



REPORT TO MAYOR AND COUNCIL

PRESENTED: SEPTEMBER 29, 2008 -SPECIAL MEETING
FROM: FINANCE DIVISION
SUBJECT: 2008 AMENDMENT TO THE PERMISSIVE EXEMPTION BYLAWS

REPORT: 08-155
FILE: 1970-04

RECOMMENDATION(S):

That Council receive this report and support the recommendations regarding the 2008 Amendment to the Permissive Exemption Bylaws to be brought forward on October 6, 2008.

EXECUTIVE SUMMARY:

The Township adopted three separate property tax exemption bylaws in 2004 for church and private schools organizations; heritage properties; and charitable and not-for-profit organizations. These bylaws must be maintained to ensure continuing compliance with the statutory requirements of eligibility and also update the existing bylaws with additions as new eligible organizations establish themselves in Township of Langley. Consequently, after a review of this year's tax exemptions applications, the following recommendations are being brought forward for Council's consideration.

Staff are recommending the removal, from **Charitable and Not-For-Profit Exemptions Bylaw 2004, No 4347**, of the following organizations:

- Aldergrove Elks # 66
- Langley Elks # 259

Staff are recommending the addition, to **Charitable and Not-For-Profit Exemptions Bylaw 2004, No. 4347**, of the following organizations:

- Mountain View Conservation Centre
- Campbell Valley House of Hope – A Ministry of Wagner Hills Farm
- Coghlan Community Hall
- Greater Vancouver Regional District – Pacific Parklands Foundation

Staff are recommending the addition to **Church and Private School Tax Exemption Bylaw 2004 No. 4348** the following organizations:

- Christians Gospel Society
- Aldergrove Alliance Church
- Harvest Baptist Church

The Township has received one other permissive tax exemption application for a community care facility licensed under the *“Community Care and Assisted Living Act”*. Staff are not recommending approval of this application as discussed in a Council report 08-156 for today's meeting.

PURPOSE:

The purpose of this report is to make recommendations for amendments to two of the Township's permissive tax exemption bylaws, Church and Private School Tax Exemption Bylaw 2004 No. 4348 and Charitable and Not-For-Profit Exemption Bylaw 2004 No. 4347.

BACKGROUND/HISTORY:

In 2004 the *Community Charter* changed the procedure for permissive tax exemptions. The Township adopted three bylaws for permissive tax exemption: Church and Private School Tax Exemption Bylaw 2004 No. 4348, Charitable and Not for Profit Tax Exemption Bylaw 2004 No. 4347 and Heritage Tax Exemption Bylaw 2004 No. 4349. Each of these bylaws requires that properties that no longer meet the statutory requirements for the tax exemption be removed from the bylaw. Similarly, new organizations that meet the requirements may be added. Certain properties that are granted a tax exemption by Council are required to be advertised in the local newspaper.

DISCUSSION/ANALYSIS:

Council's policy regarding permissive exemptions is a combination of the permissive exemption criteria and past practice. Starting with the 2009 Budget process, the Province now requires municipalities to develop and disclose the objectives regarding the use of permissive exemptions through a permissive exemption policy. It is the Province's objective that the policy for making decisions for the section 224 and 225 permissive exemptions promote consistency and certainty to municipal, public and prospective applicants and allow for public to have input. Details of the permissive exemptions policy requirements are further discussed in Council report 08-156 on today's meeting.

Charitable and Not-for-Profit Organizations – Removal

The Aldergrove Elks # 66 and Langley Elks # 259 properties should be removed from the Charitable and Not for Profit Tax Exemption Bylaw 2004 No. 4347.

The **Aldergrove Elks Lodge # 66** is a not-for-profit group and met all the requirements as outlined in the Permissive Tax Exemption application. The Lodge provided its facility for use by the community, which involves everything from family events, sports groups, community groups and religious organizations. The Aldergrove Elks have sold the property and will be relocating to another property which it does not own; therefore the permissive exemption is being removed. Should the property ownership status for this organization change, they can re-apply for the permissive exemption.

The **Langley Elks Club # 259** was a community hall used for wedding rentals, IOF meetings, meetings for Native Daughters, church gatherings, social functions and Elk Club meetings. The permissive exemption is being removed because the Langley Elks have sold the property.

Charitable and Not-for-Profit Organizations – Additions

Staff recommends that four new organizations be added to this bylaw. Mountain View Conservation Centre; Campbell Valley House of Hope – A Ministry of Wagner Hills Farm; Coghlan Community Hall; and Greater Vancouver Regional District – Pacific Parklands Foundation will be added to the Charitable and Not-for-Profit Tax Exemption Bylaw 2004 No. 4347 as they meet the requirements for permissive exemptions.

Mountain View Conservation Centre is a not-for-profit organization and meets the requirements as outlined in the Permissive Tax Exemption application. This property is currently in the Agricultural Land Reserve and Mountain View leases the property from Crown. As an occupier of Crown land they become taxable under current legislation.

Their centre is an animal facility that breeds endangered species in family groups for re-introduction back into their natural habitat in Canada and around the world. Mountain View provides internships to veterinary, zoological university students, and teaches species husbandry skills to conservationists from Canada and other re-introduction countries and organizations. The organization does not meet the membership requirement of 50% as set by policy but the volunteers are 80% of Township residents.

The application from Mountain View Conservation Centre is for three properties. Staff are not recommending approval for two of the three properties as they are owned by an individual but are recommending the third property which is owned by the Crown and is being leased to Mountain View Conservation.

Campbell Valley House of Hope – A Ministry of Wagner Hills Farm is a not-for-profit organization and meets all the requirements as outlined in the Permissive Tax Exemption application. This is a healing Christian community for women with addictions, going beyond recovery. This is similar to the permissive exemption status given to Wagner Hills Farm Society which assists men with addictions.

Coghlan Community Hall is a bona fide community hall which exists solely for the use of the residents within the community. They are eligible for a 100% permissive tax exemption because the facility fills a need in the community that would otherwise be borne by the Township. Coghlan Community Hall is the source and main facility for Aldergrove Festival Days held annually in July.

Greater Vancouver Regional District – Metro Vancouver is leasing this property from the Pacific Parklands Foundation. This property is located 22000 Block of 104 Avenue which is by the Derby Reach Regional Park. Per section 224 of the *Community Charter*, a bylaw is required to grant 100% exemption.

Church and Private School Tax Exemption – Additions

Staff recommends that Aldergrove Alliance Church, Christians Gospel Society and Harvest Baptist Church be added to the Church and Private School Tax Exemption Bylaw 2004 No. 4347 as they meet the requirements for permissive exemptions.

Aldergrove Alliance Church is currently under construction and will be completed by the fall of 2008. This property is for the sole purpose of operating a place of worship. The church has a seating capacity of 400 seats in two storeys. The building will involve worship services and similarly related religious type activities and church administration.

Christians Gospel Society is currently in the planning stages and due to be completed by November 2009. The residential home is currently the place of worship and similarly related religious type activities and church administration. The seating capacity of this church is currently 50 and expected to grow substantially once the new church has been completed.

Harvest Baptist Church was recently purchased from the Langley Elks Club #259. This property is for the sole purpose of operating a place of worship operating from a renovated meeting hall. The congregation has 175 members.

Organizations Not Recommended for Permissive Exemptions

0701743 BC Ltd. DBA Fernridge Place Care Facility is a for-profit organization which operates a ten bed specialized care facility focusing on younger adults twenty-five to fifty-five years of age who have suffered brain injury due to physical trauma and who have a good potential of regaining quality of life and independence.

It has been the Township's practice not to grant permissive tax exemptions to for-profit organizations and as such the Township has denied permissive tax exemption to this community care facility in 2008, and staff do not recommend approval of this application for 2009.

The recommendation not to approve this application is supported in a separate Council Report 08-156 in today's meeting. Staff have reviewed the current policy in light of the *Community Charter* criteria and concluded that the financial impact of approving permissive tax exemptions for such facilities in the Township would weigh very heavily on the taxpayers within the Township of Langley.

Applicable Policies

Subject to the *Community Charter* Section 224, the Township of Langley provides an exemption from property taxation annually to non-profit-organizations and community facilities serving the Township and its residents. The criteria for permissive exemptions are described on the application form as per Attachment "A" to this report. The criteria are as follows:

COMMUNITY FACILITY - INFORMATION AND CRITERIA

Community organizations which operate a "Community Facility", as defined by Council, may apply for exemption from property tax (excluding utilities and other special charges/rates), *on property owned by the organization*. Property tax exemption based on a percentage or all of the current year's property taxes may be approved for the following year's exemption.

A "Community Facility" is one that meets the following criteria as defined by Council:

- (a) The facility must be operated by a non-profit Society serving primarily the Township of Langley and its residents.*
- (b) At least 50% of the membership must be residents of the Township of Langley.*
- (c) The applicant must demonstrate that other avenues of income generation have been pursued.*
- (d) The facility must be available to the general public by rental or admission fee.*
- (e) The rental or admission fees charged should cover only operating costs and should not include a profit factor of which the purpose is to subsidize other activities of the society.*
- (f) Unless approved by Council as a specific exception, the organization operating the hall should not serve alcoholic beverages as an ordinary activity of its facility.*

BONA FIDE COMMUNITY HALL – CRITERIA AND INFORMATION

Organizations operating bona fide community halls (as defined by Council) may be considered for exemption from property tax up to 100% of the current year's taxes. *Bona fide community halls are those halls that exist solely for the use of the residents within the community.* They are eligible for a 100% tax exemption because they fill a need in the community that would otherwise be borne by the Township.

A "Bona Fide Hall" is one that meets the following criteria as defined by Council:

- (a) The applicant must be a non-profit group or organization serving the Township of Langley*
- (b) The major users of the hall should be residents of the Township of Langley*
- (c) The applicant should demonstrate that other avenues of income generation have been pursued*
- (d) Unless approved by Council as a specific exception, the organization operating the hall should not serve alcoholic beverages as an ordinary activity of its facility.*

Preference will be given to organizations, community facilities and bona fide halls whose applications show a great deal of volunteer effort.

Legislation

The Province considers the authority to grant permissive exemptions a policy tool available to municipalities to promote or achieve specific goals.

Community Charter Section 224 states that a council may, by bylaw in accordance with this section, exempt land or improvements, or both, from municipal portion of property taxes. Subsection 2 provides a listing of what properties are eligible for permissive exemption.

Council is not obliged to grant all permissive exemptions that are eligible under the Section 224 of the *Community Charter*. Council has the option to decide which permissive exemptions they will support based on various considerations such as budgetary constraints, alignment of community values and so forth.

Financial Implications

The following table provides the amounts of property taxes that would have been foregone and borne by the Township taxpayers for the 2008 year:

| Permissive Exemption Category | Number of Properties | 2008 Municipal Taxes Exemption Value |
|---|-----------------------------|---|
| Church and Private Schools | 54 | 273,600 |
| Heritage Properties | 10 | 28,000 |
| Charitable and Not-For-Profit Organizations | 39 | 158,000 |
| 2008 Proposed Additions | 7 | 21,600 |
| 2008 Proposed Deletions | 2 | (6,000) |
| Net Property Tax Impact | | 475,200 |

Respectfully submitted,

Darlene Foxgord
MANAGER, REVENUE AND TAX COLLECTION
for
FINANCE DIVISION

ATTACHMENT "A" - Copy of a Permissive Exemption Application for Charitable and
Not-For-Profit organization with exemption criteria

Township of
Langley



Est. 1873

PERMISSIVE TAX EXEMPTION
INFORMATION AND APPLICATION FORM

COMPLETED APPLICATIONS SHOULD BE FORWARDED TO:

H. Tsikayi
Director of Finance
The Corporation of the Township of Langley
20338 - 65 Avenue
Langley, B.C.
V2Y 3J1

THE DEADLINE FOR SUBMISSION IS JUNE 30, 2008.

ANY QUESTIONS CONCERNING THIS APPLICATION
SHOULD BE ADDRESSED TO:

H. Tsikayi, Director of Finance
604-533-6156, Email: htsikayi@tol.bc.ca

This information is being collected under Section 26 (c) of the *Freedom of Information and Protection of Privacy Act*, for the purpose of accessing the applicant's qualification for a permissive exemption. Should you have any question concerning the *Freedom of Information and Protection of Privacy Act*, please contact Patty Catlin, Deputy Township Clerk at 604-533-6004 or at pcatlin@tol.bc.ca

THE CORPORATION OF THE TOWNSHIP OF LANGLEY

PERMISSIVE TAX EXEMPTION

NOTE:

Section 227 of the *Community Charter* requires that notice of some proposed exemptions under Section 224/225 must be given to the public by advertisement in a local paper prior to being approved by Council. Basically, the advertised notice must identify the property and provide an estimate of the amount of taxes that are being exempted for the Current and the subsequent 2 years as well as state the number of years the exemption may be provided – maximum 10 years. This was first completed in September/October 2004 for “Charitable and Not For Profit Tax Exemption Bylaw 2004 No. 4347”. An amending bylaw to this bylaw will be presented to Council in the Fall of 2008, based on the completed forms which we are enclosing here.

PERMISSIVE TAX EXEMPTION

GENERAL INFORMATION

The Township of Langley provides an exemption from property taxation annually to non-profit organizations and community facilities serving the Township and its residents. Permissive exemptions from property taxation are approved by Council and are subject to the requirements of the *Community Charter*.

This application form must be submitted with all applicable sections completed by all applicants.

An officer of the organization must make a solemn declaration as to the accuracy and truthfulness of the information provided in the application form. Organizations are advised that permissive exemptions are not automatic. Applications must be submitted each year before June 30th to ensure organization continues to be eligible for permissive exemption.

COMMUNITY FACILITY - INFORMATION AND CRITERIA

Community organizations which operate a "Community Facility", as defined by Council, may apply for exemption from property tax (excluding utilities and other special charges/rates), *on property owned by the organization*. Property tax exemption based on a percentage or all of the current year's property taxes may be approved for the following year's exemption.

A "Community Facility" is one that meets the following criteria as defined by Council:

- (a) The facility must be operated by a non-profit Society serving primarily the Township of Langley and its residents.*
- (b) At least 50% of the membership must be residents of the Township of Langley.*
- (c) The applicant must demonstrate that other avenues of income generation have been pursued.*
- (d) The facility must be available to the general public by rental or admission fee.*
- (e) The rental or admission fees charged should cover only operating costs and should not include a profit factor of which the purpose is to subsidize other activities of the society.*

THE CORPORATION OF THE TOWNSHIP OF LANGLEY

PERMISSIVE TAX EXEMPTION

- (f) Unless approved by Council as a specific exception, the organization operating the hall should not serve alcoholic beverages as an ordinary activity of its facility.*

BONA FIDE COMMUNITY HALL - CRITERIA AND INFORMATION

Organizations operating bona fide community halls (as defined by Council) may be considered for exemption from property tax up to 100% of the current year's taxes. *Bona fide community halls are those halls that exist solely for the use of the residents within the community.* They are eligible for a 100% tax exemption because they fill a need in the community that would otherwise be borne by the Township.

A "Bona Fide Hall" is one that meets the following criteria as defined by Council:

- (a) The applicant must be a non-profit group or organization serving the Township of Langley*
- (b) The major users of the hall should be residents of the Township of Langley*
- (c) The applicant should demonstrate that other avenues of income generation have been pursued*
- (d) Unless approved by Council as a specific exception, the organization operating the hall should not serve alcoholic beverages as an ordinary activity of its facility.*

Preference will be given to organizations, community facilities and bona fide halls whose applications show a great deal of volunteer effort.

Two officers of the organization must sign a statement to the effect that the above criteria have been met.

APPLICATION DEADLINE

Property tax exemption applications must be received on or before June 30th, 2008.

THE CORPORATION OF THE TOWNSHIP OF LANGLEY
PERMISSIVE TAX EXEMPTION

ATTACHMENT "A"

NAME OF COMMUNITY FACILITY/ORGANIZATION:

ADDRESS: _____

POSTAL CODE: _____

CONTACT PERSON(S): _____

ADDRESS: _____

BUSINESS PHONE: _____ HOME PHONE: _____

FAX : _____ E-MAIL: _____

PROPERTY TAX EXEMPTION FOR THE YEAR: _____ 2009 _____

PROPERTY ROLL NUMBER(S): _____

1. (a) Provide a brief description of your community facility (i.e. capacity, groups using facility, etc.)

(b) What is the physical address of your community facility.

2. (a) What is your form of incorporation?

B.C. Companies Act

B.C. Societies Act

Other _____

(please specify)

Please specify Date of Incorporation:

Day Month Year

(b) When was your last report filed with the Registrar of Companies?

3. (a) Is this property owned by the non-profit organization? Yes No

(b) Is this property leased by the non-profit organization? Yes No

If Yes, please attach a copy of your lease.

4. Have you applied for and received grants from the Township in the past two years?

Yes No

If yes, please list purpose and amount(s) of grant(s).

5. (a) Please provide full financial disclosure of your organization, which will include all current financial statements and minutes of your last annual general meeting. If statements or minutes are not available, please explain.

(b) Please attach a list of the Board of Directors (and other principal persons involved) including the full names, addresses and telephone numbers for each person.

(c) If your organization has significant cash resources or deposits, please explain the purpose for those funds.

THE CORPORATION OF THE TOWNSHIP OF LANGLEY
 PERMISSIVE TAX EXEMPTION

(d) Please indicate how many members are residents of the Township of Langley.

| | <u>Number of Persons</u> |
|---------------------|--------------------------|
| Township of Langley | _____ |
| City of Langley | _____ |
| Other | _____ |
| Total | _____ |

6. Are other groups operating a community facility in your area? How does your organization differ?

7. How do you involve volunteers in the operation of your facility, and how many?

| <u>Nature of Volunteer Activity</u> | <u>Number of Volunteers</u> | <u>Total Hours</u> |
|-------------------------------------|-----------------------------|--------------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

8. (a) Is your facility available to the general public by rental or admission fee?

Yes No

If yes, please provide:

- (i) a schedule of your current rental rates
- (ii) a list of groups renting your hall during 2007/08 and the amount of money collected from each group

(b) Is any part of your facility unavailable to the general public?
 (i.e. reserved for the exclusive use of members of your organization)

Yes No

If yes, please provide an approximate percentage of floor space that is reserved for the exclusive use of members of your organization.

PERMISSIVE TAX EXEMPTION

9. If financial statements for the current year are not available at present, please fill in the estimated amounts in the "Actual 2007" column and please provide the required budget information.

| <u>REVENUE</u> | <u>Actual 2007</u> | <u>Budget 2008</u> |
|---------------------------------|------------------------|------------------------|
| (a) Rentals | _____ | _____ |
| (b) Memberships | _____ | _____ |
| (c) Provincial Grants | _____ | _____ |
| (d) Municipal Grants | _____ | _____ |
| (e) Other (Specify) _____ | _____ | _____ |
| | _____ | _____ |
| Total Revenue | ===== | ===== |
| <u>EXPENDITURES</u> | | |
| (a) Salaries and Benefits | _____ | _____ |
| (b) Honorariums | _____ | _____ |
| (c) Insurance | _____ | _____ |
| (d) Utilities | _____ | _____ |
| (e) Repairs and Maintenance | _____ | _____ |
| (f) Other (Specify) _____ | _____ | _____ |
| | _____ | _____ |
| Total Expenditures | ===== | ===== |
| PROFIT (LOSS) ON OPERATIONS | ===== | ===== |

THE CORPORATION OF THE TOWNSHIP OF LANGLEY

PERMISSIVE TAX EXEMPTION

CERTIFICATION OF AUTHORIZED OFFICERS

"We hereby certify that all the information contained herein or attached to this Permissive Property Tax Exemption application is complete, true and correct. We also certify that _____ for which we are requesting
(name of facility)
property tax exemption meets all the criteria above."

Name _____ Title _____

Signature _____ Date _____

Name _____ Title _____

Signature _____ Date _____

Note: This certification must be signed by two officers.

Sworn before me this _____ day of _____, 2008

at _____, B.C.

A Commissioner for taking Affidavits in the Province
Of British Columbia