



CITY OF VERNON

Corporate Policy Manual

Section:	Corporate Services	
Sub-Section:		
Title:	Tax Exemptions – Permissive	

RELATED POLICIES

Number	Title

APPROVALS

POLICY APPROVAL:	AMENDMENT APPROVAL:	SECTION AMENDED
Approved by:	Amendment Approved by:	
“Sean Harvey” Mayor		
Date:	Date:	
September 10, 2001		

POLICY

The City of Vernon recognizes the significant value of volunteers and volunteer groups and agencies to the social, spiritual, cultural, educational and physical well-being of the community, and deems it appropriate that they be assisted through reductions in property taxation.

DEFINITIONS

Social service facilities:	properties used by eligible Societies primarily for the provision of support services to members of the community with a range of needs; and for administrative and fund-raising activities in support of those services.
Cultural and Educational Facilities	properties used by eligible Societies primarily for the preparation and delivery of cultural and educational programs and events available to the public; and for fund-raising in support of those activities.
Recreational facilities:	properties used by eligible Societies primarily for the provision of space and equipment for the physical and mental enjoyment of the participants, with or without spectators.
Primary activity:	at least 75% of an eligible Society's activity is in that area.
Phase-in:	A three-year phase-in period will be used for any new applicants.

NOTE: **This policy does NOT apply to exemptions for heritage, riparian, industrial, business, port or airport properties.**

PLACES OF WORSHIP:

Where the church property is owned by, or on behalf of a recognized church, the land surrounding the church building may be exempted to a maximum of seven (7) times the area of the church building. Manses, including land equivalent to a normal sized City lot, are not exempt from taxation.

ALL OTHER NON-PROFIT ORGANIZATIONS:

ELIGIBILITY CRITERIA

Eligibility for exemption should be based on the principal use of the property. A property will be eligible for the exemption if the applicant meets the following criteria:

- a. Is the registered owner of the property, or a tenant under a lease requiring it to pay taxes directly to the City.

- b. Is a British Columbia registered non-profit Society.
- c. Uses the property primarily for a purpose covered by Section 341 of the Act. (other incidental uses would not disqualify the applicant, but if substantial, will reduce the percentage of exemption).
- d. Primarily serves the residents of Greater Vernon.
- e. Has its membership to the Society open to any resident of Greater Vernon.
- f. Provides a service supporting the social, spiritual, cultural, educational or physical well-being of the community.
- g. Provides a copy of its most recent certified financial statements to the City, and a budget for the current year; not to establish “need”, but to demonstrate sound financial management.

CATEGORIES

Applications will be sorted into three categories as follows:

- a. Social service facilities
- b. Cultural and educational facilities
- c. Recreational facilities.

PROCEDURES/PROCESS

1. Applications for exemption must be made annually by each organization.
2. The application form attached as Appendix A should be used by all applicants.
3. **A classification committee consisting of three members will be appointed by the Administrator annually to review the applications. This committee shall consist of two staff members, plus one member from the general public. The committee will meet as required in September each year to review the following for eligibility and classification:**
 - a. **All new applications for tax exemption.**
 - b. **All prior year applicants who wish to appeal their classification.**

- c. All prior year applicants where there is evidence of a change of use or a physical change in the property.**
 4. **Requests for continuing exemptions will be routinely approved unless there is evidence of a change in use, in which case the application will go forward to the classification committee.**
 5. **All applications forwarded to Council for approval must meet the eligibility criteria.**
 6. Based on budgetary considerations, Council will annually determine the percentage of exemption afforded to each category.
 7. New applications will have a three-year phase-in period.
 8. Applicants who have had a change in use which results in a category re-allocation will have the exemption change phased-in if it is significant.
 9. Council must adopt the tax exemption bylaw for the following year by October 31st of the current year.
 10. All properties granted an exemption under this bylaw shall be exempted from property taxation to the extent granted in the bylaw unless not permitted by legislation.
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APPENDIX A

REVISED – Nov 2005

THE CORPORATION OF THE CITY OF VERNON
APPLICATION FOR TAX EXEMPTION

The deadline for submission of applications is July 30th of the year prior to the year of exemption. Submit all applications to the City Clerk, City of Vernon, 3400 - 30th Street, Vernon, B.C. V1T 5E6. (Inquiries: 545-1361)

NAME OF ORGANIZATION: _____

TAX YEAR FOR APPLICATION: _____

(Note: your application is for the NEXT tax year: i.e.: applications in summer of 2010 are for tax exemptions for the 2011 year).

PROPERTY TO BE EXEMPTED: (A separate application is required for each property)
Common name of property – if different from organization name:

Address: _____

Legal Description: _____

Tax Roll # or PID number:

Mailing Address of organization: _____

Contact Person: _____
Telephone : _____
E-mail: _____

INFORMATION TO DETERMINE CLASSIFICATION OF THE PROPERTY FOR EXEMPTION PURPOSES:

The information in the following section assists in determining the classification for your organization for tax exemption purposes. The classifications (in order of priority) set by City Council in their policy are as follows:

- A. **Social Service facilities** – properties used by eligible Societies primarily for the provision of support services to members of the community with a range of needs; and for administrative and fund-raising activities in support of those services.
- B. **Cultural and Educational facilities** – properties used by eligible Societies primarily for the preparation and delivery of cultural and educational programs and events available to the public; and for fund-raising in support of those activities.
- C. **Recreational facilities** – properties used by eligible Societies primarily for the provision of space and equipment for the physical and mental enjoyment of the participants, with or without spectators.

Primary Activity: means that at least 75% of an eligible Society's use of the property is in one or more of the above categories.

PLEASE COMPLETE THE FOLLOWING:

1. Is your organization the registered owner of the property for which the exemption is requested?

If not, is the organization a lessee under a lease which requires direct payment of property taxes to the City of Vernon?

Please attach a copy of the lease.

2. Is organization a B.C.registered, non-profit Society?

Incorporation Number: _____

3. Describe the service or services the organization provides to the Community. Attach a separate sheet and categorize the service(s) as follows: social, cultural/educational, recreational. Please refer to the descriptions above for classification.

4. If your organization fits into more than one category, please detail the proportion of the property used for each category.

<i>e.g.</i>	<i>Social service</i>	-	<i>20%</i>
	<i>Educational</i>	-	<i>15%</i>
	<i>Recreational</i>	-	<i>45%</i>
	<i>Other</i>		<u><i>20%</i></u>
	<i>Total:</i>		<u><i>100%</i></u>

In this example the proportion of property eligible for tax exemption is 80%.

5. What percentage of users are residents of Greater Vernon?

6. Is membership to the Society restricted? If so, to whom?

7. **Attach a copy of the Society's most recent financial statements; and a copy of the most recent budget.**

8. Attach a sketch of the property, detailing as accurately as possible the location of the buildings, driveways, landscaping, etc. (This is only required for first-time applicants, or if there has been a change or addition to the property).

Certification by authorized signatory:

I hereby certify that I have read the City of Vernon's Tax Exemption Criteria, that this application complies with its requirements and that the information contained in this application is complete and correct.

Signature: _____

Title: _____

Name: _____

Date _____

NOTE: Please highlight any changes that have occurred to your application since the previous year, particularly any additional, new properties that are being applied for.