



Corporate Policy Guide

Permissive Tax Exemption Policy

Section:	Finance		
Policy Number:	F-010		
Authorized by:	Council		
Effective Date:	March 8, 2016	Revision Date:	February 14, 2023

1. Background

1.1 Council may, under Section 224 of the *Community Charter* (British Columbia), exempt certain land or improvements in the Village of Salmo from municipal property taxes, including:

- (a) properties owned or held by charitable, philanthropic, or other not for profit organizations; and
- (b) some properties which are additional to statutory exemptions under Section 220, such as church halls or land surrounding places for public worship.

1.2 Similar provisions in other taxing authority legislation extends the Exemption to those levies. Exemptions are similar in effect to a grant so should be considered in context of the budget and financial plan.

1.3 Exemption approvals are at the discretion of Council, but Exemptions cannot be granted if an Applicant does not qualify under the *Community Charter* (British Columbia).

2. Objective

The Council of the Village of Salmo wishes to identify services and organizations which are complementary extensions of municipal services and that provide a demonstrable benefit to Village residents, and to provide Exemptions to Applicants providing such services in accordance with this policy.

3. Policy

3.1 It is the policy of the Council of the Village of Salmo to consider applications for Exemptions from Applicants in accordance with the *Community Charter* and the principles and process set out in this policy. Exemptions approved under this policy are a reasonable allocation of budgetary resources, considering Council's other social and budgetary priorities, and are a justifiable expense to the citizens of the Village of Salmo.

3.2 This policy supports the provision of services that Council considers necessary.

4. Roles and Responsibilities

4.1 Council is responsible for:

- (a) approving this policy;
- (b) considering qualifying Exemption applications for approval; and
- (c) approving the annual tax exemption bylaw.



- 4.2 The Chief Administrative Officer is responsible for:
- (a) receiving and processing Exemption applications;
 - (b) reviewing Exemption applications and forecasting the effect of the Exemption on Village tax revenue; and
 - (c) making recommendations for consideration by Council.

5. Definitions:

The following definitions apply to this policy:

- (a) **“Applicant”** means:
 - i. a registered not for profit organization; or
 - ii. an organization providing services under a partnering agreement with the Village, that is:
 - iii. located in the Village of Salmo;
 - iv. in a Qualifying Category; and
 - v. is seeking an Exemption;
- (b) **“Exemption”** means a permissive tax exemption under Section 224 of the *Community Charter*;
- (c) **“Property”** means the land and improvements for which an Exemption is sought;
- (d) **“Qualifying Category”** means those categories described in Schedule A; and
- (e) **“Village”** or **“Village of Salmo”** means The Corporation of the Village of Salmo.

6. Application Process

6.1 Applications must be received by June 30 in each year for the following taxation year. Applications that are incomplete or received after the deadline will not be considered.

6.2 Applicants must include in their application, in the form attached as Schedule B:

- (a) the basis for the requested Exemption under the *Community Charter*;
- (b) the principal use of the Property;
- (c) benefits to the residents of the Village of Salmo and alignment with municipal services;
- (d) description of programs, services and benefits delivered from the Property including participant numbers, benefiting populations, user fees, etc.;
- (e) description of any third-party use of the Property including user group names, fees charged, and conditions of use;
- (f) a list of the representatives and Board members of the Applicant;
- (g) financial statements of the Applicant for the past three years (the Village may require that they be audited, in its discretion); and
- (h) any other information requested by the Village.



- 6.3 Applicants:
- (a) should be seen to be working toward self-sufficiency by seeking alternative funding sources; and
 - (b) must be in compliance with all applicable municipal policies, bylaws and legislation.

7. Review and Approval Process

7.1 The Exemption must demonstrate benefit to the community and residents of the Village of Salmo by enhancing the quality of life economically, socially or culturally within the Village. The goals, policies and principles of the Applicant must not be inconsistent or in conflict with those of the Village.

7.2 Applications will be considered by Council in conjunction with:

- (a) other assistance being provided by the Village;
- (b) the potential demands for Village services or infrastructure arising from the Property; and
- (c) the amount of revenue that the Village will forego if the Exemption is granted.

7.3 Partial Exemptions, and Exemptions for between one and ten years, may be granted.

Revision History

Approved at meeting #05-16 on March 8, 2016

Approved at meeting on February 14, 2023, Resolution #R4-03-23



Schedule A

Qualifying Categories

1. **Supportive Housing** – short term emergency or crisis protection for members of the community, supportive housing for people with special needs, halfway houses, transitional homes or group homes with supportive staff and programs.
2. **Social Services** – provide social support services and programs for members of the community.
3. **Arts and Culture** – prepare and deliver artistic and cultural events or exhibits to the community.
4. **Athletics and Recreation** – provide space and equipment for the physical and mental enjoyment of the community.
5. **Places of Worship** –
 - a. facilities for public worship occupied by a religious organization as a tenant; and
 - b. land surrounding places for public worship; church halls and land surrounding them, or other property attached and deemed necessary.
6. **Affordable Rental Housing** – specific projects reviewed by Council will be considered for exemption upon completion. The exemptions will be for a period not to exceed 10 years in length.



Schedule B

Permissive Tax Exemption Application Form

Name of Applicant:	
Operating Name (if different than above):	
Contact Information:	
Address and legal description of the Property:	
Date (must be received by June 30 in each year):	

1. The basis for the requested Exemption under the *Community Charter*:

2. The principal use of the Property:

3. Benefits to the residents of the Village of Salmo and alignment with municipal services:



4. Description of programs, services and benefits delivered from the Property including participant numbers, benefiting populations, user fees, etc.:

5. Description of any third-party use of the Property including user group names, fees charged, and conditions of use:

6. List of the representatives and Board members of the Applicant:

7. Financial statements of the Applicant for the past three years (attached).

