

Permissive Tax Exemptions

An Introduction

Outline:

- Background on permissive tax exemptions
- Legislation – statutory and permissive
 - (Will not be covering heritage or revitalization exemptions)
- City Policy and Guideline document
- Current Statistics
- Bylaw for 2018 Exemptions
- Questions

Background - PTEs

- Provide a tax exemption for all property taxes, including School Taxes, RDN, etc.
- Benefit is greater to the recipient than the cost to the City.
- Generally for non-profit organizations who provide services that benefit the broader community.

Legislation: Statutory Exemptions

- Community Charter Section 220
- Automatically applied by BC Assessment
- Applies as long as property is used for those purposes
- Includes:
 - Government
 - Churches
 - Hospitals
 - Schools

Legislation: Permissive Exemptions

- Community Charter, Section 224
- Municipal Council may exempt property, by bylaw
- Requirements:
 - Must be non-profit, charitable or philanthropic organization
 - Property is used for a purpose directly related to the purpose of the corporation.
- Also applies to property beyond the building footprint of a church, used for church purposes (ie - parking lot)

Legislation - other

- General prohibition against assistance to business or commercial enterprise (section 25(1)(b))
- PTE Bylaw must be adopted by October 31 for the exemption to be in place for the next year.

City - Grants Policy and Guidelines



CITY OF NANAIMO COUNCIL POLICY MANUAL

Pages: 1 of 9
Approval Date: 2011-AUG-29

SECTION: FINANCIAL ADMINISTRATION
SUBJECT: Grants Policy and Guidelines

GRANTS POLICY AND GUIDELINES INDEX

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Grants Policy and Guidelines

- Comprehensive policy review conducted in 2011 resulting in a new policy and guidelines document.
- Primarily provides guidance for PTEs, but also covers a few minor “other grant” categories.
- Specific policies: The City will exempt:
 - Up to 2 acres of land surrounding church building and the land surrounding a hospital used for hospital purposes
 - Land and improvements operated as a private hospital or community care facility

Grants Policy – cont'd

- Specific policies: The City will exempt:
 - Property owned by registered non-profit organizations that is maintained and used for public park or recreation purposes
- Specific policies: The City may exempt:
 - Land and improvements owned or held by a charitable, philanthropic or other not-for-profit organization that are used for a purpose directly related to the purpose of the organization (community service organizations, community associations, arts & cultural organizations or other registered non-profits)

Current Statistics

- Past 4 years PTEs averaged \$1.5 million per year in municipal taxes
- 2017 actual estimated at \$1.2 million as several organizations now assessed as statutorily exempt
- 2017 bylaw represented 110 organizations for a total of 160 properties
- Policy calls for a comprehensive review of organizations receiving PTEs every 3 years

Bylaw for 2018 Tax Exemptions

- Will include properties that received an exemption in 2017, adjusted for sold properties, etc.
- Will include new applications that are approved to be added to the bylaw
 - Applications from 5 organizations
 - 8 properties

Permissive Tax Exemptions

- Any questions?

