



## The Corporation of the District of North Vancouver

### CORPORATE POLICY MANUAL

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#### POLICY

The *Community Charter* provides that on or before October 31 in any year, Council may, by bylaw, exempt land and/or improvements from municipal property taxes. In addition to the *Community Charter* requirements, those organizations applying for exemption must comply with the guidelines set out in this policy.

#### REASON FOR POLICY

The Council recognizes that such organizations contribute to the well being of the citizens of the Municipality and to the improvement of their quality of life, and that exemption from taxation by Council may effectively promote enhanced community services.

#### AUTHORITY TO ACT

Retained by Council

#### PROCEDURE

##### Criteria for Taxation Exemption by Council

Exemptions provided for in Section 224 (General Authority for Permissive Tax Exemptions) and covered by these guidelines are at the discretion of Council. There is no obligation to give an exemption. Council may also consider partial exemptions of less than 100%.

A financial cap equal to 0.6% of the tax levy applies to Section 224 exemptions only and specifically exclude Section 225 (Partnering, heritage, riparian and other special exemption authority) or Section 226 (Revitalization tax exemptions). When the funding requested exceeds the financial cap of 0.6% of the tax levy, the Community Services Advisory Committee has authority to allocate funds to applicants (within the limits of the financial cap) in the best interests of the District and make its recommendation to council. Under this authority some applicants might receive 100% of a funding request while other applicants might receive less than 100%.

Council may impose restrictions on the use of the property and may require the applicant to enter into an operating agreement or other legal agreement as a condition of an exemption. (eg: a requirement that sports groups be open to the public on Saturdays).

Organizations applying for taxation exemptions must successfully meet each general criteria.

##### 1.0 General Criteria

- 1.1 Exemptions are based on the Section 224 use of the property, not on the charitable status of the organization as a whole.
- 1.2 In the case of non-profit organizations seeking permissive tax exemption on private property, only private property that is entirely used for charitable, philanthropic will be considered for exemption (ie: no partial exemptions based on portions of property used for charitable or philanthropic).
- 1.3 The operations of the applicant on the property must be consistent with municipal policies, plans, bylaws, codes and regulations.
- 1.4 In the case of non-profit organizations seeking tax exemption, only property that is utilized to provide services for and/or to support to all District residents, without discrimination, will be considered.

- 1.5 PTEs will not be considered where Council believes that an exemption will result in the inappropriate downloading of responsibilities and costs of other levels of government to local taxpayers.
- 1.6 Organizations that disparage others are not eligible for a Permissive Tax Exemption.
- 1.7 Receipt of a Permissive Tax Exemption will be taken into consideration when organizations apply for other municipal grants.
- 1.8 Organizations must meet the guidelines of section 224 of the Community Charter;
- 1.9 Organizations must be non-profit and must provide needed:
- direct social & community services to District residents; or
  - arts and cultural activities of demonstrable benefit to District residents and that can be reasonably considered to provide a unique extension of municipal arts and cultural services; or
  - recreational services to District residents that can reasonably be considered an extension of municipal recreational services,
- 1.10 Organizations must offer services primarily to the broader community of citizens of the District of North Vancouver, and justify the need for that service;
- For the purposes of general provisions 1.9 and 1.10, in establishing need for direct social, community, cultural or recreational services, the Community Services Advisory Committee has the power to make a distinction between addressing “need” and providing “choice” and will recommend to Council only those applications that address need.
- 1.11 Organizations must show evidence of ongoing, active volunteer involvement;
- 1.12 Organizations must present proof of financial responsibility and accountability;
- The organization must provide any financial information and supporting information requested and, at a minimum, provide the previous year’s financial statements as per Section 7.1.
  - In assessing applications, the DNV will consider the ability of the organization to raise its own revenues.
- 1.13 Organizations must provide evidence of seeking funding from other sources, including exemptions from other levels of Government;

## 2.0 Applications

- 2.1 Application Form - The application form supplied by the municipality must be utilized by all applicants for tax exemption. The application form requires organizations to:
- 2.1.1 declare under which subsection of section 224(2) of the *Community Charter* they are claiming the exemption;
- 2.1.2 provide a full description of the organization, its purposes and programmes;
- 2.1.3 provide all necessary documentation to support the status they claim; and
- 2.1.4 provide financial statements in accordance with section 7 of this policy.
- 2.2 Completeness of Information Supplied - Unless all required information is supplied or a suitable explanation offered as to why this information cannot be supplied, the tax exemption application will not be considered.

2.3 Deadline - The deadline for applications in any year shall be set by the Community Services Advisory Committee and be strictly adhered to. The deadline must be on or before April 30<sup>th</sup> of the year preceding the year of tax exemption. Applications received after the deadline will only be considered if they meet the criteria under Section 2.4

2.4 Applications for Exemption Received after the Deadline – Subject to the provisions of the *Community Charter*, requests for exemption by Council which are received after the deadline will only be considered if they meet the following conditions:

2.4.1 The application complies with the tax exemption by Council guidelines as outlined in Section 1.0 of this policy;

2.4.2 The requirement for exemption was not reasonably foreseeable at the date of the deadline for exemptions for the current period;

2.4.3 Adequate justification is provided for not meeting the deadline for application for exemption for the current period.

2.4.4 A taxation exemption application form is completed.

Staff will review any application received after the deadline and provide recommendations to Council.

### 3.0 Review Process

3.1 Applications will be received by staff.

3.2 In the second year of council's mandate, the applications will be reviewed by the Community Services Advisory Committee, working with a staff liaison. A report and the necessary bylaw will be prepared for Council consideration by August 31st. Additional material, including completed applications, will be forwarded to Council only if specifically requested by Council.

3.3 Council approves a Permissive Tax Exemption bylaw once every four years in the second year of a Council's four year mandate. The bylaw is in effect for a four year period. The bylaw is supported by a full review of all applications.

3.4 New applications received in years one, three and four of a council mandate, will only be considered if there is room in the financial cap, if Council deems a service to be a District service or deems there to be a community "need".

3.5 Once Permissive Tax Exemption applications have been reviewed by the Community Services Advisory Committee and, it is confirmed that the total applications exceed the financial cap of .6% of the tax levy, the Community Services Advisory Committee will have the authority to allocate funds to applicants within the limits of the financial cap and make their recommendation to council. Staff will work with the Committee to establish allocation mechanisms.

### 4.0 Publication of Taxation Exemptions by Council Process and Criteria

4.1 The District Taxation Exemptions by Council Process and Guidelines will be publicized by posting a notice advising the Community of the Tax Exemption by Council process and criteria.

4.2 Taxation Exemptions by Council will be reported annually.

5.0 Council to Provide Notice of Permissive Tax Exemptions Prior to Adoption of Bylaw

5.1 Pursuant to Section 227 of the *Community Charter*, prior to adoption of a proposed bylaw to exempt property from taxation, Council is required to give notice of the bylaw. The notice must:

5.1.1 identify the property that would be subject to the bylaw,

5.1.2 describe the proposed exemption,

5.1.3 state the number of years that the exemption may be provided, and

5.1.4 provide an estimate of the amount of taxes that would be imposed on the property if it were not exempt, for the year in which the proposed bylaw is to take effect and the following 2 years.

6.0 Acknowledgement of Taxation Exemptions by Council

6.1 All recipients of tax exemptions from the District of North Vancouver are required to publicly acknowledge the exemption.

6.2 This information is to be communicated to all beneficiaries, either in the local newspaper or through a letter, as well as, if applicable, in a prominent location in their publication.

6.3 If such publication lists community and government organizations in North Vancouver, such a list should also include the Council of the District of North Vancouver.

7.0 Accountability

7.1 When applying for a taxation exemption by Council, or upon request, the applicant will supply an audited financial statement for the most recent fiscal year, or where audited financial statements are not available, the applicant will supply financial statements that have been verified as correct by two signing officers from the organization.

Approval Date:	May 6, 2002	Approved by:	Regular Council
1. Amendment Date:	September 10, 2007	Approved by:	Regular Council
2. Amendment Date:	July 22, 2015	Approved by:	Finance & Audit Committee
3. Amendment Date:		Approved by:	

**EXCERPT FROM THE *COMMUNITY CHARTER***

**General authority for permissive exemptions**

- 224** (1) A council may, by bylaw in accordance with this section, exempt land or improvements, or both, referred to in subsection (2) from taxation under section 197 (1) (a) [*municipal property taxes*], to the extent, for the period and subject to the conditions provided in the bylaw.
- (2) Tax exemptions may be provided under this section for the following:
- (a) land or improvements that
    - (i) are owned or held by a charitable, philanthropic or other not for profit corporation, and
    - (ii) the council considers are used for a purpose that is directly related to the purposes of the corporation;
  - (b) land or improvements that
    - (i) are owned or held by a municipality, regional district or other local authority, and
    - (ii) the council considers are used for a purpose of the local authority;
  - (c) land or improvements that the council considers would otherwise qualify for exemption under section 220 [general statutory exemptions] were it not for a secondary use;
  - (d) the interest of a public authority, local authority or any other corporation or organization in land or improvements that are used or occupied by the corporation or organization if
    - (i) the land or improvements are owned by a public authority or local authority, and
    - (ii) the land or improvements are used by the corporation or organization for a purpose in relation to which an exemption under this Division or Division 6 of this Part would apply or could be provided if the land or improvements were owned by that corporation or organization;
  - (e) the interest of a public authority, local authority or any other corporation or organization in land or improvements that are used or occupied by the corporation or organization if

- (i) the land or improvements are owned by a person who is providing a municipal service under a partnering agreement,
  - (ii) an exemption under section 225 [partnering and other special tax exemption authority] would be available for the land or improvements in relation to the partnering agreement if they were used in relation to the service,
  - (iii) the partnering agreement expressly contemplates that the council may provide an exemption under this provision, and
  - (iv) the land or improvements are used by the corporation or organization for a purpose in relation to which an exemption under this Division or Division 6 of this Part would apply or could be provided if the land or improvements were owned by that corporation or organization;
- (f) in relation to property that is exempt under section 220 (1) (h) [buildings for public worship],
  - (i) an area of land surrounding the exempt building,
  - (ii) a hall that the council considers is necessary to the exempt building and the land on which the hall stands, and
  - (iii) an area of land surrounding a hall that is exempt under subparagraph (ii);
- (g) land or improvements used or occupied by a religious organization, as tenant or licensee, for the purpose of public worship or for the purposes of a hall that the council considers is necessary to land or improvements so used or occupied;
- (h) in relation to property that is exempt under section 220 (1) (i) [seniors' homes] or (j) [hospitals], any area of land surrounding the exempt building;
- (h.1) in relation to land or improvements, or both, exempt under section 220 (1) (l) [independent schools], any area of land surrounding the exempt land or improvements;
- (i) land or improvements owned or held by an athletic or service club or association and used as a public park or recreation ground or for public athletic or recreational purposes;
- (j) land or improvements owned or held by a person or organization and operated as a private hospital licensed under the Hospital Act or as a licensed community care facility, or registered assisted living residence, under the Community Care and Assisted Living Act;
- (k) land or improvements for which a grant has been made, after March 31, 1974, under the Housing Construction (Elderly Citizens) Act before its repeal.

- (3) The authority under subsection (2) (e) and (g) to (j) is not subject to section 25 (1) [prohibition against assistance to business].
- (4) Subject to subsection (5), a bylaw under this section
  - (a) must establish the term of the exemption, which may not be longer than 10 years,
  - (b) may only be adopted after notice of the proposed bylaw has been given in accordance with section 227 [notice of permissive tax exemptions], and
  - (c) does not apply to taxation in a calendar year unless it comes into force on or before October 31 in the preceding year.
- (5) Subsection (4) (a) and (b) does not apply in relation to exemptions under subsection (2) (f), (h) and (h.1).
- (6) If only a portion of a parcel of land is exempt under this section, the bylaw under this section must include a description of the land that is satisfactory to the British Columbia Assessment Authority.
- (7) A bylaw under this section ceases to apply to property, the use or ownership of which no longer conforms to the conditions necessary to qualify for exemption and, after this, the property is liable to taxation.