

*Deleted Jan. 24-06 Res #06-0167 Sec. 2.4*

## 2.4 GRANTS-IN-AID FOR RECREATION FACILITY RENTALS

## 2.5 CITY DAMAGE REWARDS

The City will provide rewards for information leading to the conviction of a person or persons found guilty of vandalism or theft of public property to a maximum of \$1,000.00.

## 2.6 TAXATION

*Oct 2/06 Res #06-0683, Jun 25-13 Res #13-0268, Jan 25-16 Res #16-0018,*

### 2.6.1 PERMISSIVE PROPERTY TAX EXEMPTIONS

#### 2.6.1.1 PURPOSE

Permissive tax exemptions are designed to support non-profit community groups that add to Campbell River's quality of life by delivering economic, social and cultural programs and which, under ordinary circumstances, would be subject to property tax.

The Province of British Columbia has enacted sections 220 and 224 of the Community Charter which govern exemptions from property taxation. Section 220 of the Community Charter deals exclusively with statutory exemption granted by the Province for which the City has no control over. Organizations such as hospitals, schools, and places of religious worship are statutorily exempt from property taxation, and the City has no discretion to provide or withdraw a statutory tax exemption.

Section 224 of the Community Charter provides the means for the City to permissively exempt certain qualifying organizations from property taxation. This policy provides the basis for review of applications for these permissive exemptions.

The Community Partnership Committee will review all eligible applications for tax exemption and make recommendations to Council. Recommendations may include a full, partial, or no exemption.

Emphasis will be given to facilities that provide services that may otherwise be expected to be provided by the City. Care must be taken to ensure that when a non-profit service is offered that competes with a licensed business that the non-profit service targets a sector of the community not served by business.

Council recognizes the important services provided by eligible organizations for the betterment of the quality of life for the citizens and visitors to our community. Council is also

cognizant of the additional tax burden on the remaining non-exempt properties which is created by exempting a share of the taxable assessment. The City of Campbell River will provide permissive tax exemptions to eligible groups up to an amount not exceeding 1.7% of the general tax levy. If permissive exemptions awarded to eligible groups exceed 1.7% of the general tax levy for the year, permissive exemptions will be reduced proportionally amongst all eligible groups to whatever level is necessary to ensure the 1.7% threshold is met.

### 2.6.1.2 PROCESS

Council will consider applications for permissive tax exemptions annually. The opportunity to apply will be advertised two (2) times in the local newspaper and by letters mailed to current tax exemption recipients. In addition, application packages will be available at any time from the City Hall or website at [www.campbellriver.ca](http://www.campbellriver.ca).

Applications must be submitted to the General Manager, Corporate Services, using the prescribed application form, before 4:30 p.m. on the last Friday in June of each year. The General Manager, Corporate Services or designate will review the applications for completeness, and arrange contact with applicants for additional information as necessary.

Application submissions must include:

- a. Copies of financial statements for last three (3) years for first time applicants, and for the last year for current tax exemption recipients.
- b. Copy of state of title certificate or lease agreement, as applicable.
- c. Evidence of a strong and clear mandate to provide services for the benefit of the community.
- d. 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.
- e. Description of any 3rd party use of the subject land/improvements including user group names, fees charged and conditions of use.
- f. Financial information on how the tax exemption amount is put back into the community through charitable means or reduced fees paid by the general population of the City of Campbell River.
- g. Confirmation that the organization's activities do not compete with any other duly licensed business in the Municipality.

## CITY OF CAMPBELL RIVER COUNCIL FINANCE POLICY

Adopted: September 12, 2000

Council Resolution No. 00-762

The Chair of the Community Partnership Committee with the assistance of the General Manager, Corporate Services or designate, will present a summary report of the applications and recommendations, relative to the eligibility criteria, to Council.

### ***Amendment Sep 19-16 Res.#16-0371***

#### 2.6.1.3. CRITERIA

Subject Property must be one of:

- a. Land and/or improvements owned by the applicant
- b. Land and/or improvements leased under an annual agreement
- c. Land and/or improvements ancillary to a statutory exemption under s.220 of the Community Charter (Statutory Exemptions)
- d. Nature of Organization must be:
  - i. Non-profit organization which may be one of:
  - ii. Charitable/philanthropic organization
  - iii. Athletic or Service Club/Associations
  - iv. Care facility/licensed private hospital
  - v. Partner of the municipality by agreement under s. 225 (Partnering, heritage, riparian and other special exemption authority) of the Community Charter
  - vi. Other local authority
  - vii. Occupier of City-owned land and/or building which provides a valuable community service that the City may otherwise be expected to provide.
  - viii. Organization eligible under s. 220 statutory exemption (e.g. place of public worship, cemetery, library, Indian land, senior's homes, hospital, etc.)
- e. The applicant organization's use of the land/improvements must benefit the community in one or more of the following ways:
  - i. Provides recreational facilities for public use
  - ii. Provides recreation programs to the public
  - iii. Provides programs to and/or facilities used by youth, seniors or other special needs groups
  - iv. Preserves heritage important to the community character
  - v. Preserves an environmentally, ecologically significant area of the community

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- vi. Offers cultural or educational programs to the public which promote community spirit, cohesiveness and/or tolerance
- vii. Offers services to the public in formal partnership with the municipality

All accounts for fees and charges levied by the City of Campbell River to the applicant must be current.

### ***Mar 19/18 Res.#18-0146***

Requests for Permissive Tax Exemptions on bare land will only be considered after a building is constructed, given final occupancy approval by the City, is occupied and is operationally compliant with all licensing and permits unless it is demonstrated to the Community Partnership Committee's satisfaction that the bare land itself is providing an actual benefit to the community.

Organizations, with the exception of those occupying City facilities and offering services deemed to be consistent with services that otherwise would be offered by the City itself, who are currently in receipt of a City 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 City Grant-In-Aid.

The following information will be considered when determining whether to grant a permissive tax exemption:

- a. size of organization - operating budget in relation to requested tax exemption
- b. availability of alternate sources of funding to the organization
- c. the organization shows evidence of competent administration
- d. the building and/or services offered are a benefit to the community as a whole.

#### 2.6.1.4. DURATION OF EXEMPTION

Eligible organizations may be considered for tax exemptions 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).

For those organizations in receipt of a multi-year exemption, a letter shall be sent annually from the City requesting confirmation that the nature of the services being provided by the organization have not substantially changed.

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### 2.6.1.5. CONDITIONS

- a. Council may designate only a portion of the land/improvements as exempted where the following circumstances exist:
  - i. A portion of the land/improvements is used by the private sector and/or organizations not meeting Council's exemption criteria
  - ii. The applicant already receives grant-in-aid from the municipality and/or other sources
  - iii. 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
- b. Council may impose conditions on the exempted land/improvements with the applicant organization, including but not limited to:
  - i. registration of a covenant restricting use of the property
  - ii. 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 City.
  - iii. an agreement committing the organization to continue a specific service/program
  - iv. an agreement committing the organization to have field/facilities open for public use for certain times or a total amount of time
  - v. an agreement committing the organization to offer use of the field/facility to certain groups free of charge or at reduced rates
  - vi. an agreement committing the organization to immediately disclose any substantial increase in the organization's revenue or anticipated revenue or any change in the status of the property
- c. Council may impose penalties on an exempted organization for knowing breach of conditions of exemption, including but not limited to:
  - i. revoking exemption with notice
  - ii. disqualifying any future application for exemption for specific time period
  - iii. requiring repayment of monies equal to the foregone tax revenue

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Approved permissive tax exemptions may be eligible for up to a 100% exemption.

### ***Amendment Sep 19-16 Res.#16-0371***

Should the total value of Permissive Tax Exemptions exceed 1.7% of the annual general tax levy, all exemptions shall be decreased proportionally until the total exemptions granted no longer exceeds the 1.7% threshold. This will be evaluated on an annual basis and recipients will be notified accordingly.

Property Used for City Purposes:

Permissive tax exemptions may be granted to lessees of municipally owned building where Council considers the land and improvements are used for a purpose that is directly related to the purposes of the City such that operations which are largely funded by City of Campbell River taxpayers shall not be burdened by taxation that would not otherwise occur.

Occupiers of City owned property may be included in the City's permissive exemption bylaws.

### ***Removed from Policy Jan 25-16 Res #16-0018***

#### 2.6.2 PERMISSIVE TAX EXEMPTION APPLICATION FORM

#### 2.6.3 TAX SALES (CITY MANAGER AUTHORIZED TO BID)

The City Manager is authorized to bid on tax sale properties on behalf of the City up to a maximum of 50% of assessed values.

#### 2.6.4 PARCEL TAX NOTICES

Parcel Tax notices will only be mailed where new property owners have been added or changes have been made to the Parcel Tax Roll.

## 2.7 EMERGENCY EXPENDITURES

### 2.7.1 EMERGENCY EXPENDITURES ARE DEFINED AS:

Expenditures not included with the current year Financial Plan, which are necessary for the following reasons:

- For the safety and or welfare of the citizens and property of the City of Campbell River.
- To prevent waste of resources, such as when the required expenditure would be greater if deferred and is unavoidable.
- To preserve the assets of the City of Campbell River.