



## City of Castlegar

### PROPERTY TAX EXEMPTION POLICY

#### Policy Directive No. 15

#### **Legislative Framework**

The Community Charter provides for tax exemptions under the following circumstances:

**i) Statutory Exemptions (Section 220)**

These are enacted by the Province of BC and includes a wide range of property held by, or used for, the Province of BC, municipalities, Regional Districts, public hospitals, public schools, cemeteries, church buildings, etc. For some property, such as churches and private schools, the exemption is limited to the buildings and the land immediately beneath the buildings. Council exempts the land surrounding the buildings through a permissive exemption.

**i) Permissive Exemptions by Council (Section 224 – 227)**

These exemptions require a bylaw approved by Council. The bylaw has the effect of exempting a property from all property taxation (ie: municipal, school, Regional District, BCAA , MFA and Hospital taxes) except for parcel taxes, user fees and other charges which are not based on property assessment.

#### **Eligibility Criteria**

The onus is on each organization to demonstrate that they clearly meet the following eligibility criteria.

- i) The paramount consideration for a permissive tax exemption is the benefit to the community and the residents of the City of Castlegar. The organization must fulfil some basic need or otherwise improve the quality of life for Castlegar residents. To a lesser degree, benefits to the region will be taken into account.
- ii) Permissive exemptions will also be granted where an organization provides a service that the City would provide given the resources to provide. Services provided by the organization should be an extension of, or complementary to municipal services and programs.
- iii) Permissive tax exemptions will be based on the principal use of the property. Exemptions are not based on the charitable service of an organization, but rather the organization's use of the particular property to the direct benefit of the community.
- iv) The goals, policies and principles of the organization must not be inconsistent or conflict with those of the City of Castlegar.

- v) Membership in the organization and/or use of the property must be reasonably open to all City of Castlegar residents.
- vi) The organization must be a registered not for profit organization in the Province of BC. The support of the municipality must not be used for commercial gain.
- vii) The organization and property must be in compliance with all municipal bylaws and policies.

### **Application Process**

To receive consideration for a property tax exemption for the next taxation year new applicants must submit an application before the end of July in the preceding year.

Properties on the annual tax exemption bylaw will be required to submit the following documentation, as appropriate, before July 31 of each year:

- i) Financial statements for the preceding fiscal year.
- ii) Proof that the society is in good standing with the registrar under the Society Act.
- iii) Rate schedule for facility rental.
- iv) Statistics illustrating facility use for the previous twelve month period.

### **Limitations**

- i) There will be no exemption or reduction to utility fee's and charges for tax exempt properties, including but not limited to fees, charges and parcel taxes for water, sewer and garbage.
- ii) Where a properties tax exempt use is restricted to a defined portion of a property, the balance of the property will not receive a tax exemption.
- iii) The tax burden resulting from the exemption must be a justifiable expense to the taxpayers of the City of Castlegar.
- iv) Vacant land being held for future use will not receive a tax exemption.