

DATE OF MEETING    APRIL 20, 2022

AUTHORED BY        JAMIE SLATER, MANAGER, REVENUE SERVICES

**SUBJECT              CONSIDERATION OF NEW PERMISSIVE TAX EXEMPTION**

## **OVERVIEW**

### **Purpose of Report**

To obtain Council approval for the Permissive Tax Exemption application received from Nanaimo Canadian Amateur Football Association for 6706 Dover Road. |

### **Recommendation**

That the Finance and Audit Committee recommend that Council:

- a) Award a Permissive Tax Exemption for the 2022 taxation year to the Nanaimo Canadian Amateur Football Association for 6706 Dover Road; and
- b) Award a Permissive Tax Exemption Cash Grant with an approximate value of \$890 for the 2022 taxation year for 6706 Dover Road.

## **BACKGROUND**

Historically, new applications for Permissive Tax Exemptions were previously reviewed by the Grants Advisory Sub-Committee, who then forwarded recommendations to approve or deny the applications to Council. With the dissolution of this Sub-Committee, the responsibility to review the new applications falls to the Finance and Audit Committee.

A copy of the current Grants Policy and Guidelines document is attached to this report as ATTACHMENT A. Sections 7 and 8 provide specific direction on the evaluation of applications for Permissive Tax Exemptions.

The application that was received by Nanaimo Canadian Amateur Football Association is attached to this report as ATTACHMENT B. The application meets the criteria for approval of a Permissive Tax Exemption.

It should be noted that the grants and permissive tax exemption policy documents and application forms require updating. These updates are in progress and a report to the Finance and Audit Committee with new documents will be forthcoming. |

## **DISCUSSION**

The Nanaimo Canadian Amateur Football Association meets the criteria of being a registered not-for-profit organization that provides services to the Community. Since 1963, this organization has provided opportunities to thousands of youth aged 8-15 years to participate in annual spring and fall tackle and training programs at May Bennett Richards Pioneer Park located at 6706 Dover Road. These recreational activities and programs provide opportunities for personal and social development of the Community.

The 2022 assessed value of the property is \$61,700 and has a classification of Class 8 (Recreational Properties), which would result in estimated 2022 taxes of \$890. Actual 2022 tax values are not available yet as tax rates have not been set.

The value of the 2022 cash grants budget is \$5,000, so approximately \$4,110 would be remaining for the remainder of 2022.

## **OPTIONS**

1. That the Finance and Audit Committee recommend that Council:

- a) Award a Permissive Tax Exemption for the 2022 taxation year to the Nanaimo Canadian Amateur Football Association for 6706 Dover Road; and
- b) Award a Permissive Tax Exemption Cash Grant with an approximate value of \$890 for the 2022 taxation year for 6706 Dover Road
  - **Advantages:** Granting a Permissive Tax Exemption to the Nanaimo Canadian Amateur Football Association supports the not-for-profit activities of the organization and meets the criteria in the Grants and Policy Guidelines document.
  - **Disadvantages:** By granting a Permissive Tax Exemption, the remaining Class 8 properties throughout the City of Nanaimo will be required to absorb approximately \$890 in property taxes. At this point in time the 2022 tax rate can only be estimated, as tax rates have not been set.
  - **Financial Implications:** Funding for the 2022 cash grant would be provided by the 2022 cash grants operating budget (total available budget for 2022 is \$5,000).

2. That the Finance and Audit Committee recommend that Council:

- a) Deny a Permissive Tax Exemption for the 2022 taxation year to the Nanaimo Canadian Amateur Football Association for 6706 Dover Road
  - **Advantages:** The denial of a Permissive Tax Exemption would result in the remaining Class 8 properties throughout the City of Nanaimo not having to absorb approximately \$890 in property taxes. At this point in time the 2022 tax rate can only be estimated, as tax rates have not been set.
  - **Disadvantages:** The denial of a Permissive Tax Exemption could result in the Nanaimo Canadian Amateur Football Association not being able to provide as many recreation programs that provide opportunities for personal and social development of the Community.

### **SUMMARY POINTS**

- The Nanaimo Canadian Amateur Football Association has applied for a Permissive Tax Exemption for 6706 Dover Road
- The application from Nanaimo Canadian Amateur Football Association meets the criteria for the approval of a Permissive Tax Exemption
- Cash grant funding for the 2022 taxation year is available for the estimated \$890 value of the exemption

### **ATTACHMENTS:**

- ATTACHMENT A: Grants Policy and Guidelines
- ATTACHMENT B: Permissive Tax Exemption Application |

#### **Submitted by:**

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#### **Concurrence by:**

Laura Mercer  
Director, Finance |