



# TOWN OF MARYSTOWN

## Permissive Tax Exemption Policy

<b>Approval Date:</b>	June 4, 2018
<b>Effective Date:</b>	June 5, 2018
<b>Date Last Reviewed:</b>	N/A

### PURPOSE

The Town of Marystown is responsible for promoting sound corporate management of how it administers permissive exemptions from taxation.

The Town has instituted a policy which establishes the parameters for providing fair, consistent treatment and consideration for all applicants providing charitable and non-profit services primarily for the benefit of Town of Marystown residents while managing the need to preserve the Town's tax revenue base and provide municipal services.

### SCOPE

This policy applies to all charitable and not-for profit services within the Town of Marystown applying for a permissive tax exemption.

### POLICY STATEMENT

A permissive tax exemption is a means for Council to support the services and organizations which are the most complementary extension of municipal services and for which the burden resulting from the exemption is a justifiable expense to the taxpayers of Marystown. Support should be directed towards services the Town would consider providing (fulfill a basic need or improve quality of life) given adequate resources.

This policy and associated criteria provide guidance to Council in evaluating applications and identifying the organizations and services that qualify in an exemption from taxes.

### DEFINITIONS

Clerk – the Clerk appointed by the Town Council of Marystown or his/her designate

Non-Profit Organization - an incorporated non-profit organization as defined by the Canada Revenue Agency

Permissive Tax Exemption – an optional form of tax relief whereby Council, at its sole discretion, may choose to exempt certain properties from taxation, either in whole or in part

Registered Charity - a charity registered as defined by the Canada Revenue Agency

Town or the Town – Town of Marystown

## **RESPONSIBILITIES**

Council is responsible for approving this policy and any amendments and approving each tax exemption request annually.

The Clerk will support the implementation of this policy and recommend any amendments.

The Director of Finance & Administration will administer this policy to ensure compliance and consistence.

## **REFERENCES**

Organizations seeking a donation, grant or sponsorship are to reference the Donation, Grant and Sponsorship Policy.

## **QUESTIONS**

The Director of Finance & Administration will act as a resource on the subject of tax exemption as it pertains to this policy.

## **PROCEDURE**

A permissive tax exemption is strictly at the discretion of the Town Council of Marystown. Council may, at their discretion and by a two-third vote of the Councillors in office as per section 111 of the *Municipalities Act, 1999*, approve a full, a partial or no exemption for each applicant in any given year.

This policy outlines the criteria organizations must meet in order to be eligible for an exemption.

## **Criteria**

Subject property must be one of:

- land and/or improvements owned by the applicant
- land and/or improvements leased under an agreement
- land and/or improvements ancillary to a statutory exemption under s.118 of the *Municipalities Act, 1999*

Nature of Organization (applicant) must be:

- non-profit organization
- charitable/philanthropic organization

The applicant organization's use of the land/improvements must provide benefits and accessibility primarily to the residents of Marystown in one or more of the following ways:

- provides social welfare, civic improvement, pleasure, recreation or any other purpose except profit
- provides for the relief of poverty, advancement of education, advancement of religion or other purpose beneficial to the community
- preserves heritage important to the community's character (received Municipal and Provincial designation as a heritage site)

The following information will be considered when determining whether to grant a permissive tax exemption:

- the principle use of the land/improvements as a whole, including the services offered
- the need for the services
- the availability of the services
- the use of volunteers to deliver services
- fundraising efforts
- other funding sources for provision of services (ie., Provincial and/or Federal operating funds, donations, sponsorships, etc.)
- Municipal and Provincial designations for heritage sites

## **Process**

Council will consider applications for permissive tax exemptions on an annual basis from charitable and non-profit organizations only which are in good standing with the respective establishing and governing bodies and all levels of government, as required.

Applications must be submitted to the Director of Finance & Administration, using the prescribed application form, on or before **November 15<sup>th</sup>** in the year prior to the taxation year for which the exemption is requested in order to be considered during the budget process for that taxation year.

The Director of Finance & Administration will review each application for completeness and follow up with the applicant for additional information if necessary. Applicants will then have until **November 30<sup>th</sup>** to provide any missing information.

Deadlines for applications will be adjusted back should they fall on a weekend/statutory holiday.

**Applications received after the initial deadline or applications which do not include all required information will not be considered.**

Application submissions must include:

- Copy of the budget for the year in which the application is being made
- copies of audited financial statements for the last three (3) years
- copy of property title document or lease agreement
- description of programs/services/benefits delivered from the subject land/improvements, including participant numbers, volunteer hours, benefiting groups/organizations/individuals, fees charged for participation and any other relevant information
- description of any third party use of the subject land/improvements, including user group names, fees charged, conditions of use and any other relevant information
- financial information on how the tax exemption amount will be put back into the community through charitable means or reduced fees paid by participants
- confirmation that the organizations activities do not compete with any other duly licensed business in the Municipality
- Municipal and Provincial heritage site designation for heritage organizations

The Director of Finance & Administration will prepare a summary report of the applications, relative to the eligibility criteria, for the Clerk's recommendation to Council through the Finance Committee.

Recommendations on applications received from heritage organizations will be made to Council through the Finance and Heritage Committees.

All accounts for fees and charges levied by the Town to the applicant must be current.

Permissive tax exemptions will be granted by a two-third vote of the Councillors in office as per section 111 of the *Municipalities Act, 1999*.

Applicants will be advised as to whether their request for a permissive tax exemption was approved or denied with the reasons for the denial.

The public will be advised of any tax exemptions provided. The public notice will include a list of properties being permissively exempted and the amount of taxes that would have been imposed.

### **Extent of Exemption**

Council may designate only a portion of the land/improvements as exempted where the following circumstances exist:

- a portion of the land/improvements is used by the private sector and/or organization does not meet Council's exemption criteria
- a portion of the land/improvements is used for commercial (for profit) activities by the non-profit organization
- the applicant already receives a grant from the municipality and/or other sources (Provincial and/or Federal operating funds, donations, sponsorships, etc.)

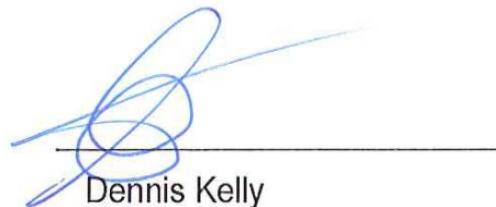
### **Duration of Exemption**

Tax exemptions will be considered on an annual basis only and must not be assumed.



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Sam Synard  
Mayor



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Dennis Kelly  
Chief Administrative Officer



What is the nature of the organization?

- Registered Charity (provide document) (ie., relief of poverty, advancement of education, advancement of religion or other purpose beneficial to the community)
- Charitable or Non-profit (not registered as a charity) (ie., social welfare, civic improvement, pleasure, recreation or any other purpose except profit)
- Heritage (include designation)
- Other \_\_\_\_\_

How many employees does your organization employ? \_\_\_\_\_

Are there local volunteers?  Yes  No

If yes, how many? \_\_\_\_\_ Total number of volunteer hours per week? \_\_\_\_\_

Is the organization in competition with any other duly licensed business in the municipality?

Yes  No

If yes, which business(es)? \_\_\_\_\_

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**LAND/LAND IMPROVEMENTS INFORMATION**

Is the organization the registered owner?  Yes  No

If yes, attach a copy of the title.

If no, does the organization have a lease with the property owner which covers a twelve (12) month calendar year?

Yes  No

If yes, attach a copy of the lease.

Briefly describe the principle objective of the organization and how the property is used to accomplish that principle objective.

Briefly describe the services and activities provided by the organization and how they provide a benefit to the residents of Marystown.

Is any part of the building or the land/land improvements used or rented by a third party commercial or private operator or by any other organization other than the applicant?

Yes       No      If yes, attach a list of the other activities including:

- user group names
- hours per day and/or days of week of operation
- fee or charge
- approximate number of participants
- other relevant information

**FINANCIAL INFORMATION**

Does the organization charge a fee?     Yes       No      If yes, how much and for what?

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Does the organization conduct fundraising activities? If so, list these activities.

Describe how a permissive tax exemption would be put back into the community through charitable means or reduced fees.



Describe any other sources and amounts of funding the organization receives.

**CHECKLIST OF ATTACHMENTS (must accompany application, if applicable)**

- |   |  |
|---|--|
| <input type="checkbox"/> Charity Registration documents | <input type="checkbox"/> Board of Directors (if not listed on application) |
| <input type="checkbox"/> Heritage Designation documents | <input type="checkbox"/> Property Title document or Lease Agreement        |
| <input type="checkbox"/> Third Party Users              | <input type="checkbox"/> Financial Statements for last three (3) years     |
| <input type="checkbox"/> Budget                         |  |

**ACCESS TO INFORMATION AND PROTECTION OF PRIVACY ACT, 2015**

The Town of Marystown is subject to the provisions of the *Access to Information and Protection of Privacy Act, 2015*. While the Town only uses information for the purpose it was collected, the Town cannot guarantee that all information provided to the Town can be held in confidence.

**APPLICANT'S DECLARATION**

I declare that I have authority to make this application on behalf of the noted organization. I confirm that the information contained in this application and accompanying documents is true, accurate and complete. I agree to provide any other information that may be requested, including financial information, that is in addition to what is required as per this application. I understand that any misrepresentation or material omission on this application can result in the application being declined.

Name \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_