

DATE OF MEETING OCTOBER 16, 2024

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SUBJECT PERMISSIVE TAX EXEMPTION CASH GRANT REQUEST

OVERVIEW

Purpose of Report

To present a request for a permissive tax exemption cash grant for 2024. |

Recommendation

That the Finance and Audit Committee recommend that Council deny a permissive tax exemption cash grant to the Connective Support Society Nanaimo for the 2024 property taxation year.

BACKGROUND

The Connective Support Society Nanaimo operates a supportive recovery site out of 2630 Labieux Road. The society provides supported recovery from drug and alcohol addiction, restorative justice services, and vocational supports to marginalized populations. The property has 24 beds available for recovery.

The property is leased by the Connective Support Society Nanaimo. The property has been granted a permissive tax exemption for the 2025 taxation year, and confirmation has been provided by the lessor that the benefit of any permissive tax exemption will be passed on to the Connective Support Society Nanaimo.

Permissive tax exemptions must be granted by OCT-31 of the previous year, in order for an exemption to apply for the subsequent year. If an exemption is not granted by OCT-31, an organization needs to wait for the exemption to apply until the next year's property tax exemption cycle. |

DISCUSSION

The Connective Support Society Nanaimo began leasing this property in 2023. On 2023-DEC-29, a permissive tax exemption application was submitted, which was within the 2024-JUN-30 deadline for permissive tax exemptions for the 2025 property taxation year. However, because permissive tax exemptions have to be approved by Council by OCT-31 of the previous year, the property was still taxable for 2024, with a total tax levy of \$6,357.69. A request for a cash grant to assist with the cost of 2024 property taxes has been requested from the Connective Support Society Nanaimo.

Under the previous Permissive Tax Exemption policy, a cash grant program was available to assist non-profit organizations with the cost of property taxes if they have missed the deadline for the permissive tax exemption program. The new Permissive Tax Exemption policy no longer includes a cash grant program.

Financial Implications:

As part of the new Permissive Tax Exemption policy, the cash grant program has been phased out, but \$1,400 remains in the 2024 budget, as the old policy was in place when the 2024 - 2028 Financial Plan was approved.

OPTIONS

1. That the Finance and Audit Committee recommend that Council deny a permissive tax exemption cash grant to the Connective Support Society Nanaimo for the 2024 property taxation year.
 - **Advantages of this option:**
 - This is congruent with the current Permissive Tax Exemption policy that does not provide for cash grants
 - **Disadvantages of this option:**
 - The Connective Support Society Nanaimo would not receive \$1,400 to assist with the costs of 2024 property taxes, although they have been operating out of 2630 Labieux Road for the entire 2024 property taxation year, providing recovery shelter beds
 - **Financial Implications:**
 - The remaining available \$1,400 would be absorbed into the annual operating surplus for the City of Nanaimo

2. That the Finance and Audit Committee recommend that Council award the Connective Support Society Nanaimo with a permissive tax exemption cash grant in the amount of \$1,400 for the 2024 property taxation year.
 - **Advantages of this option:**
 - There is available budget of \$1,400
 - The Connective Support Society Nanaimo meets the criteria for a permissive tax exemption
 - The Society has been operating out of 2630 Labieux Road for the entire 2024 property taxation year, providing recovery shelter beds
 - There have been no other permissive tax exemption cash grant requests for 2024 and the cash grants program will cease to exist for 2025 and onwards
 - **Disadvantages of this option:**
 - The permissive tax exemption cash grants budget would be fully expended for the 2024 fiscal year and would not contribute to the annual operating surplus
 - The approval would not be consistent with the new Permissive Tax Exemption policy which does not include a cash grant program

- **Financial Implications:**
 - There is \$1,400 remaining in the permissive tax exemption cash grant budget for 2024.

3. That the Finance and Audit Committee provide alternative direction. |

SUMMARY POINTS

- The Connective Support Society Nanaimo leases a property at 2630 Labieux Road that provides 24 beds for shelter and drug and alcohol addiction recovery, and this property has been granted a permissive tax exemption for 2025
- A permissive tax exemption cash grant has been requested to assist with the cost of 2024 property taxes
- There is \$1,400 of budget available for 2024 under the previous cash grants program and policy

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