



CITY OF MEADOW LAKE POLICY

SECTION:	Planning, Development & Land Use	NUMBER: 600-19-001	RESOLUTION: 140/19
TITLE:	Tax Exemptions for Community Non-Profits	EFFECTIVE DATE: May 27, 2019	
ORIGIN/AUTHORITY:	Council	REVISED:	
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1. INTRODUCTION

1.1 Purpose

The purpose of this policy is to set clear, consistent and transparent guidelines for the consideration of applications for property tax exemptions from organizations providing non-profit and charitable services which benefit City of Meadow Lake residents. This policy seeks to balance Council's desire to support organizations which promote resident wellbeing with the burden to taxpayers which results from tax exemptions.

1.2 Related Policies or Bylaws

Council's authority to grant property tax exemptions is also exercised under the following policies:

- Multi-Parcel Subdivisions Tax Incentives
- Infill Housing Tax Incentives
- Commercial Tax Incentives
- Exterior Improvements Tax Incentives

2. LEGISLATIVE AUTHORITY

Subsection 262(3) of *The Cities Act* permits a council to exempt any property from taxation in whole or in part with respect to a financial year. Subsection 262(4) of *The Cities Act* permits a council to enter into an agreement with the owner or occupant of any property for the purpose of exempting that property from taxation, in whole or in part, for not more than five years. A council may, in that agreement, impose any terms and conditions that it may specify.

3. RESPONSIBILITY

3.1 Council

Council is responsible for making the final decision regarding the exemption of taxes under the authority of *The Cities Act* and approval of those exemptions shall be finalized by bylaw. Amendments to this policy require approval by Council.

3.2 Administration

The City Treasurer is responsible for reviewing all requests received under this policy and ensuring they are compliant with the policy requirements before the information is forwarded to Council for a decision.

3.3 Applicant

The applicant is responsible for ensuring their fully completed application for property tax exemption is submitted to the City by the deadline. While Administration may respond to questions from the applicant and provide clarifying information, it is the applicant's responsibility to ensure they have read and understood the eligibility criteria and policy requirements. As part of the review process, the applicant may be required to make an in person presentation to Council.

4. POLICY

4.1 Overview

To be eligible for a tax exemption, an organization must conform to the principles outlined in section 4.2 and meet all the requirements of this policy. Tax exemptions may be granted for the full property, or for the portion of the property used to provide the services that meet the requirements of this policy. Council may provide relief from municipal property taxes and/or other taxing authority to the extent permitted by *The Cities Act*, *The Education Property Tax Regulations*, or any other applicable legislation.

Tax exemptions are dependent on the annual budget set by Council. All applications for tax exemption made under this policy must be received by September 1 for the following tax year in order to be reviewed within the budget timelines. Tax exemption requests must be submitted and reviewed on an annual basis.

Tax exemptions apply only to the property taxes for the applicant's property. Requests to exempt or reduce utility fees for water, sewer, recycling or waste collection will not be considered under this policy.

All non-statutory exemptions are granted at the sole discretion of Council. Nothing in this policy should be interpreted as requiring Council to grant an exemption to any applicant.

4.2 Principles and Evaluation Criteria

In order to be considered by Council, the applicant must meet the following criteria:

1. Non-Profit Organization

The applicant must be a non-profit or charitable organization and not in its first year of operation. The intent of this principle is to ensure that public dollars are not used for commercial or private gain and to ensure that the applicant has a history of operation within the community. To meet this section, applicants must:

- a) Be a charitable or membership non-profit corporation incorporated or registered pursuant to *The Non-profit Corporations Act, 1995* or *The Canada Not-for-profit Corporations Act* and be in operation for at least one year prior to the date of application; or
- b) Be a non-profit co-operative incorporated or registered pursuant to *The Co-operatives Act, 1996* or *The Canada Co-operatives Act* and be in operation for at least one year prior to the date of application.

2. Community Value

The applicant must provide a benefit to the community and have primary objectives of enhancing the health, safety or welfare of the residents of Meadow Lake. More specifically, the applicant must meet one or more of the following priorities:

- a) Provides a sport, culture or recreation service that is not provided by another organization in the City from within a single non-residential facility; ie) a public art gallery or golf course;
- b) Supports collaborative strategies to address hunger, food security, and/or housing security;
- c) Enhances public safety, security and/or emergency preparedness for the residents of Meadow Lake; or
- d) Enhances the physical, mental and/or social wellbeing of residents, with additional consideration being given to those organizations supporting vulnerable.

Tax exemptions are based on the main use of the property being considered, not on the services or activities of the applicant as a whole.

Any portion of the property used by the private sector or an organization not meeting the terms of this policy is not eligible for a tax exemption. The applicant may only claim the portion of the property used to provide the eligible service(s).

The intent of this section is to ensure public funds are being used to support organizations that provide benefits to the community at large and further Council's stated objectives of enhanced community safety and quality of life for residents.

3. Legislative Compliance

The Applicant must comply with all applicable legislation, including municipal policies and bylaws. The intent of this section is to ensure organizations receiving support reflect the general operating principles of the City. More specifically, the applicant must:

- a) Ensure the property for which the application is being submitted conforms to applicable zoning, building and land use bylaws.
- b) Be in good standing with the City, with no outstanding accounts.
- c) Comply with any applicable provincial or federal legislation including, but not limited to:
 - a. *The Uniform Building and Accessibility Standards Act and Regulations* (which incorporates the National Building Code);
 - b. *The Fire Safety Act and Regulations* (which incorporates the National Fire Code); and
 - c. *The Saskatchewan Human Rights Code*, which prohibits discrimination in the provision of services available to the public based the following prohibited grounds: religion, creed, marital status, family status, sex, sexual orientation, disability, age, colour, ancestry, nationality, place of origin, race or perceived race, receipt of public assistance, or gender identity.

4. Available to the Public

The applicant's services, programs and activities should be equally available to all residents of Meadow Lake. The intent of this principle is to ensure that the organization does not prohibit the public from participation, and that the applicant provides a broad community benefit and does not serve only the interests of its own members. To meet this criteria, the applicant must demonstrate that:

- a) Services, programs and activities provided are available to the public;
- b) Members of the public, within the appropriate age range, may participate in activities for a nominal rate or fee; and
- c) Except where the purpose of the applicant's organization is to provide services to a specific disadvantaged group, participation in the applicant's services is not limited on the basis of any prohibited ground.

5. Organizational Need

The applicant must demonstrate a need of the City's support and that its operations or user fees would be significantly impacted without the tax exemption. The intent of this section is to balance the cost of the exemption to tax payers against the impact to the services provided by the applicant. Under this section, applicants must:

- a) Demonstrate how funding will be used to deliver services, how the applicant will continue to deliver services if no exemption is received, and how the lack of exemption would impair services to the community or impose a hardship on the users of the service.

- b) If the applicant is leasing the property, they must provide documents indicating that the applicant will receive the entire benefit of the tax exemption. Documents should demonstrate that the lease payments will be reduced by the amount of the exemption or that other considerations equivalent to the value of the tax exemption will be provided by the landlord.

4.3 Duration of Exemption

Applicants may receive tax exemptions for one calendar year. Exemptions will be granted by annual bylaw, and require an annual application by the applicant.

4.4 Cancellation of the Tax Exemption

A property receiving an exemption becomes taxable if:

- a) The use of the property changes to a use that does not qualify for the tax exemption; or
- b) The occupant of the property changes and the new occupant does not qualify for the tax exemption.

If the applicant self-reports this change of status, the cancellation of tax exemption status will be effective from the date of change. If the applicant fails to disclose this change of status to the City or otherwise breaches the terms of the exemption, the Council may take one or more of the following actions:

- a) Revoke the tax exemption for all or part of the year, with notice;
- b) Disqualify the applicant from future exemptions for a specific period; or
- c) Require repayment of monies equal to the foregone tax revenue.

4.5 Application and Review Process

A complete application with supporting documentation must be submitted to the City of Meadow Lake, using the prescribed form in Appendix A, by no later than September 1 in the year proceeding the year for which an exemption is being requested.

Application submissions must include:

- a) Proof of non-profit corporate status or an acceptable equivalent status;
- b) A description of the programs, services and/or benefits delivered from the property including participant numbers, volunteer hours, benefiting groups or populations, and the fees charged for participation;
- c) A summary of the restrictions on who may use the services of the organization;
- d) A description of any third-party use of the property, including the percentage or area of the property utilized for third-party uses;
- e) A copy of the prior year's audited financial statements or where audited financial statements are not available, financial statements that have been verified as correct by two signing officers from the organization;
- f) Copies of any licences or certificates authorizing the operations of the applicant, if applicable; and
- g) A copy of the lease agreement, if applicable.

Administration will review and process all applications and make recommendations to Council. As part of the approval process, Council may request that the applicant attend a meeting of Council to present their case. The applicant may also be required to enter into a tax exemption agreement with the City.

4.6 Effective Date

This policy will come into effect for all property exemption applications received during 2019 for 2020 and all subsequent years.



City of Meadow Lake

Annual Application for Property Tax Exemption

APPENDIX A - Non-Profit Organizations

FOR OFFICE USE ONLY

Property Roll Number		Taxation Year			Date				
Legal Description:	Lot	Block	Plan	Ext.	Part	Sec.	Township	Range	Meridan
Municipal Property Address									
Total Assessment			Land Assessment			Building Assessment			

PART 1 - PROPERTY INFORMATION (Required by September 1st of the year preceding the taxation year)

Name of property owner		Telephone Number (Bus)		Telephone Number (Res)	
Address of property owner			Postal Code		Email Address
Address of property for which exemption is requested					
Portion/Area of the property held by the organization		<input type="checkbox"/> All	<input type="checkbox"/> Part	Area Occupied Is:	
Is there an agreement in place that confirms the portion of the property held by the organization?				<input type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, provide expiry date _____ (mm/dd/yyyy)				Date organization took occupancy (mm/dd/yyyy)	

PART 2 - ORGANIZATION INFORMATION

Name of organization operating the facility		Telephone Number (Bus)		Email Address	
Act under which organization is registered as a non-profit organization			Registration Number		
Organization's objectives/purposes					
1.					
2.					
3.					
4.					
5.					
a) Are the resources of this organization devoted to the above objectives/purposes?		<input type="checkbox"/> Yes	<input type="checkbox"/> No	If No, attach explanation	
b) Are there any monetary gains or benefits received by the organization as a result of its provision of services?		<input type="checkbox"/> Yes If Yes, attach explanation	<input type="checkbox"/> No		
c) Does your organization expect to move from this property during the following year(s)?		<input type="checkbox"/> Yes If Yes, attach explanation	<input type="checkbox"/> No		
d) Is any income or profits from the organization paid to a member or shareholder of the organization other than as wages?		<input type="checkbox"/> Yes If Yes, attach explanation	<input type="checkbox"/> No		
e) Are the organization's services similar to any other organization and/or business?		<input type="checkbox"/> Yes If Yes, attach a sheet providing the organization/business name(s)	<input type="checkbox"/> No		

This information is being collected for property tax exemption purposes in accordance with the Cities Act and the Cities Regulations and of the Local Authority Freedom of Information and Protection of Privacy Act. All personal information will be managed in compliance with the provisions of the LA FOIP Act.

Annual Application for Property Tax Exemption

APPENDIX A - Non-Profit Organizations

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PART 3 - PROPERTY USE INFORMATION specific to a non-profit organization			
What facilities are on the property?			
1.			
2.			
3.			
4.			
What times are they accessible to the general public?		What are the membership requirements including fees?	
Describe the purpose for which the facility is used; programs, services and/or benefits delivered from the property		Participant numbers	Volunteer hours
Are there any restrictions in place preventing anyone from using the facility? <input type="checkbox"/> Yes <input type="checkbox"/> No If there are restrictions, explain.			
Are the services provided by the organization advertised and promoted to the general public, or primarily to members? <input type="checkbox"/> General Public <input type="checkbox"/> Members			

PART 4 - CONTACT INFORMATION			
Contact Name	Position with Organization	Telephone Number (Bus)	Telephone Number (Res)
Mailing Address for non-profit organization		Postal Code	Email Address
President of Organization	Telephone Number (Bus)	Telephone Number (Res)	Email Address
Treasurer of Organization	Telephone Number (Bus)	Telephone Number (Res)	Email Address

PART 5- REQUIRED INFORMATION - <i>please ensure the following are submitted as attachments</i>
1) Certificate of Incorporation, current confirmation that the organization is registered in good standing and the Articles of Association, if any.
2) Copies of: <ul style="list-style-type: none"> • The organizations most current financial statements; • Certificate of Title (if applicable); • copies of any licences or certificates authorizing the operations of the applicant, if applicable; • The current lease agreement with the property owner (if applicable); • A plan showing the area leased.
4) Any available brochures, newsletters or other pertinent information relative to the organization.
5) Any other information that the Assessment Department may deem necessary.

I certify that I am authorized to submit this application on behalf of the organization, and that the information provided on this application form and as attachments to this form, is true and accurate in every respect, and that all information required under Part 5 of this application is included.

Name (Please Print)
Signature
Position
Date