

THE CORPORATION OF THE
CITY OF WHITE ROCK
15322 BUENA VISTA AVENUE, WHITE ROCK, B.C. V4B 1Y6



POLICY TITLE: MUNICIPAL PROPERTY TAX EXEMPTIONS

POLICY NUMBER: FINANCE - 317

<i>Date of Council Adoption: September 28, 2015</i>	<i>Date of Last Amendment: June 24, 2019</i>
<i>Council Resolution Number: 2007-410; 2013-346, 2015-336, 2019-233, 2019-264</i>	
<i>Originating Department: Finance</i>	<i>Date last reviewed by Governance and Legislation: June 10, 2019</i>

Policy:

I: General

Section 224 of the *Community Charter* authorizes municipal Councils to provide a permissive tax exemption for properties and facilities owned by non-profit organizations providing services that Council considers to be a benefit to the community and directly related to the purposes of the organization. A municipal property tax exemption is a means for Council to support community organizations that further Council's objectives of enhancing quality of life (social, economic, cultural) and delivering services economically. Section 224 also authorizes tax exemptions for other properties, such as land and improvements owned or held by a municipality and certain land or improvements surrounding places of worship.

In this Policy, Council recognizes the presence of non-profit organizations in White Rock that are providing a beneficial service to the community. To assist these organizations, it is reasonable that they be eligible to apply for a permissive exemption of municipal property taxes for a specified period of time. Permissive tax exemptions do not apply to sanitary sewer, drainage, solid waste and other user utility fees, which will still be payable by the organization.

II: Types of Property Exempted

In order for an organization's property to be eligible for consideration of a Permissive Tax Exemption, it must align with one of the following categories:

- (a) The land surrounding the buildings of places of worship which have been statutorily exempt from paying property taxes, in accordance with Section 220 of the *Community Charter*

- (b) Halls that Council considers necessary to buildings of places of worship which have been exempt from property taxes in accordance with Section 220 of the *Community Charter*
- (c) Land or improvements used or occupied by a religious organization, as a tenant or licensee, for the purpose of public worship or for the purposes of a hall that Council considers is necessary to land or improvements so used or occupied
- (d) BNSF City Leased property
- (e) City properties leased to not-for-profit organizations that
 - (i) are providing a community service not currently available through the City; and
 - (ii) have not previously paid property taxes on the City property in question.
- (f) Property owned by organizations whose principal purpose is to directly support Peace Arch Hospital's provision of health and wellness services to citizens of White Rock
- (g) Property owned by a charitable, philanthropic or other not-for-profit organizations whose principal purpose is delivery of social services to citizens of White Rock, provided that the property is being used for that purpose and it provides a beneficial service to the Community
- (h) Property owned by not-for-profit organizations whose principal purpose is delivery of cultural services to citizens of White Rock, provided that the property is being used for that purpose and it provides a beneficial service to the Community.

Criteria for Ineligibility

Organizations that fall into the following categories shall not be eligible for a permissive tax exemption:

- (a) Organizations providing, or associated with, housing
- (b) Service clubs

III: Process

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

Applications must be submitted to the Director of Financial Services, using a prescribed application form, before June 30 of each year. The Director will review the applications for completeness and arrange contact with applicants for additional information as necessary.

Application submissions must include:

- Copy of audited financial statements for the last 3 years. If not available, consideration will be given to applicants that submit financial statements which have

been reviewed by a certified accountant along with Canada Revenue Agency information returns containing relevant financial information.

- Copy of state of title certificate or lease agreement, as applicable
- Description of programs/services/benefits delivered from the subject lands/improvements including participant numbers, volunteer hours, groups benefited, fees charged for participation
- Description of any third-party use of the subject land/improvements including user group names, fees charged, and conditions of use
- Demonstrated legal status as a registered charity or other not-for-profit organization
- Written confirmation that any and all revenue generated from any of the properties being exempted, even if only on a temporary basis, is being dedicated to the programs and/or service delivery of the not-for-profit organization.

The Director of Financial Services 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.

IV: Duration of Exemption

Eligible organizations may be considered for tax exemptions exceeding one year where it is demonstrated that the services/benefits they offer to the community are of a duration exceeding one year. Council will establish the term of the exemption in the bylaw authorizing the tax exemption. No exemption shall exceed a period of 10 consecutive years.

V: Conditions

Under Section 224 of the *Community Charter*, Council may impose conditions on land/improvements that are exempted under this Policy. These conditions will be specified in each bylaw authorizing the exemption. The conditions may include but are not limited to:

- Registration of a restrictive covenant on the property
- An agreement committing the organization to continue a specific service or program
- An agreement committing the organization to immediately disclose any substantial increase in the organization's revenue or anticipated revenue

Section 224 of the *Community Charter* stipulates that a tax exemption bylaw under this section ceases to apply when the use or ownership of the property in question no longer conforms to the conditions necessary to qualify for exemption. After this, the property will be liable to taxation.

Penalties

Council may impose penalties on an exempted organization for knowingly 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
- (c) Requiring repayment of monies equal to the foregone tax revenue