

September 28, 2012

Province provides new information – City groups eligible for permissive tax exemption

Based on new information from the Province, the City's Community Partnership Committee will recommend that the bylaw on permissive tax exemption be amended to reinstate previously revoked properties leased by charitable/non-profit groups.

In a report to Council for the Oct. 2 meeting, the committee explains that following last week's Council meeting, the Ministry of Community, Sport and Cultural Development received calls questioning their interpretation of permissive tax exemption eligibility.

As a result, the Ministry of Community, Sport and Cultural Development broadened their interpretation of the Community Charter section for permissive tax exemption eligibility yesterday, and legal advice received by the City confirmed that there is no basis in the legislation that the lease must be a "capital" lease and therefore, operating leases held by these organizations also qualify for the permissive tax exemption.

"In light of this new information, the committee met Sept. 28 to consider the Ministry's most recent response and the opinion from our legal counsel, and they recommend that we amend the bylaw to reinstate seven previously revoked properties and to add two new ones," says Community Partnership Committee chair Barry Watchorn. "The committee's previous recommendation was based on our best understanding of the provincial legislation at the time, and we are very sorry for the difficulty community groups experienced as a result of that recommendation. City staff will contact all the affected groups today to advise them of our new recommendation to Council."

The committee's report recommends that Council rescind third reading of the bylaw presented at the last Council meeting and reinstate all properties leased by non-profits/charities. It also recommends that the Campbell River Dragon Boat Society be added to the list of organizations eligible for a permissive tax exemption.

"Council's support of the Community Partnership groups has assisted the ongoing operation of community arts, cultural, recreation, social, emergency and spiritual facilities and programs that greatly enhance the quality of life in the community," Watchorn says. "Extending that principle to non-profit groups receiving permissive tax exemptions offers similar support to the groups that are established in buildings."

Based on 2012 Tax Rates, the City of Campbell River will be providing 70 organizations statutory and permissive exemptions worth \$637,737 in 2013.

According to the Community Charter, the bylaw must be adopted for 2013 permissive tax exemptions by Oct. 31.

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