



Tax Exemption for Non-Profit Organizations Program 2010-2011

HALIFAX
REGIONAL MUNICIPALITY

PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

By-law T-200 Update

Commercial Tax Rates: In 2005-06, the Nova Scotia Government approved the elimination of the business occupancy tax, effective April 1, 2006, and phased in over several years. The impact of this change on municipal tax rates is unknown but a new *Tax Strategy* is in development by HRM Financial Services. Although most non-profit organizations are not billed for business occupancy tax they would be impacted by any increase in the Commercial tax rate. Questions about the elimination of the business occupancy tax should be directed to: Service Nova Scotia & Municipal Relations, 14 North, 1505 Barrington Street, Halifax, NS B3J 2M4 or e-mail busocc@gov.na.ca.

Proposed Program Re-Design: HRM staff have initiated a review of the current program. The aim is to develop detailed criteria regarding eligibility and levels of tax exemption, to simplify the decision-making process, to increase accountability to the general public in terms of cost and benefits, and to provide greater certainty in budget capacity. The issue of tenancy will also be addressed. This review is not limited to real property tax but will also include area rates, deed transfer tax, and fire protection tax. Copies of the report will be available for public input and updates will be posted on the HRM web site.

Halifax Regional Municipality can help *some* non-profit organizations reduce their level of property tax through the *Tax Exemption for Non-Profit Organizations Program*. The program is administered on behalf of Regional Council by the Grants Committee and the Grants & Contributions division of HRM Community Development.

Eligibility

Property tax grants are available only to non-profit organizations and charities registered with the Nova Scotia Registry of Joint Stocks or Canada Customs & Revenue Agency, or granted society status through an Act of the Nova Scotia Legislature or the Parliament of Canada. Non-profit or charitable status does not guarantee a tax grant; other criteria must be met too. For example, organizations or facilities serving professional, industrial, commercial, business, union, political parties or government do not receive a public subsidy. Portions of the premises may be excluded, such as but not limited to a permanent bar, retail outlet, restaurant, gambling amenity, or a sub-lease to a third party.

Higher rates of tax relief may be awarded to organizations who provide a program or service that replaces a municipal program; community-owned and operated facilities that provide free or subsidized public access; groups who protect public

access to waterfront or wilderness; and community-owned and operated registered heritage properties.

Limited rates of tax relief may be provided to organizations that are primarily administrative with no general public access; facilities or amenities that are restricted in use to members or only one organization (exclusivity); international or national aid.

The aim of the program is to provide modest public assistance to community-owned and operated properties located within HRM that provide accessible and affordable benefit to the general public.

Note: a tax grant is not transferrable; if the property is sold or title transferred the tax grant is revoked. Application must be made to the program by the new owner.

Tax grants are awarded to organizations based on the **specific type and scope of service they provide to the general public**. Presently, the categories are as follows:

Healthy Communities

- **Environment:** Community-owned (includes easement) and operated sites of ecological significance, wildlife and habitat protection, recycling, environmental education and advocacy, and animal rescue. If applicable, please include a description of what makes the site ecologically significant.
- **Sport, Recreation & Leisure:** Community-owned and operated sport facility (eg. arena, swimming pool, field, court, marina), community centre, community hall, seniors centre, park, playground, or permanent camp site. Please describe user groups and rental fees.
- **Affordable Housing:** Community-owned and operated rental housing for independent living (ie. no on-site supervision or support services to tenants). If applicable, please list number of rent subsidized units and rental rates. For example, 123 Street, 2 bedroom duplex, rent \$400/month, 1 of the 2 units rent subsidized by NS Community Services.
- **Health:** Community-owned and operated out-patient lodge or hospice, residential addictions treatment, supportive housing for persons with special needs (eg. disabled or mental health consumers requiring on-site supervision or services). Excludes nursing homes. Community health education and peer support programs. Excludes medical treatment facilities, therapeutic or counselling services.
- **Social Services:** Community-owned and operated day care or family resource centre, employment support, vocational agency, refugee and immigrant settlement services.
- **Service Clubs:** Community service clubs (including fraternity, sorority, benevolence society) whose membership fundraising supports local non-profit groups, charities, and neighbourhood activities. Exemption value limited to Conversion from the Commercial to Residential tax rate unless the club provides alternate service delivery (eg. own and operate a park, playground, recreation facility).

Safe Communities:

- **Emergency Assistance:** Community-owned and operated facility that provides assistance with basic living needs. For example, food bank, provision of clothing or household furnishings, or a community feeding program for homeless or “at risk” persons (eg. a “soup kitchen”). Volunteer rescue and/or first aid, or peer telephone crisis intervention. A property formally designated as an HRM Comfort or Evacuation Centre must include a signed copy of the HRM Memorandum of Understanding.
- **Shelters and Transition Housing:** Community-owned and operated short-stay shelters for homeless persons or runaways, shelters that provide protection for persons at risk of abuse or violence, and transitional housing for persons in conflict with the law or victims of domestic abuse.

Cultural Communities

- **Heritage, Historical Attractions, and Community History:** Community-owned and operated registered heritage buildings and sites, archaeological site, archives, interpretation centre, community museum, historical attraction, advocacy, or historical society. For a registered heritage property please include date of construction and details of historical significance.
- **Ethnocultural:** Community-owned and operated facility to promote relations within and between distinct cultural groups, cultural heritage, and sociocultural groups. As applicable, please list user groups and rental fees.
- **Arts & Crafts:** Community-owned and operated facilities (eg. theatre, studio, rehearsal space, events plaza, exhibit gallery, recital hall, forge). If applicable, please describe user groups and rental fees. Excludes retail galleries.

Types of Assistance

Conversion: The Commercial tax rate is converted to the Residential tax rate. Owner pays full Residential taxes. Excludes on-site commercial activity. Excludes any business conducted on the premises.

Partial Exemption: The commercial tax rate is converted to the residential tax rate and a portion of the residential tax is paid by the program. Excludes any business conducted on the premises.

25% Exempt: owner pays 75% of residential tax and full commercial taxes and the program pays 25%. Excludes any business conducted on the premises.

50% Exempt: Owner pays 50% of the residential tax and full commercial taxes and the program pays 50%. Excludes any business conducted on the premises.

75% Exempt: Owner pays 25% of residential tax and full commercial taxes and the program pays 75%. Excludes any business conducted on the premises.

Full Exemption: Property is 100% exempt. Usually applies to a registered heritage property or the delivery of a service that replaces an HRM program. Excludes any business conducted on the premises.

Fire Protection Tax: If awarded a tax grant, your fire protection tax will be reduced at the same level of exemption.

Area Rates: A tax grant includes area rates.

Taxes and Fines Not Covered by the Program

Deed Transfer Tax: A tax is levied by the municipality on all property sale transactions. A federally registered Canadian charity may apply to the municipality for exemption. Application is to be made to the Revenue Division, HRM Financial Services.

Local Improvement Charges: A community or specific neighbourhood might be levied Local Improvement Charges for a water, sewer, sidewalk or road project. These charges are not covered by By-law T-200 and should be paid in full by the organization.

Business Improvement District Charges: Business District Improvement Charges are approved annually by Regional Council. These charges are not covered under the by-law and are to be paid in full.

False Alarm Charges: All organizations on By-law T-200 are responsible for payment of false alarm charges. False alarm charges may be appealed in writing to:

False Alarm Coordinator
Halifax Regional Municipality
PO Box 1749, Halifax, NS B3J 3A5

Fines: Fines levied under the Dangerous & Unsightly Premises By-law, snow and ice removal, or garbage removal must be paid in full by the organization and are not covered under By-law T-200.

Renewal

Legislation requires that all groups in receipt of a tax grant under By-law T-200 must re-apply annually. Renewal forms are available each fall from HRM Customer Service Centres, the HRM Call Centre, Grants Program office, or on-line at www.halifax.ca.

New Applications

Application forms are available from HRM Customer Service Centres, the HRM Call Centre (490-4000), the Grants Program office (490-7191), or on-line at www.halifax.ca.

Applications must include the following information:

- Proof of current registration as a non-profit organization or federal Canadian charity. Registration number (or copy of certificate for new applicants).
- Program report (describe what you offer the public).
- Last year's financial statement.
- Current listing of the Board of Directors.

The call for applications is made each fall for the following fiscal year so that the cost of any awards can be estimated and, if necessary, a budget adjustment requested for the program. The ability to award a tax grant is conditional upon the program's capacity to fund the award.

All applicants to the program are responsible for full payment of taxes until otherwise notified.

All applications are reviewed by staff and draft recommendations sent to the HRM Grants Committee. The committee debates the recommendations and then sends its final report to Regional Council for approval.

Any changes to By-law T-200 must be approved through a formal public hearing process. This includes additions, deletions, changes in level of public subsidy, or change in the legal name of a property owner.

Public Hearing Process

Week 1	Tuesday - Notice of Motion
Week 2	Tuesday - First Reading Saturday - newspaper advert with date/time of public hearing
Week 5	Tuesday - Second Reading/Public Hearing

Attendance at a public hearing is optional. The proceedings are covered on Channel 10 Television.

Applications Declined

The reasons to decline or defer (postpone a decision) a tax grant vary but often include one of the following:

- Tax arrears with no active payment plan and no intent shown by the applicant to rectify the situation.
- Inability to demonstrate a benefit to the general public.
- Not a registered non-profit or charity.
- Program or service not within municipal mandate.
- Program budget capacity.
- A business, commercial, industrial interest group, professional association, trade union, political party, stakeholder group with shares or the potential for personal financial gain, or government service.
- Benefit limited to a specific membership or congregational group.

Name Change

Please notify staff of the Grants Program of any change to the legally registered name of your organization. The By-law listing will be changed to reflect the legal name of the property owner.

Removal from the By-law

An organization may be removed from the By-law for non-compliance with the by-law or for any of the following reasons:

- Loss of registered status.
- Lack of reporting in excess of two (2) years.
- Providing false or misleading information.
- Tax arrears in excess of three (3) years.
- A conditional tax grant provided during the holding and construction period will be removed once construction is complete.
- Violation of an HRM by-law.

Tax Arrears

If your organization is having difficulty paying property taxes you can contact 490-4000 for information on HRM's Pre-Authorized Payment Plan. Regular monthly payments can be withdrawn from your bank account. This plan can help groups who receive core operating funds on a fixed schedule or can help with cash-flow management. Interest is charged on overdue taxes.

Tax Sale Proceedings

Under the Municipal Government Act (1996), Section 134, a property must be sold at a tax sale if taxes are in arrears for the prior three (3) years. Regional Council may defer tax sale proceedings for up to two years. A deferral is not likely to be awarded unless there is compliance with a signed payment plan.

Submitting Your Application

Mail your application and supporting documentation to:

Halifax Regional Municipality
ATTN: Grants Program, Community Development
P.O. Box 1749
Halifax, NS B3J 3A5

Or drop off your application and supporting documentation to:

Halifax Regional Municipality
Grants Program, Community Development
40 Alderney Drive, 2nd Floor
Halifax, NS B2Y 2N5

Application Deadline

The annual application deadline is **November 30th** (or the last working day in November if the 30th falls on a weekend). Late applications will only be considered after on-time applicants and subject to budget capacity.

HRM Customer Service Centres

- Acadia School, 636 Sackville Drive, Lower Sackville
- Alderney Gate, 2nd Floor, 40 Alderney Drive, Dartmouth
- West End Mall, 6960 Mumford Road, Halifax
- Scotia Square Mall, 5201 Duke Street, Halifax
- Cole Harbour Place, 51 Forrest Hills Parkway, Cole Harbour
- Musquodoboit Harbour, Hwy 107 & East Petpeswick Road, Musquodoboit Harbour

HRM Call Centre 490-4000

