

SUBJECT: PERMISSIVE TAX EXEMPTIONS			
DATE OF ISSUE: August 1, 2024		ORIGIN: FINANCE	
AMENDED:			

A. PURPOSE

The District of Saanich recognizes the significant value of volunteers, volunteer groups and agencies to the spiritual, educational, social, cultural, and physical well-being of the community. A permissive tax exemption is a means for Council to support organizations within the community that further Council's strategic goals and objectives.

Municipal Councils in British Columbia are required under the Community Charter to set out the objectives and policies of the municipality for the planning period in relation to the use of permissive tax exemptions in the annual Financial Plan Bylaw. Saanich Council's objective/policy statement is:

The District of Saanich will continue to support local organizations through permissive tax exemption. The objective is to consider exemptions individually on their merits, in context with the Saanich Strategic Plan, consistent with the other Saanich policies and the principles of accountability, reasonableness, equality/fairness, inclusiveness and accessibility.

The Permissive Tax Exemption Administrative Policy is intended to provide clarity, consistency and certainty to prospective applicants on the process.

Council considers permissive tax exemption applications from Places of Worship, Private Schools and Hospitals with no restriction on the term as permitted under the *Community Charter*. Other Charitable, Non-Profit or Recreation organizations are considered on a four-year cycle aligning with the municipal election. The four-year cycle will commence the second year after the election (eg – election in 2026; cycle commences with the 2028 taxation year - bylaws adopted Oct 2027.)

B. PROCESS

1. Council will consider Permissive Tax Exemption Applications from:

- a. Places of Worship and hospitals exempt under 220(1) will be considered for permissive exemptions in perpetuity (or until the organization ceases operations or moves; and
- b. Non-Profit Organizations or other organizations eligible for exemption under the Community Charter and subject to a limited term, for a period of up to four (4) years; and

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- c. Supportive and affordable rental housing will be considered under Council's "Permissive Tax Exemption Policy for Supportive and Affordable Rental Housing" policy.
 2. Permissive Tax Exemption Applications for Local Authorities will be considered at the time the District enters into an agreement with a third party to provide services, on District property, that the District might otherwise provide itself. No application is required.
 3. The District will check annually with BC Assessment Authority to ensure no changes in ownership for the Places of Worship. Should there be a change of ownership, the District will request confirmation of the new ownership that there have been no change in use of the property. A change in use or ownership may result in an exemption being reduced or cancelled for subsequent taxation years.
 4. Non-Profit Organizations will be required to complete a Comprehensive Application. The District of Saanich will administer these applications on a four (4) year cycle. The District will check annually with BC Assessment Authority to ensure no changes in ownership for Non-Profit Organizations. Should there be a change of ownership, the District will request confirmation of the new ownership that there have been no change in use of the property. A change in use or ownership may result in an exemption being reduced or cancelled for subsequent taxation years.
 5. To be considered for the next taxation year or cycle, applications, with the required supporting information must be submitted by the last business day of June of each year.
 6. Additional Information
 - a. The District may request additional information, as deemed necessary;
 - b. The District reserves the right to review records and/or property to verify information provided in support of the Application; and to share this information with BC Assessment for the purposes of assigning an Exemption assessed value; and
 - c. Successful Applicants will be asked to publicly acknowledge the Exemption.

C. ELIGIBILITY CRITERIA:

To be eligible for an Exemption, the Applicant must comply with the eligibility criteria established under the Community Charter and as set out below. The Application forms, and supporting information, are an integral part of this process.

1. General:

- a. The Applicant must provide evidence, obtained through the Canada Revenue Agency as a charity or BC Registry Services as a registered society, of its good standing. Tax exemptions will only be granted to organizations that are a Registered Charity or Non-Profit Organization.
- b. The Applicant and subject property owner, where applicable, must be in compliance with District policies, plans, bylaws, and regulations (i.e. business licensing, zoning).
- c. The Applicant must own or lease the subject property; and, in the case of a lease, the lease requires payment of property taxes directly by the Applicant or written confirmation by the lessor that the entirety of the exemption will be provided to the Applicant.
- d. The Applicant's services and activities must be inclusive, accessible and equally available to all residents of the District.
- e. Principal use of property aligns with Council's Strategic Plan. Council determines alignment in consideration of the application. 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.
- f. The services provide benefits and accessibility to the residents of Saanich. Specifically, members of the public, within the appropriate age range, are able to join a club or organization and participate in its activities for a nominal rate or fee.