



**DISTRICT OF CLEARWATER  
PERMISSIVE TAX EXEMPTION POLICY**

<b>TITLE:</b> Permissive Tax Exemption	<b>NO.</b> 1202
<b>AUTHORITY:</b> Legislative	<b>Section:</b> Finance
<b>DATE ADOPTED:</b> August 21, 2012	<b>Motion:</b> #12-158

**Policy Statement:**

Under Section 224 of the *Community Charter* there is a provision for Council to grant permissive tax exemptions for Land and Improvements owned or held by a variety of not-for-profit organizations providing services which Council considers directly related to the purposes of the organization. The provision is a means for Council to support organizations within the community that further Council's objective to enhance the quality of life while delivering services economically to the citizens of Clearwater.

The District of Clearwater recognizes the significant value of volunteers, volunteer groups and agencies to the spiritual, educational, social, cultural, and physical well-being of the community.

**Purpose:**

The Permissive Tax Exemption Policy is intended to provide clarity, consistency and guidance to the Council in the evaluation of the applications for tax exemption from property taxes pursuant to Section 224 of the *Community Charter*.

**Definitions:**

**Charitable Organization:** means an organization that is created and operated for charitable purposes without seeking private benefit, profit, or political power

**Not For Profit:** means a type of organization that does not earn profits for its shareholders. All of the money earned by or donated to a not for profit organization is used in pursuing the organization's objectives.

**Permissive Tax Exemption:** means a partial or full exemption on property taxes owed.

**Effective Date:** This Policy shall come into force and effect on August 21<sup>st</sup>, 2012. Policy #2008-05 is hereby repealed as per the effective date.

**Procedure:**

Council may consider permissive tax exemption applications from Places of Worship, Private Schools and Hospitals for a period of up to 5 years. Other Non-Profit organizations may be considered for a period of up to 3 years.

The opportunity to apply for a permissive tax exemption will be advertised in the local newspaper annually in the month of July (August in 2012). Application forms can be downloaded from the District of Clearwater website at [www.districtofclearwater.com](http://www.districtofclearwater.com) or picked up at the District office.

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The Place of Worship, Private Schools and Hospital application and the Non-Profit applications must have the following information attached before consideration of a permissive tax exemption:

- Certificate of Incorporation.
- Copy of most current Financial Statements.
- Financial Budget for the current 12 months.
- Scale Drawing of Property that includes buildings, parking lots, landscaping, playgrounds, fields, etc.
- Copy of Lease Agreement if applicable.

Applications with required supporting information must be submitted prior to August 31<sup>st</sup> (September 25<sup>th</sup>, in 2012).

### **Part 1: General Provisions**

#### Places of Worship, Private Schools and Hospitals

Section 220 of the *Community Charter* provides for statutory tax exemptions for places of worship, private schools and hospitals. The statutory exemption is limited to the building and the land under the building. The land surrounding the building, and land or ancillary buildings attached to the statutory exempt property may be given a permissive exemption by Council.

In order to receive the permissive tax exemption on these properties a Place of Worship, Private School, and Hospital Application for permissive tax exemption is required. The District of Clearwater may administer these applications on a 5 year cycle. If the application is approved the organization may be exempt for the number of years remaining in the cycle. At the end of the 5 year cycle all organizations must complete an application for the next 5 year cycle. It is the organization's responsibility to notify the District of Clearwater of any changes in property ownership and/or use of the property.

<b>Application Period</b>	<b>Number of Years Exempt</b>	<b>Application Due Date</b>
2013-2017	5 Years	September 25 <sup>th</sup> , 2012
2014-2017	4 Years	August 31 <sup>st</sup> , 2013
2015-2017	3 Years	August 31 <sup>st</sup> , 2014
2016-2017	2 Years	August 31 <sup>st</sup> , 2015
2017	1 Year	August 31 <sup>st</sup> , 2016

Other Non-Profit Organizations will be required to complete a Comprehensive Non-Profit Application. The District of Clearwater may administer these applications on a 3 year cycle. If the application is approved the organization may be exempt for the number of years remaining in the cycle. At the end of the 3 year cycle all organizations must complete an application for the next 3 years. It is the organization's responsibility to notify the District of Clearwater of any changes in property ownership and/or use of the property.

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Application Period	Number of Years Exempt	Application Due Date
2013-2015	3 Years	September 25 <sup>th</sup> , 2012
2014-2015	2 Years	August 31 <sup>st</sup> , 2013
2015	1 Year	August 31 <sup>st</sup> , 2014

Eligibility Criteria

To be eligible for a permissive tax exemption an organization must comply with all of the eligibility criteria outlined below. The application forms and supporting documentation are an integral part of this policy. There is no obligation on the part of Council to grant permissive tax exemptions in any given year.

The applicant(s):

1. Qualifies for an exemption under the provisions of the *Community Charter* general authority for permissive exemptions. (Part 7, Division 7, Section 224).
2. Is a Not for Profit Organization  
Tax Exemptions will only be granted to organizations that are Registered Charity or Not for Profit. The intent of this policy is to ensure that District support is not used for commercial or private gain.
3. Is consistent with District Policies, Plans, Bylaws, Codes and Regulations

**Council must be confident that the service (use) provided by the applicant is consistent with, and in support of, all applicable District legislation.** This policy ensures that an organization receiving a Permissive Tax Exemption reflects the goals, policies and general operation principles of the District.

e.g. It would be inappropriate for the District to support an organization:

- a) Whose charter or practices encourage discrimination on the basis of age, sex, ethnic origin, or religion; or
  - b) Where the use would be non-conforming to zoning or an incompatible land use.
4. Provides services or programs that are compatible or complementary to those offered by the District of Clearwater, when a service or program is offered by a non-profit group or club, and the Community benefits from a more cost effective provision of services.

Services provided by an organization should fulfill some basic need, or otherwise improve the quality of life for residents of Clearwater.

5. Principal use of property meets Council's objectives. The "principal use of the property" refers to the use related directly to the principal purpose of the organization owning the property.

Permissive tax exemptions will be based on the principal use of the property, not on the non-profit or charitable services of the organization.

6. Will provide benefits and accessibility to the residents of Clearwater. Specifically, members of the public, within the appropriate age range, are able to join a club

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- or organization and participate in its activities for a nominal rate or fee. The services provided on the property must be accessible to public.
7. Clearwater residents must be the primary beneficiaries for the organization's services. The intent of this requirement is that the taxpayers of Clearwater should not become overburdened through the provision of services utilized "regionally". Clear evidence must be provided to Council that the organization's membership or user group consists of a minimum of 50% Clearwater residents (ie. within the boundaries). Council may at its discretion provide partial exemptions.

### ***Part 2: Additional Information***

1. Council may request a presentation from applying organization.
2. The District of Clearwater may request additional information.
3. The District of Clearwater reserves the right to review records and /or property to verify information provided in support of application.
4. Successful applicants may be asked to publicly acknowledge the exemption.
5. Council may, at its discretion, reject any or all applicants in any given year.
6. This policy does not apply to permissive tax exemption for heritage revitalization, riparian, and other special exemption authority.

### ***Part 3: Authority***

The Council for the District of Clearwater is responsible for authorizing Permissive Tax Exemptions.

### ***Part 4: Administration***

The Finance Department will review all applications for completeness and contact the applicant if additional information is necessary.

The Finance Department will prepare a summary report of applications and bylaw for presentation to Council by the first Council meeting of October for approval and adoption prior to October 31<sup>st</sup> of each year.

A public notice will be placed in the local newspaper of proposed bylaw. The notice will include:

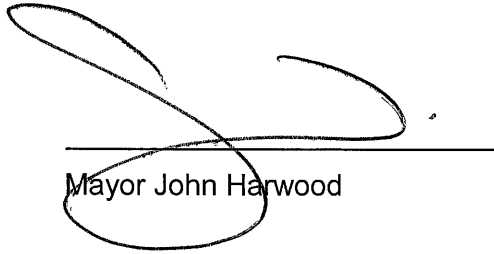
- Property subject to bylaw
- Description of the proposed exemption
- Number of years the exemption will be provided.
- Estimate of the amount of taxes that would be imposed on the property if it were not exempt for the year of exempting and following 2 years.

Public notice will be in accordance with Section 94 of the Community Charter.

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**Part 5: Late Application**

Applications received after the deadline for submission will be held until the next annual permissive tax exemption cycle.



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Mayor John Harwood



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Leslie Groulx, Chief Administrative Officer

Dated: Aug 22, 2012