the Matter of the Taxation Exemption Bylaw
Pursuant to Section 224 of the Community Charter in the District of Port Hardy
(exemption from taxation under Annual Rates Bylaw)

Pursuant to Section 224 of the Community Charter (see attached for your convenience)

I, _____ of _____
Name Street Address

Town Telephone No. (_____) _____ or (_____) _____
Home Work

In the Province of British Columbia, do solemnly declare THAT:

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

Name of Corporation, Association, Society or Organization

Have knowledge of the facts hereinafter deposed with respect to the following property for which a tax exemption is being applied for:

Property Address Property Zoning Roll No.

Legal Description of Property

2. Full name or title of organization: _____

3. Mailing address of the organization (including Postal Code):

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4. Name and phone number of two other officials in organization (i.e. Pastor, President, Manager, etc.)

1. Name: _____	2. Name: _____
Title: _____	Title: _____
Day Phone No.: _____	Day Phone No.: _____
Night Phone No.: _____	Night Phone No.: _____

5. The lands are registered in the name of:

The exemption claimed under Section 224 is pursuant to Subsection 2, Clause _____
Please supply the relevant clause designation from Section 224.

6. The gross floor area of the building:

7. Size of land area _____

8. What is the principal use of the property?

9. Is any part of the building or of the property used or rented by commercial or private operators or by any group other than your organization?

10. Please provide details of other activities on your property, such as daycare centers, catering and hall rental, thrift shop.

The following information is required for each activity:

- Hourly per day and/or days per week of operation
- Fee or charge
- Approximate number of participants
- Is the activity operated by an outside organization:

11 (a) How is your organization consistent with District policies, plan, bylaws, codes and regulations?

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(b) How is your organization non-profit?

(c) How is your organization a complementary extension to District services and programs?

(d) How is your organization accessible to the public?

(e) How is your organization used primarily by Port Hardy residents?

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

13. Does anyone live in the buildings? If yes, how many people?

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14. Has there been any change in the status or use of the buildings or property in the last 12 months? If yes, please explain briefly.

ATTACHMENTS

Copy of current audited financial statements

attached

Current site plan of the property indicating the grounds and buildings and their uses, including buildings, storage buildings, walkways, parking lot, playgrounds, bush areas, etc.

attached

AND I make this solemn declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath, and by virtue of the CANADA EVIDENCE ACT.

Signature

Date

Print Name