

TO: CITY MANAGER 1998 May 19

FROM: DIRECTOR FINANCE

SUBJECT: PROPERTY TAXATION -SAVE THE CHILDREN-CANADA

PURPOSE: To provide Council with information on permissive taxation exemptions.

RECOMMENDATION

1. THAT this report be received by Council for information.

REPORT

Appearing under correspondence at the meeting of May 11 was a letter from Save the Children-Canada explaining their situation with regard to the payment of property taxes and requesting a grant, in the amount of taxes, from Council.

The Municipal Act provides for two types of exemptions from property taxes:

1. Statutory exemptions
2. Permissive exemptions

Statutory exemptions are provided under Section 339 of the Municipal Act and affords exemptions from property taxes for:

- Provincial government property
- Public libraries
- First Nations land
- Cemeteries
- Churches
- Public hospitals
- Public schools

Permissive exemptions are provided in Section 341 of the Municipal Act and are at the discretion of Council, authorized by a bylaw passed by Council prior to October 31 of the preceding year.

A general criteria of the Municipal Act, before consideration of permissive exemption, is that the property must be owned by the organization or the property must be leased from an exempt body (school or municipality).

In 1986 Council adopted a set of guidelines as the basis for assessing applications for permissive exemption from taxation. The guidelines ensure that organizations recommended for permissive exemption under Section 341 of the Municipal Act are:

- a) consistent with municipal policies, plans, bylaws, codes and regulations
- b) non profit
- c) complementary extensions to municipal services and programs
- d) accessible to the public
- e) used primarily by Burnaby residents

Partial exemptions (50%) are sometimes granted for organizations that have a more regional mandate.

A not for profit charitable or philanthropic organization, such as Save the Children-Canada, leasing their premises from the private sector, does not qualify for consideration under the permissive exemption criteria of the Municipal Act. If they owned the property or leased it from a school or the municipality, consideration would need to be taken regarding the extent to which the organization's mandate is beyond a regional context. Organizations that have a wider than regional mandate are generally not considered for partial property tax exemption.

Grants-in-aid

The Executive Committee of Council (Grants) considers grant applications under guidelines adopted (as revised) by Council in July 1993. The prevailing theme of the criteria under which grants are awarded is the Community service nature of the organization's mandate.

Organizations that do not adhere to the grant criteria but have merit in terms of their community involvement may be considered on individual cases based on the uniqueness of the proposal. The requirement to consider the wider than community mandate of Save-the-Children would likely preclude it from a grant due to the criteria under which grants are awarded.

This is provided for the information of Council.


Rick Earle
DIRECTOR FINANCE