


ATTACHMENT B

		POLICY AND PROCEDURE MANUAL	
Category: Finance	Number: FIN.49(C)	PERMISSIVE TAX EXEMPTION POLICY: NOT-FOR-PROFIT ORGANIZATIONS	
Type:		Authority:	Approved By:
<input checked="" type="checkbox"/> Policy <input type="checkbox"/> Procedure		<input checked="" type="checkbox"/> Council <input type="checkbox"/> Administrative	<input checked="" type="checkbox"/> Council <input type="checkbox"/> Chief Administrative Officer <input type="checkbox"/> Department Head
Office of Primary Responsibility: Corporate Administration			
Date Adopted:		Council Resolution No:	Date to be Reviewed: 2029, then four-year rotations.
Manner Issued: Mail, email and website			

BACKGROUND:

Municipalities in British Columbia may exempt certain properties from property taxes by passing a bylaw in accordance with Division 7 – Permissive Exemptions of the *Community Charter*.

PURPOSE:

A Permissive Tax Exemption (PTE) is one means for the City of Mission to aid eligible community-minded resources and support their respective function for the overall common good.

POLICY:

ELIGIBILITY CRITERIA

To be considered for a permissive tax exemption, the applicant must meet all the following conditions as applicable:

1. Qualify for an exemption under the provisions of the *Community Charter*, Part 7, Division 7, Section 224, General authority for permissive exemptions.
2. Operate as a federal or provincial registered charity/society or not-for-profit organization. A “not-for-profit” organization is a group that is organized for the purpose of social, religious, charitable, educational, athletic, literary, political or other such activities.

Although there are many kinds of not-for-profit organizations, they all have one thing in common – people involved in the not-for-profit organization cannot use it for personal gain.
3. Comply with municipal policies, plans, bylaws and regulations (ie. business licensing, bylaws, zoning, etc.)
4. Provide services or programs that are complementary to those offered by the City. The activity must be aligned with activities typically provided by a municipality or that are specified as desirable by Council.

Examples of acceptable activities include: athletic or social programs, animal welfare (not including exotic animals), cycling, equestrian, low cost training (educational/training /mentoring), food banks/community kitchens, subsidized/supported daycare, substance use recovery, and activities that are subsidized to a degree that all may participate regardless of financial constraints.

Exclusions – any high cost or member-based activities (e.g. motor sports, golf, etc.)

Programs or services provided by an organization should fulfill a basic need or otherwise improve the quality of life for residents of the City.

5. Provide benefits and are accessible primarily to the residents of the City.
6. Council may consider applications that operate business under the following conditions (all conditions must be applicable):
 - a. A thrift store or environmentally oriented business or sell goods at a subsidized price;
 - b. The business must employ the clientele supported by the applicant and/or utilize volunteers as a majority (>50%) of its workforce; and
 - c. The business must return no less than 90% of its net profit from the business activities located in Mission to program/benefit activities in Mission.
7. An application submitted in relation to any area of land surrounding statutory exempt land or improvements (e.g. senior homes, hospital), must meet the requirements of permissive exemptions of land or improvements licensed under any of the following:
 - a. the *Hospital Act*; or
 - b. the *Community Care and Assisted Living Act*; or
 - c. land or improvements for which a grant has been made, after March 31, 1974, under the *Housing Construction (Elderly Citizens) Act* before its repeal.
8. Not-for-profit organization whose operations fall into the housing continuum as defined in Mission's Affordable Housing Strategy, must also meet the following eligibility criteria:
 - a. Provide short-term housing including emergency, shelters, temporary supported housing, non-market housing, and subsidized/social housing; and
 - b. Caretaker residence units will only be exempt if:
 - i. The property owner (organization) can provide a copy of a caretaker agreement in place describing the functions performed; and
 - ii. Rent is not collected on the residence/unit.
 - c. Provide affordable housing according to Housing Income Limits or BC Housing criteria or Canada Mortgage and Housing Corporation criteria

Intent of these requirements is to ensure that municipal support is not used to further the activities of an organization or individual, that if not for its not-for-profit status, would otherwise be considered a business. (i.e. an organization that is operating as a not-for-profit organization although charges market values or services available and would be comparable in operations and perception to public as a for-profit business).

Applications will **NOT** be considered for organizations that:

1. Notwithstanding paragraph 6 above, conduct any retail operation or provide direct or indirect support to an independent business(es) on commercial property that could compete with privately owned facilities providing a similar service; or
2. Request exemption on a parcel that is used exclusively for parking, unless it is in direct relationship to the organization's principal use; or
3. Operate on a property that is under construction, which will not be considered for a permissive tax exemption until construction is complete and an occupancy permit is issued; occupancy must be issued by the City prior to August 31 to be considered for a permissive tax exemption in the next calendar year; or
4. Provide rental housing, except for short-term housing units as described above.

PROCESS

1. The prescribed application form being used is one of two forms:
 - a. The new application form for new organizations applying; or
 - b. The annual reporting form for organizations that already fall under a Council approved up to four-year PTE bylaw. Successful applicants will be required to complete and submit an annual declaration confirming there has been no changes in the not-for-profit status, ownership/lease terms, use, legal description and/or other pertinent information that relates to their permissive tax exemption.
2. Applications must be submitted to the Finance Department, to the attention of the Financial Services Manager, using the prescribed application form, by June 30 or the next business day if June 30 falls on a weekend.

TERM OF EXEMPTION

1. Eligible applicants may be granted a permissive tax exemption up to a four-year term, with new applications mid-cycle being granted for the remainder of the four-year term.
2. Exemption terms will be reviewed under the following conditions:
 - a. A transfer, sale or lease of the property is conducted that would alter the PTE bylaw to some person not entitled to such exemption; or
 - b. The property being used for some purpose which would entitle it to exemption under this policy ceases to be so used; or
 - c. The property exempt from taxation under this policy ceases to meet the conditions necessary to qualify for the exemption including, but not limited to, compliance with City policies and bylaws, the property shall be liable to taxation from the date of the transfer, sale lease or change of use or conditions, as the case may be (the "taxation date").
3. Where the assessment roll is completed before the transfer, sale, lease or change of use or conditions described in section 2 of the policy come to the attention of the Financial Services Manager:

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- a. The Financial Services Manager will provide written notice to the transferor, purchaser, lessee or other person who, but for the exemption, would have been liable to taxation and
- b. The person described in 3(a) above, shall pay to the City an amount equal to the total taxes that, but for the exemption, would have been payable on the property from the taxation date, together with interest compounded annually at the prescribed in Section 246 of the *Community Charter*.

FUNDING

There is no obligation for Council to grant a permissive tax exemption.

Council may approve permissive tax exemptions in full or partial basis.

RELATED POLICIES, PROCEDURES, AGREEMENTS AND/OR BYLAWS:

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***** END OF POLICY *****

RECORD OF AMENDMENTS/REVIEW

<u>Policy #</u>	<u>Date Adopted</u>	<u>Date Reviewed</u>	<u>Amended (Y/N)</u>	<u>Date Reissued</u>	<u>Authority (Resolution #)</u>