



P.O. Box 1749
Halifax, Nova Scotia
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Item No. 15.2.3
Halifax Regional Council
April 23, 2024

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Deputy Mayor Cathy Deagle Gammon, Chair, Grants Committee

DATE: March 27, 2024

SUBJECT: **Administrative Order 2024-001-ADM Respecting Tax Relief to Registered Nonprofit and Registered Canadian Charitable Organizations**

ORIGIN

March 27, 2024 meeting of the Grants of Committee, Item 9.1.4.

LEGISLATIVE AUTHORITY

Legislative Authority is outlined in the attached staff report dated February 19, 2024.

RECOMMENDATION

That the Grants Committee recommends that Halifax Regional Council:

1. Adopt Administrative Order 2024-001-ADM, the *Tax Relief Administrative Order*, including repealing the *Tax Relief for Non-Profit Organizations Administrative Order*, as set out in Attachment 3 of this report;
2. Direct the Chief Administrative Officer to direct staff to implement the Communications Plan described in Attachment 2 of the staff report dated February 19, 2024;
3. Request the Nova Scotia Government amend subsections 89 (1) and (4) of the *Halifax Regional Municipality Charter* to protect the identification of a residential property serving victims of abuse in receipt of a municipal tax exemption by excluding such properties from the legislated requirement that properties in receipt of tax relief be specifically named in policy; and
4. Adopt the amendments to Administrative Order 18, the *Revenue Collections Policy Administrative Order*, as set out in Attachment 5 of the staff report dated February 19, 2024.

BACKGROUND

The Grants Committee received a staff recommendation report dated February 19, 2024, to consider the redesign of the Tax Relief to Non-Profit Organizations Program.

For further information refer to the attached staff report dated February 19, 2024.

DISCUSSION

The Grants Committee considered the staff report dated February 19, 2024, and approved the staff recommendation with an amendment to Administrative Order 2024-001-ADM with the addition of the following:

3(j)(iv) Subject to clause 3j(v), for an Affordable Housing Rental Accommodations Organization, 50%,

(v) for an Affordable Housing Rental Accommodations Organization in receipt of a reduction in the assessed market value under the Nova Scotia Capped Assessment Program, 25%,

as well as a renumbering of the subsequent clauses.

FINANCIAL IMPLICATIONS

The projected additional cost of the program redesign was estimated to be \$432,000 based on the 806 properties in the 2022 tax relief program. In 2023, twenty-two (22) properties were added to the program and five (5) properties were removed resulting in a revised total of 822 properties, excluding properties only in the program for a partial year. The revised estimated cost of the program redesign based on 2023 taxable assessment values for 822 properties is amended to \$600,000.

Note: the cost of the tax relief program changes annually due to fluctuations in assessed values, municipal tax rates, the scale and location of large-scale development, property acquisitions, and program uptake. A comparison between tax bills for fiscal 2022 and 2023 for “renewals” indicates that most increases were due to revised assessment values (market conditions) and capital improvements. Early indications suggest that program uptake will remain robust in 2024 and the magnitude of government investment in affordable housing or large-scale projects (for example, sport or cultural facilities) will also impact budget capacity in the short to mid-term.

Projected 2024 Program Budget ¹	\$7,500,000
Projected Cost of Renewals (822)	\$6,700,000
Projected Cost of Additions (2024)	\$200,000
Projected Program Redesign Cost	\$600,000

Notes to Budget Projections for Fiscal 2024

1. Based on a municipal tax bill increase of 9%¹

The financial implications of the proposed program redesign are included in the staff report dated February 19, 2024, included as Attachment 1 of this report. However, if Regional Council accept the Grants

¹ Recommendation report to the January 24, 2024, meeting of the Budget Committee, 2024 Budget Directions, Assessment, and Revenue Update, dated January 16, 2024. Item 6.1. This percentage may rely on changes to the budget to lower the estimated increase down from 9.7% projection (p.2).

Committee recommendation to reduce the percentage tax relief awarded to properties listed in Schedule D who receive the provincial assessment cap (as per recommendation #5) the revised estimated program cost in fiscal 2024/25 is:

Projected 2024 Program Budget ¹	\$7,500,000
Projected Cost of Renewals (822)	\$6,700,000
Projected Cost of Additions (2024)	\$200,000
Revised Projected Program Redesign Cost	\$400,000
Contingency Balance (see note below)	\$200,000

Notes to Financial Implications

The balance of \$200,000 represents a contingency to address the following:

- Any Requests for Review that result in a recommendation to reassign a property to a different Schedule in fiscal 2024/25.
- A recommendation regarding an application to add a property to the 2024 Tax Relief Program could be overturned or amended by Regional Council (ie. to decline or defer an application or to amend the level of tax relief).
- Tax relief awarded to an organization by resolution of Regional Council. For example, if PVSC cannot amend the 2024 tax roll to exempt property owned by a municipally registered emergency services provider the group can be awarded a tax grant equivalent to what they would have received under the program.
- Appeals and other assessment clarifications currently with Property Valuation Services Corporation, including Akoma Holdings Incorporated (Rapid Housing Initiatives development).
- Tax Revenue Module (TRM) system enhancements – the cost to implement the redesign changes is included in the TRM support budget. Further enhancements may be required to improve communications and customer service, an example is automated reminder emails.

RISK CONSIDERATION

Risk consideration is outlined in the attached staff report dated February 19, 2024.

COMMUNITY ENGAGEMENT

The Grants Committee is comprised of 6 citizen members and 4 Councillors. Meetings are live webcast on Halifax.ca. The agenda, reports, video, and minutes of the Committee are posted on Halifax.ca.

For further information on Community Engagement refer to the attached staff report dated February 19, 2024.

ENVIRONMENTAL IMPLICATIONS

Environmental implications are outlined in the staff report dated February 19, 2024.

ALTERNATIVES

Alternatives are outlined in the attached staff report dated February 19, 2024.

ATTACHMENTS

Attachment 1 – Analysis of Schedule D Properties and Capped Assessment Program.

Attachment 2 – Staff recommendation report dated February 19, 2024.

Attachment 3 – Revised Administrative Order 2024-001-ADM Respecting Tax Relief for Non-Profit and Registered Canadian Charitable Organizations.

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

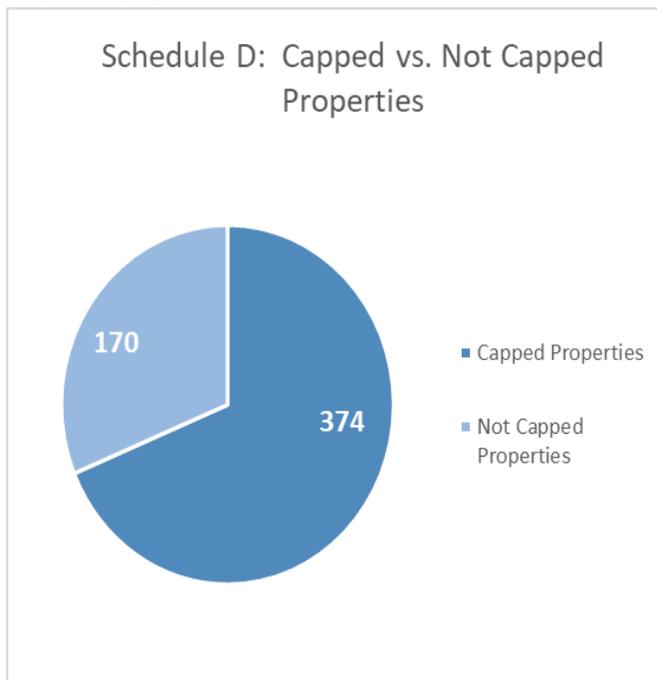
Report Prepared by: Olawumi Odeyinka-Apantaku, Legislative Assistant, Municipal Clerk's Office 902.717.6035
Peta-Jane Temple, Team Lead Grants Tax & Special Project, 902.490.5469

ATTACHMENT 1

Analysis of Schedule D Properties and Capped Assessment Program

There are 544 properties assigned to Schedule D; 374 or 68% are currently eligible for the Provincial Capped Assessment Program (CAP) as shown in Chart 1. The difference between the 'market value' and the 'capped value' of the 374 properties eligible for the CAP ranges from \$28,000 to \$2,100,000, representing a significant savings on property taxes *before* the application of tax relief. This creates an inequity for property owners in Schedule D providing Affordable Housing who are not eligible for the Provincial CAP. The average assessed value savings between the market value and capped value of these 374 properties is \$159,000 per property representing a range of tax savings of \$308 to \$23,100 per property in 2023/24, calculated using the proposed benchmark rate before tax relief is applied.

Chart 1 2023/24:



In 2023/24, 53% of the properties added to Schedule D are eligible for the CAP.

In 2024/25, the number of proposed additions to Schedule D eligible for the CAP increased to 82%, only 18% of proposed additions to Schedule D are not eligible for the CAP.

The fifth recommendation in this report was presented to the Grants Committee as an Alternative Option on March 27, 2024. The Grants Committee voted to add this option as a recommendation to Regional Council. This recommendation proposes decreasing the percentage discount provided to properties in Schedule D from 50% to 25% for properties in receipt of the Provincial Cap. If approved, this amendment to policy will provide a greater level of equalization in the distribution of tax savings across the program because those properties in receipt of the capped assessment program already realize tax savings annually, through reduced taxable assessed values.

As proposed, the capped properties in Schedule D will pay the lessor of the maximum tax payable per dwelling unit threshold or \$25,000, the same as all properties in Schedule D. Presenting this as an option to the Grants Committee was not intended as a cost savings initiative but as a means to address the inequality for organizations providing a similar service and are not eligible for the Provincial CAP. The

change represents a savings of approximately \$200,000 in the cost of the redesign. The savings are intended to be redistributed in the program for contingencies such as requests to review, 2024 new program applicants, PVSC appeals and clarifications, tax relief by resolution of Regional Council, and TRM system enhancements.

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Item No. 9.1.4
Grants Committee
March 27, 2024

TO: Chair and Members of HRM Grants Committee

SUBMITTED BY: -Original Signed-
Cathie O'Toole, Chief Administrative Officer

DATE: February 19, 2024

SUBJECT: **Administrative Order 2024-001-ADM Respecting Tax Relief to Registered Nonprofit and Registered Canadian Charitable Organizations**

ORIGIN

February 7, 2023, Regional Council (Item 15.1.7)

MOVED by Councillor Deagle Gammon, seconded by Councillor Mancini

THAT Halifax Regional Council defer Item 15.1.7 to a future meeting of regional Council pending the receipt of a supplementary report to review Schedule C, which may include adding new categories, subcategories, or tiering of certain types of organizations, size or value of property, or other characteristics where these types of organizations differ and the increases or decreases that result from the proposed tax exemption with a potential implementation timeline of 2024/2025.

MOTION PUT AND PASSED

April 25, 2023, Regional Council (Item 10.1):

MOVED by Councillor Deagle Gammon, seconded by Councillor Blackburn

THAT Halifax Regional Council direct the Chief Administrative Officer to direct staff to:

1. Draft a new Administrative Order as outlined in the Discussion section of the staff recommendation report dated January 23, 2023, to repeal and replace Administrative Order 2014-001-ADM Respecting Tax Relief for Non-Profit Organizations, with the following amendments:

RECOMMENDATIONS ON PAGE 3

- a. The maximum tax payable per property be increased to \$25,000 for proposed Schedules A, B, C, E, F, G and H; and
 - b. A maximum tax payable of \$25,000 be added for proposed Schedule D Organizations Providing Affordable Rental Accommodations so that the maximum tax payable amount is the lesser of:
 - i. The maximum tax payable per dwelling unit threshold; or
 - ii. \$25,000
2. Report to the HRM Grants Committee for consideration of the resulting draft Administrative Order; and
 3. Initiate communications with those organizations currently accepted into the Tax Relief for Non-Profit Organizations Program.

MOTION PUT AND PASSED UNANIMOUSLY

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, S.N.S. 2008, c.39 as amended.

79A (1) Subject to subsections (2) to (4) the Municipality may only expend money for municipal purposes if

- (a) the expenditure is included in the Municipality's operating budget or capital budget or is otherwise authorized by the Municipality...

89 (1) The Council may, by policy, exempt from taxation, to the extent and under the conditions set out in the policy

- (a) property
 - (i) of a named registered Canadian charitable organization, and
 - (ii) that is used directly and solely for a charitable purpose;
- (b) property of a non-profit community, charitable, fraternal, educational, recreational, religious, cultural or sporting organization if, in the opinion of the Council, the organization provides a service that might otherwise be a responsibility of the Council;
- (c) the buildings, pump stations, deep well pumps, main transmission lines, distribution lines, meters and associated plant and equipment of a municipal water utility.

(2) The Council may, by policy, to the extent and conditions set out in the policy, provide that the tax payable with respect to all or part of the taxable commercial property of any non-profit community, charitable, fraternal, educational, recreational, religious, cultural or sporting organization named in the policy be reduced to the tax that would otherwise be payable if the property were residential property, inclusive of area rates....

(6) A policy made pursuant to this Section has effect in the fiscal year following the fiscal year in which it is published, unless the policy sets a different effective date, including an effective date retroactive to the beginning of the current fiscal year.

Housing Act, S.N.S, 1989, c.211

3. The purpose of this Act is to improve and increase the housing stock of the Province.
9. Subject to the regulations, a municipality may

- (a) limit the municipal taxes levied in respect of property owned by a company or corporation established for the purposes of this Act for such a period as the municipality may determine.

Housing Supply and Services Act, S.N.S., 2022, c.3

2. The purpose of this Act is to improve and increase the housing stock of the Province and, without limiting the generality of the foregoing, includes

- (a) increasing and preserving the supply of housing;
- (b) promoting more adequate and affordable housing for vulnerable persons and groups;
- (c) promoting more adequate and affordable care facilities for vulnerable persons and groups;
- (d) developing, delivering and supporting programs related to housing;
- (e) advancing government housing priorities;
- (f) developing, engaging and supporting strategic housing policy, priorities and partnerships;

and

- (g) providing strategic directions and oversight of the Agency.

13. (1) Subject to the regulations, a municipality may
- (a) limit the municipal taxes levied with respect to the property owned by a company or corporation established for the purpose of this Part for such a period as the municipality may determine, and
 - (b) exempt from municipal taxation or limit the municipal taxes levied with respect to the property owned by a charitable corporation eligible for loans under Section 88 of the National Housing Act (Canada).

(2) For greater certainty, a decision to limit or exempt municipal taxes under Section 19 of the Housing Act continues to have legal force and effect, subject to the regulations.

Administrative Order 14 Respecting the Application of Interest on Outstanding Accounts.

Administrative Order 18 Respecting Revenue Collections Policy.

Administrative Order 54 Respecting Procedures for Developing Administrative Orders

HRM Grants Committee, Terms of Reference, Mandate:

The HRM Grants Committee shall review, evaluate, and make recommendations to Regional Council regarding annual cash grants, rent subsidies, property tax exemptions, less than market value property sales and leases to registered non-profit organizations and charities managed by a duly appointed Grants Committee.

RECOMMENDATION

It is recommended that the Grants Committee recommend that Halifax Regional Council:

1. Adopt Administrative Order 2024-001-ADM, the *Tax Relief Administrative Order*, including repealing the *Tax Relief for Non-Profit Organizations Administrative Order*, as set out in Attachment 1 of this report, effective April 1, 2024;
2. Direct the Chief Administrative Officer to direct staff to implement the Communications Plan described Attachment 2 of this report;
3. Request the Nova Scotia Government amend subsections 89 (1) and (4) of the *Halifax Regional Municipality Charter* to protect the identification of a residential property serving victims of abuse in receipt of a municipal tax exemption by excluding such properties from the legislated requirement

that properties in receipt of tax relief be specifically named in policy, and

4. Adopt the amendments to Administrative Order 18, the *Revenue Collections Policy Administrative Order*, as set out Attachment 5 of the report.

EXECUTIVE SUMMARY

The redesign of the Tax Relief to Non-Profit Organizations Program is intended to redistribute the program's financial capacity in a manner that is impartial and to reduce uncertainty and volatility by increasing predictability and consistency for program participants through the implementation of eligibility criteria and a minimum and a maximum tax payable threshold. It is anticipated that administrative efficiencies will be achieved for both HRM and program participants.

BACKGROUND

In February of 2023, staff presented the main concepts of a proposed redesign of the Tax Relief for Non-Profit Organizations program. Namely, the adoption of criteria for the program's different levels of tax relief (referred to as "Schedules") and a redistribution of financial assistance. In April 2023, Regional Council approved in principle the main elements of the redesign and directed staff to develop new policy. The original proposal recommended eight (8) schedules which has since been revised to the seven (7) schedules listed below with the addition of an Appendix 1.

As proposed, Appendix 1, Eligible Organizations That Are Tenants Recognized Under Property Owner's Tax Relief, replaces the "interim" schedule for volunteer ground search and rescue teams ("GSAR"). On December 12, 2023, Regional Council approved adoption of Administrative Order 2023-003-ADM Respecting the Municipal Registry of Volunteer Emergency Services Providers¹. In accordance with Subsection 5 (1) of the *Assessment Act* the property of an emergency services provider registered under municipal policy is exempt if the subject property is used directly and solely for community purposes or fundraising activities of the emergency services provider. Property Valuation Services Corporation has been notified of HRM's adoption of a Municipal Registry of Volunteer Emergency Services Providers and the taxable status will be amended for fiscal year 2024, thus negating the need for a separate schedule.

The addition of Appendix 1 identifies those organizations that *indirectly* benefit from tax relief by virtue of their tenancy in property accepted into the program. The value of tax relief is not listed in Appendix 1 because it is included in the property owner's tax relief and applicable schedule. The addition of Appendix 1 enables a more complete representation of the scope/type of public benefit. The amended list of schedules is shown below in alphabetical order A through G:

Schedule A. Charitable Organizations Providing Housing and Dedicated Services for Persons with Special Needs

Schedule B. Family Services, Childcare, and Dedicated Youth Services Organizations

Schedule C. Cultural, Recreational, Environmental, and Community Transit Organizations

Schedule D. Organizations Providing Affordable Housing Rental Accommodations

Schedule E. Community Benefit Organizations

Schedule F. Organizations with Vacant Property Under Development

Schedule G. Organizations Under the Federal Government Rapid Housing Initiatives Program

Appendix 1. Eligible Organizations That Are Tenants Recognized Under Property Owner's Tax Relief

¹ Recommendation report to the December 12, 2023, meeting of Regional Council, Administrative Order 2023-003-ADM Respecting the Municipal Registry of Volunteer Emergency Services Providers, dated October 5, 2023 [Item 15.1.6].

In accordance with the *Halifax Regional Municipality Charter* (“HRM Charter”) at least seven (7) days notice must be provided to Regional Council with respect to adopting and repealing an Administrative Order.

For readers unfamiliar with the program redesign process the following reports provide context and additional detail:

- February 7, 2023, Regional Council, Proposed Tax Relief for Non-Profit Organizations Program Redesign Concept, dated January 31, 2023 (Item 15.1.7).
- February 7, 2023, Regional Council, By-law T-800 Respecting Property Tax Billing for Tax Relief Recipients and Amendments to Administrative Order 18 Revenue Collections Policy, dated January 27, 2023 (Item 15.1.5).
- April 25, 2023, Regional Council, Proposed Tax Relief for Non-Profit Organizations Program Redesign, dated April 14, 2023 (Item 10.1).

DISCUSSION

Although Regional Council’s adoption of Administrative Order 2024-001-ADM is recommended, an effective date of April 1, 2024, means that schedules are not attached to the new Administrative Order included as **Attachment 1** of this report; they will be coming forward in a future report. The April 1, 2024, timeline accommodates the implementation of a Communications Plan included as **Attachment 2** of this report.

The plan includes:

- distribution of a Communications Package to program participants (“renewals”) and organizations/properties added to the program in 2023² (“additions”) that contains an overview of the main redesign elements and **draft schedules** showing which properties have been assigned to a schedule and the projected increase or decrease in tax relief by property had the redesign been in effect in fiscal 2023 (these values are not a predictor of tax payable in 2024 or thereafter),
- individual communications on a case-by-case basis, as applicable, and
- a Request to Review process if an organization feels they have been incorrectly assigned to a schedule.

The initial redesign concepts were presented to Regional Council on February 7, 2023, and the proposed maximum tax payable threshold was amended and approved in principle on April 25, 2023. This report builds on that foundation with further refinements to policy, clarification, and additional changes intended to provide clarification in the application of policy, notably clarification in relation to Schedule D, Organizations Providing Affordable Housing Rental Accommodations, which has been amended to provide clarification with respect to ancillary parking lots, the Municipal Residential Rental Registry, and on-site property management for apartment buildings with a more than eight (8) dwelling units. Additional clarification has been added to Schedule F, Organizations with Vacant Property Under Development.

Recommendation #1 – Proposed Policy Additions and Clarification

Tax Billing for Program Participants

At present tax relief calculations are done manually using a spreadsheet then transferred to the tax billing system. The time required to complete this process resulted in an inability to issue two tax bills a year. In contrast, the program redesign simplifies the formulas used to calculate the amount of tax relief and tax

² The draft schedules included in the Communications package have been updated to use only 2023 values to improve their relevance and properties added to the program in 2023 have been added.

bills can be calculated automatically in the Tax Revenue Management system (“TRM”). The new process is expected to be faster and quality assurance measures can be implemented to reduce the risk of error. With implementation of the redesigned program there will be only one tax bill issued in 2024. Thereafter, the goal is to issue two tax bills annually to “renewals”. However, although “additions” to the program will receive two tax bills in their first year in the program the value of tax relief (effective April 1st of the fiscal year) will only be applied to the final (Fall) tax bill. In subsequent years, the tax relief will be apportioned between the interim and the final tax bill.

Tax Billing for Tenancy

A further review of billing for tenancy is required to align with HRM’s legislative authority which requires that tax bills are issued to the property owner (those liable to pay the taxes). However, legislation does permit direct billing to leased property owned by the federal or provincial government, Consequently, HRM does not have the authority, without written consent, to bill taxes to tenants of municipal or private property. Even with an owner’s consent the Municipality could only provide a copy of the tax bill to a tenant while fulfilling its legal obligation to bill the property owner.

Recipients of the redesign Communications Package sent to current program participants will be advised that the status of leased property is “under review” and these properties will be identified on the draft schedules. Leased properties will be identified with the owner listed first, followed by the name of the tenant in parentheses.

Reference to commercial property or property owned by unincorporated entities or households has been removed from policy. Under the *Assessment Act*, assessed owners are liable to pay property taxes rather than tenants. Generally, tenants of privately owned property are not billed taxes directly by the Municipality. Accordingly, the inclusion non-profits that lease privately owned property is outside the property tax system. To provide a form of tax relief, a grants program would be required and could be reconciled with other sources of government operating assistance, including municipal. A separate recommendation report regarding tax relief for leased property will be tabled in fiscal 2024-2025.

Redesign of Schedule Format – Proposed Reporting Improvements

The TRM system’s ability to extract data and generate reports by schedule improves access to information for both HRM and the public. To enhance this data collection capacity, the format of schedules has been revised³ to include:

- (a) a sub-category (for example, arts, sport, supportive housing) to describe the primary type of program or service provided on-site which may be based on ratio of use, as applicable.
- (b) the total tax (the full tax payable expressed as a dollar value *before* tax relief is applied), and
- (c) amount of tax relief (expressed as a dollar value).

The difference between (b) and (c) above is the tax to be paid by the recipient organization which includes amounts excluded from tax relief as listed in policy.

Diagram 1. Schedule Format – Schedules A, B, C, E, F, and G.					
Name of Organization	AAN	Sub-Category	Civic Address	Total Tax (Year)	Tax Relief (Year)

³ The only legislated requirement with respect to identifying the non-profit or charitable organization receiving the property tax relief is that the property must be “specifically named in the policy” per subsection 89(4) of the *HRM Charter*.

Amending the format of schedules forms part of a separate but related project aimed at developing the Municipality's capacity to report on all municipal grants and opportunity costs⁴ by program, recipient organization, or program/service sector. This data can also be used to evaluate success, or progress, in achieving the program's objectives.

Proposed Amendment to Schedule D – Tenant Parking and On-Site Property Management

Schedule D, Organizations Providing Affordable Rental Housing differs from other schedules in that there are two maximum tax payable thresholds: (1) a maximum tax per dwelling unit⁵ applied uniformly, and (2) a second maximum tax payable threshold of \$25,000 to moderate the cost to owners of high value properties such as a large multi-unit apartment building. For Schedule D only, the tax payable is the lesser of the two amounts.

For clarity, further refinements have been added to address tenant parking and on-site property management:

- (i) Some multi-unit buildings or row housing may have an abutting or adjacent parking lot that is a separate parcel of land with its own assessment. For administrative efficiency, the maximum per dwelling unit threshold will not be applied per parking stall. Instead, the Exemption Rate will be applied to the parking lot's assessed value and the maximum tax payable threshold (\$25,000) will apply.
- (ii) The initial criteria for Schedule D included property used in support of the provision of housing. For example, an administrative office, or a housing research, advocacy, or capacity-building organization. As proposed, the term "housing administration" has been expanded to include a caretaker live-in unit that is a dwelling assessed Residential and occupied by an employee of the nonprofit or charitable property owner to manage the daily operations of an apartment building that has more than eight (8) dwelling units and the employee lives in one unit (a domicile).

This provision will also apply to an on-site office assessed Commercial that is occupied by a property management company retained by the nonprofit or charitable property owner to manage the daily operations of an apartment building that has nine (9) dwelling units or more and staff occupy a defined portion of the premises for an administrative office.

This amendment to policy realizes administrative efficiency for both HRM and operators of large-scale affordable housing apartment buildings. The proposed threshold (number of units in an apartment building) is based on the composition of multi-unit residential buildings in the tax relief program in fiscal 2023. Properties with eight (8) dwelling units or fewer are smaller buildings with less (if any) common or shared space and typically would not have the need for a live-in employee to manage daily operations. In a jurisdictional scan, the Government of British Columbia's definition of a "live-in caretaker" as a person who lives in an apartment building with more than eight (8) dwelling units most closely aligns with our intent. The format for Schedule D has been amended to include an additional column showing the number of dwelling units per subject property. This is a quality control measure and a means of data extraction.

⁴ In this context, the term "opportunity cost" means an amount equal to the revenue foregone that would otherwise be received. Examples include a less than market value property sale or lease. The dollar value of this opportunity cost must be objectively quantified to support an evidence-based recommendation or decision.

⁵ The *HRM Charter* defines a "dwelling unit" as living quarters that: (i) are accessible from a private entrance, either outside the building or a common area within the building, (ii) are occupied or, if unoccupied are reasonably fit for occupancy, (iii) contain kitchen facilities within the unit, and (iv) have toilet facilities that are not shared with the occupants of other dwelling units.

First, because the tax calculation is applied per dwelling unit, the number of units is extracted from the assessment roll received from PVSC”, but this number could change over time due to building remodelling, renovations, or expansion. Therefore, the program application form and the annual confirmation form will be amended to allow participants to self-report any updates. Secondly, the data on dwelling units can be extracted to demonstrate one or a combination of the following: (1) number of dwelling units operated by an organization (portfolio) or (2) the combined number of *households* assisted indirectly through municipal tax relief. The data will also aid in the detection of rental units regulated under By-law R-400.

Diagram 2. Schedule Format – Schedule D Organizations Providing Affordable Housing Rental Accommodations						
Name of Organization	AAN	Sub-Category	Civic Address	Units	Total Tax (Year)	Tax Relief (Year)

Proposed Amendment to Schedules – Municipal Residential Rental Registry

The implementation of By-law R-400 requires property owners register a residential property for which the occupants pay rent to the owner. The term “rental properties” includes apartment buildings, single-room occupancies, mobile homes that are rented, and short-term rentals⁶. The intent is to incentivize compliance with minimum health and safety standards including fire safety and building codes. This by-law applies to nonprofit and charitable organizations. Therefore, compliance with R-400 registration of residential rental property has been incorporated into the tax relief program.

It is anticipated that the by-law will primarily impact affordable housing providers on Schedule D, Affordable Housing Rental Accommodations. In 2023, an estimated 1,778 dwelling units received tax relief under this schedule. However, registration of residential rental property has been incorporated into the entire Administrative Order. Practically it applies to all schedules, but not Appendix 1. Eligible Tenant Organizations Recognized Under Property Owner’s Tax Relief. Appendix 1 is excluded because only the property owner is required to register, not a tenant or subtenant. The registration requirement has been extended to all other schedules because, unless licensed by the Province under the *Homes for Special Care Act* R-400 applies to single-room occupancies, short-term rentals serving the travelling public and vacation accommodations rented for up to 28 days.

Under the by-law all property owners, including nonprofit and charitable organizations, have been given until April 1, 2024, to register. With respect to the tax relief program, participants will have until January 31, 2025, to submit proof of registration to the tax relief program’s administration.

Proposed Amendment to Schedule F – Clarification Regarding Eligibility of Vacant Property

The intent of Schedule F, Vacant Property Under Development, was to provide additional financial assistance in the development of a property that is otherwise eligible for inclusion in the tax relief program. The level and duration of assistance (up to 3 consecutive years⁷) is intended to provide additional support during the capital-intensive phase of construction during which the subject property is unoccupied and does

⁶ Report to the January 24, 2023, meeting of Regional Council, By-law R-400 Respecting Registration of Residential Rental Properties and Amendments to By-law M-200 Respecting Standards for Residential Occupancies, dated January 20, 2023 [Item 15.1.7].

⁷ Any increase in the dollar value of tax relief over and above what would otherwise have been received can be quantified and could be considered part of HRM’s overall project support. For example, in combination with a less than market value property sale or lease, a cash grant, or a reduction in development fees for affordable housing.

not generate revenue. A limit on the duration of assistance is because during the development/construction period the subject property does not provide a direct public benefit (ie. a program or service). Once an occupancy permit is issued by HRM the property will be reassigned to another schedule in the following fiscal year based on the type/ratio of programs or services delivered on-site. If the property remains undeveloped after three years, the property may be removed from the program. Or, if only partially developed after three years may be re-assigned to another schedule based on the type of program or service to be delivered on-site. The latter assumes there is reasonable evidence that the facility/amenities can be completed within a revised timeframe.

Further clarification has been added to the eligibility criteria for Schedule F to distinguish property development projects from other forms of vacant property that may be considered eligible or ineligible for inclusion in the tax relief program. The following is a brief summation for clarification:

Eligible:

- “Vacant property” (land and/or building) means the premises are unoccupied. For example, vacant due to environmental contamination or the property was acquired in a derelict and/or uninhabitable condition, and an occupancy permit cannot be issued until the land and/or building is remediated or existing structures demolished/removed. Eligible applications include vacant land acquired for the purpose of new construction.
- The term “vacant property under development” means that the property owner proposes to develop the subject property in such a manner as to provide a program and/or service of benefit to the public. Applicants should provide a description of the type of program or service to be delivered on-site and a projected timeline for completion. The staff review shall assess the project readiness, including financing and construction timelines, to avoid funding a speculative land acquisition or investment holdings.

For clarification, if a vacant parcel of land is created through the subdivision of a property currently in the tax relief program the ‘new’ property will have a separate property identification number (PID) and assessment account number (AAN). Because tax relief is non-transferable, the owner will have to make application to add the newly created property in accordance with the program’s application process and timelines. Partial vacancy is not recognized under Schedule F. For example, partial closure for renovations, tenant turnover, or vacancy due to seasonal operations, etcetera.

Vacant Property Eligible for Consideration is Assigned to a Schedule Based on Type of Program or Service Provided by the Subject Property.

- Vacant land eligible for consideration (including underground infrastructure or capital improvements) but does not include a building may be eligible for tax relief based on the type of program or service delivered on-site, providing public benefit. For example, a community garden, playground, park, pasture, or enclosures for livestock, recreational or sports amenity such as an outdoor rifle or archery range, sports field/court, campground, or trail. Likewise, a water lot is eligible for inclusion if ancillary to a program or service. For example, a public wharf, boat launch, or a marina. The examples listed would be assigned to Schedule C, not Schedule F. Land that does not have a building but is ancillary to the delivery of a program or service may be considered eligible. For example, a parking lot ancillary to a community hall or tenant parking. Using these examples, an abutting or adjacent parking lot owned by a community hall would be assigned to Schedule C and a tenant parking lot to Schedule D, not Schedule F.
- Conservation lands ineligible for tax exemption under the *Conservation Property Tax Exemption Act* may be considered for acceptance into the tax relief program upon receipt of (1) written confirmation of ineligibility under the Act and (2) a description of public benefit. For example,

undeveloped land supporting small-scale, local conservation efforts⁸. If the environmental benefit can be demonstrated these lands would be assigned to Schedule C, not Schedule F

Ineligible:

Tax relief is aligned with the use of the subject property and corresponding public benefit.

- Land banking whereby a nonprofit or charitable organization acquires property as an investment with no specific plans for its' development. The land is held for future sale or speculative development. Tax relief is not for the purpose of subsidizing market speculation, fundraising, or for-profit ventures. Although there may be future *indirect* benefit from reinvestment or expenditure of the proceeds from sale (or other terms of conveyance) the subject property itself does not provide a public benefit

Case-Specific Evaluation:

- Community land trusts may be considered on a case-by-case basis. Typically, a trust is a nonprofit or charitable organization that holds title to property and provides long-term stewardship on behalf of an interest-based or geographic community. The trust may enter into long-term lease agreements for the use or development of the land by another entity, including for-profit, government, or institutional interests and property uses (public benefit) can vary widely.

For clarification, vacant land holdings held by a nonprofit or charitable organization as part of a court order, settlement agreement, formal reconciliation agreement(s), or lands that have a registered heritage designation will be evaluated on a case-by-case basis.

Destruction of Property by Fire or Catastrophic Event:

Although the destruction of property owned by a nonprofit or charitable organization due to fire or a catastrophic event is a rare occurrence, recent events have raised questions as to how HRM might respond. As proposed, requests for assistance under these circumstances would be considered by a motion of the Council outside the tax relief program (a cash grant). The rationale in support of this approach is provided below in point form.

- A revised opinion of market value would be required from PVSC. Therefore, any reduction in assessed value and corresponding tax payable and/or any decrease or increase in level of tax relief due to circumstances beyond the owner's control, and any credit or any refund of taxes paid to reflect a reduction in market value, will have to be addressed on a case-by-case basis.
- To limit assistance to only those properties accepted into the tax relief program could exert pressure on the Municipality to expand program eligibility. However, a cash grant can incorporate a distinction between (1) properties accepted into the tax relief program whose level of tax relief/tax payable is impacted and (2) organizations not accepted into the program whose tax payable is impacted in the fiscal year in which the property was destroyed. Using a cash grant and/or contribution agreement, the terms and conditions of funding can also be customized to reflect individual circumstances.

As proposed, assistance in the form of a grant would only apply to the loss of a building used to provide direct service to residents. Ancillary structures (for example, a garage, storage shed, greenhouse) would not be considered unless the structure serves as the principal source of programming. For example, a

⁸ The intent is to support community-based environmental conservation efforts that do not meet the rigorous criteria of the *Conservation Property Tax Exemption Act*, S.N.S, c36, 2008, and related legislation that includes the *Conservation Easement Act*, S.N.S, c.18, 2001; *Special Places Protection Act*, S.N.S, c.438, 1989 as amended; *Wilderness Areas Protection Act*, S.N.S, c.27, 1998 as amended.

garage owned by a community transit organization could be considered. A property rendered uninhabitable because of an owner’s negligence (mold, chronic deferred maintenance, contamination) would be excluded because the loss of the asset’s utility is not a consequence of fire or a catastrophic event beyond the owner’s control.

Addition of Appendix 1- Eligible Organizations Recognized Under Property Owner’s Tax Relief

As proposed, Appendix 1 forms part of the Administrative Order for the purpose of identifying those eligible registered nonprofit and charitable organizations who receive municipal tax relief *indirectly* by virtue of their tenancy under another organization’s acceptance into the program. The total tax and proportional share of tax relief are not shown: these amounts are incorporated into the applicable owner/head lease and reported under Schedules A through G.

Diagram 3. Schedule Format – Appendix 1 Eligible Tenant Organizations Recognized Under Property Owner’s Tax Relief				
Organization (Owner/Head Lease)	Name of Tenant Organization	AAN	Sub-Category	Civic Address

As of the date of this report, 72 organizations receive tax relief indirectly by virtue of tenancy in a property accepted into the program. Of this number, approximately 75% are sport or recreation organizations.

Revised Application and Confirmation Reporting Deadline

Under the current Administrative Order 2014-001-ADM the tax relief program had two key deadlines: (1) applications to add a property were to be received by November 30th of the prior fiscal year and (2) renewal of tax relief forms for property in the program were due on or before June 30th. As proposed, the deadline for both “additions” and for “renewals” have been revised to January 31st. The aim is to realize an efficiency for both HRM and applicants:

- those organizations in the program will be able to complete and submit the paperwork for both a renewal and any request to add a property at the same time – it is easier to remember one date;
- to help reduce the incorrect use of a Confirmation Form to list additional properties that are not in the tax program;
- eight (8) months for submission of a Confirmation Form appears to be too long especially given that the form is only one or two pages in length and largely a check box format;
- reporting non-compliance has resulted in repeatedly suspending policy⁹ which diminishes participants’ motivation to comply with policy;
- the application of a minimum tax payable to all properties in the program now requires participants open their tax bill(s) and make payment in a timely fashion; and
- the calculation of tax relief for renewals cannot commence until HRM has received the assessment roll and has the data loaded in TRM – usually mid-January- moving the application deadline for applications to add a property to January 31st will give proponents an additional two (2) months to submit a complete submission.

Both the program Application Form and the Confirmation Form for renewal will need to be revised to reflect the new Administrative Order and to collect data presented in the schedules which form part of policy.

⁹ Sections 7C and 7D have repeatedly been suspended due to the high incidence of non-compliance.

Revised Penalty for Confirmation Form Reporting Non-Compliance

Under current policy, Administrative Order 2014-001-ADM, those organizations in receipt of tax relief must complete an annual Confirmation Form to verify their ongoing eligibility and report any changes. Failure to comply with policy results in an incremental pro-rated deduction to the amount of tax relief. To date, compliance has been consistently poor, and the pro-rating formula is administratively inefficient in terms of re-calculating the revised value of taxes due per property. And, if the penalty is applied after the final bill has been mailed a revised statement of account must be created and billed. Also, Clause 17A (b) of current policy requires that staff include a list of organizations whose tax relief will be reduced or pro-rated. Because the current deadline to submit the Confirmation Form is June 30th the report to Council for all awards cannot proceed until July. Those organizations who have met their obligations, and new applicants, are inadvertently negatively impacted by the delay.

The Confirmation Form mailed with the Fall tax bill will now be due on or before January 31st. If not received by the deadline a Reminder Notice will sent. This reminder notification allows for volunteer/staff turnover, postal delivery, receipt of any new documentation, or a change in property use (including tenancy) while at the same time reducing the risk of forgetting, losing, or misplacing the Confirmation Form. The new formula and timelines are summarized in Diagram 4 shown below.

Diagram 4. Revised Confirmation Reporting Timelines and Non-Compliance Penalty (“Renewals”)

September/October. Final tax bill sent out with Confirmation Form. The form is to be completed and returned by January 31st. The form will also be available on HRM’s website.

January. Confirmation Forms and applications to add a property are due by January 31st. HRM will be in receipt of the assessment roll for the following fiscal year and the calculations for renewals can commence.

February. Organizations in default of their Confirmation Form reporting obligations will receive a reduction of 50% applied to the value of tax relief up to a maximum of \$5,000 per property.

The penalty for late renewal is not incremental. Instead, the deduction (expressed as a percentage) and the maximum penalty threshold (a dollar amount) are a ‘fixed’ formula and uniformly applied across all schedules. This simplifies the re-calculation process, provides consistency in the application of policy, and aids predictability for tax relief recipients.

April. Organizations previously accepted into the program (“renewals”) will receive the first tax bill. With implementation of a minimum tax payable across all schedules, every organization accepted into the program will have some portion of tax to pay.

- Organizations who submitted the annual Confirmation Form will receive the first tax bill with the tax relief applied¹⁰.
- Organizations who did not submit the Confirmation Form by the stated deadline (and whose tax relief has not been revoked for three consecutive defaults) will receive the first tax bill with tax relief applied and the 50% penalty deducted (up to a maximum reduction of \$5,000 per Property).

¹⁰ The first tax bill is calculated using the current year’s assessed value and the prior year’s municipal tax rate.

October.

- Organizations who submitted the annual Confirmation Form (“renewals”) will receive the second tax bill with the balance of tax due to be paid after tax relief has been applied, and a Confirmation Form¹¹.

Those organizations in the program (“renewals”) who did not submit the annual Confirmation Form, and who do not have tax relief revoked, will receive the second bill with the tax relief applied with the 50% penalty deducted and a Confirmation Form.

- Organizations added to the tax relief program in the current year (“additions”) will receive a tax bill with the full amount of tax due to be paid after relief has been applied, and a Confirmation Form¹².

In addition to simplifying the penalty for default, the Confirmation Form will be revised to enable the Executive Director to request any additional information necessary to support renewal of tax relief. Revised policy will also enable the Municipal Treasurer to address any overpayment of tax relief. These measures reduce risk associated with intentional or inadvertent misrepresentation.

Diagram 5. Reporting Non-Compliance Process and Timelines for Revocation of Tax Relief (“Renewals”)

January. If an organization is in default of their reporting obligation for three (3) consecutive years tax relief shall be revoked and the property, or properties, will be removed from the program. Organizations seeking reinstatement in the program will be required to make application in the next fiscal year by the stated application deadline (January 31st).

February. Organizations whose program eligibility is to be revoked for reporting non-compliance will be notified in writing and guidance provided regarding the re-application process.

September. The Tax Relief for Non-Profit Organizations Program is open for applications requesting the addition, or reinstatement, of a property in the following fiscal year. The Application Form is to be completed and returned with the required documentation by January 31st.

In effect, if tax relief is revoked the organization would pay at least one full year of tax prior to any consideration of reinstatement (and the interim tax bill issued in the Spring).

Although a maximum penalty of up to \$5,000 may seem low relative to the cost of tax relief for high value properties, revocation of tax relief will have a proportionally greater financial impact on owners of high value properties and large-scale portfolios. It is also important to note that a default penalty is not intended to increase municipal revenue or to decrease the annual cost of the program. Rather, the penalty is an incentive for those organizations in receipt of tax relief to self-manage their continued eligibility.

¹¹ The second tax bill is calculated using the current year’s assessed value and the current year’s municipal tax rate.

¹² In their first year, property added to the program will receive only the final tax bill calculated using the current year’s assessed value and the current year’s municipal tax rate, less any adjustment for taxes paid on the interim bill which is issued prior to a decision regarding tax relief. Any overpayment resulting from the application of tax relief can be carried forward as a credit on the account or amounts over \$150 can be reimbursed upon request.

Other Additions to Policy

- **Tax relief is aligned with the use of the subject property, not the owner's overall mandate.**
- **Applicant evaluation.** The criteria used in the evaluation of an application have been made explicit in policy for transparency in decision-making. This addition to policy is consistent with other municipal grant programs.
- **Amounts and considerations excluded from tax relief.** Clarification and updates have been added regarding exclusions from tax relief. For example, property that has already received a reduction in tax payable under the Non-Profit Recreation Tax provision of legislation is excluded.
- **Refund threshold.** A minimum refund threshold of \$150 will be applied for reimbursement of an over-payment. Amounts under this threshold will be applied as a credit to the tax account. In compliance with Schedule A of By-law F-300, a service charge of \$15 will be applied to a tax account refund per property¹³. The program guidebook will list all fees for tax information and notify program participants of HRM's online service options. The cost to the property owner is modest and could assist those nonprofit and charitable organizations experiencing volunteer/staff turnover or to address records management issues/lost documentation (a bill reprint or statement of billings) and those acquiring real property (a tax certificate).
- **Interest on arrears.** Clarification has been added to policy with respect to interest charged on outstanding accounts. The program guidebook will notify program applicants/participants that payment plan options are available through HRM Finance
- **Limit on Duration of Holdover Tenancy.** Under current policy (Section 5 of Administrative Order 2014-001-ADM) a lease agreement cannot have expired for more than three (3) consecutive years. To maintain a tenant's eligibility the property owner must provide HRM with written confirmation that either the lease agreement contains provision for the tenant to remain in possession (a "holdover clause") or they consent to the tenant remaining in possession of the leased premises. However, there is no provision in policy to limit the duration of holdover tenancy. Further, any automatic reversion to month-to-month or year-to-year occupancy does not comply with the minimum term required under policy - a minimum of five (5) years with three (3) remaining as of the date of application for inclusion in the program. This situation creates an administrative inefficiency for HRM in confirming a tenant's continued eligibility. This issue will be examined in more detail in a subsequent report regarding leased property and tax relief.

Program Guidelines – Required Funding Acknowledgment.

Given the recurring nature and cost of publicly funded municipal tax relief, it is proposed that recipient organizations be required to provide an annual acknowledgement. However, to accommodate significant differences in organizational capacity (not all groups can afford or need audited financial statements) a "high-level" acknowledgement is considered appropriate. For example, an acknowledgement in public communications such as the annual financial statement, annual report, web site, or print materials. The annual dollar value of HRM's tax relief will be publicly stated in all schedules. Corporate Communications will be asked to provide appropriate wording and guidance with respect to any use of HRM's logo. This information will be included in the program guidebook.

Recommendation #2 - Communications Plan

A Communications Plan has been developed and included as **Attachment 2** of this report. The plan includes a Communications Package for program participants that will be sent by registered mail following

¹³ Report to March 7, 2023, meeting of Regional Council, Fees for Property Tax Information, dated February 28, 2023. [Item 15.1.4].

Council's approval of the Administrative Order. The timing of distribution provides greater certainty for recipients: terms such as "as proposed", "may", or "pending" could be interpreted as speculative or create confusion. The Communications Package includes:

- a newsletter with a rationale for the redesign and high-level overview,
- draft schedules developed using 2023 data, including properties added to the program in fiscal 2023, which are color-coded to show which accounts will pay more tax, those accounts that will pay less, and to identify leased properties, and a Request to Review form to be completed and submitted with supporting documentation by those organizations who believe they have been incorrectly assigned to a schedule based on the type of program or service delivered from the subject property. These requests, and applications for addition to the 2024 program, will be evaluated and presented to the Grants Committee and Regional Council for approval in fiscal 2024.

Recommendation #3 – Identification of Properties Sheltering Victims of Abuse

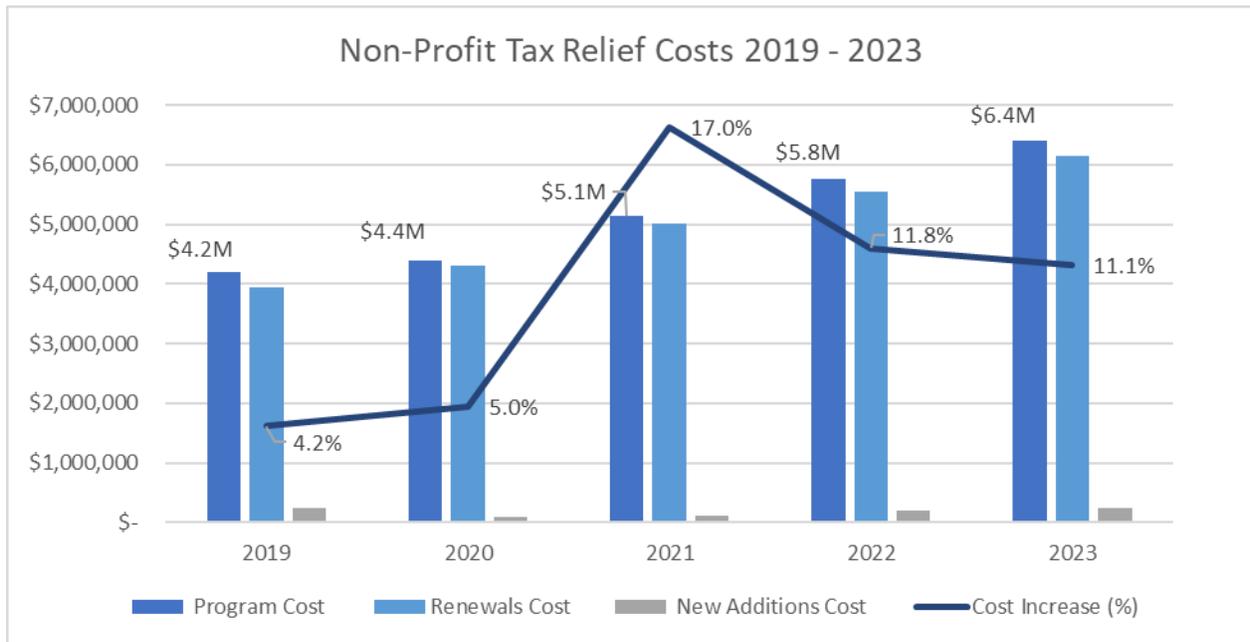
Current legislation requires that the policy made pursuant to Section 89 of the Charter extends only to properties specifically named in the policy and not simply the owner's name. To comply with the requirement, convention has identified the subject property using the civic address. Notwithstanding this legislated requirement, operators of shelters and transitional housing for victims of abuse have requested that the location of their premises not be disclosed publicly to protect both clients and staff.

The recommendation to request an amendment to provincial legislation to exclude emergency shelters and transitional housing for victims of abuse is a public safety issue as evidenced by the findings of the recent Mass Casualty Commission's report dated March 2023. An increase in domestic violence combined with a lack of shelter/transitional housing capacity suggests that more facilities may be needed and in all probability the risk of disclosing the location of these facilities may not have been anticipated when the legislation was first drafted which could result in unintended consequences.

Program Budget and Administrative Pressures

Program Budget Trends: The cost and the administrative complexity of the tax relief program have grown exponentially since the introduction of Administrative Order 2014-001-ADM. Although the number of properties in the program increased over this 10-year period, the main cost-driver is assessment values. To examine this issue in more detail data for the past five (5) fiscal years is summarized in Diagram 1 shown below.

Diagram 1. Tax Relief Program Costs: Fiscal Year 2019 to 2023



Notes to Diagram 1.

- The net increase in program size (number of properties) was 6% over the 5-year period from 2019 to 2023 whereas the cost of the program for renewals and additions increased by 52.7% over the same period.
- The increase in annual program cost can be largely attributed to renewals due primarily to increased property assessment values. For example, in fiscal 2023 renewals represented 96% of the total program cost. This trend is expected to continue in fiscal 2024 with a 12.5% increase in assessment values for renewals. This projected cost increase assumes that renewals remain in the program in 2024.
- In addition to assessment values, the overall program cost is impacted by municipal tax rates which are currently projected to increase in 2024.
- Program costs are impacted by the proportion of properties assessed Commercial (non-residential properties) because the Commercial tax rate is higher than the Residential or Resource rates. In 2023/24 24% of program participants were assessed Commercial or had a portion of the property assessed Commercial
- In 2023/24, there were 827 properties in the program for a portion of the year or the full year. 652 properties (81%) were assessed Residential/Resource, or had a portion of the property assessed Residential/Resource. Of these 652 properties, approximately half (275 properties) were ineligible for the provincial Capped Assessment Program (CAP).

Note: The percentages in the two bullets above do not total 100% due to mixed-use properties. There are twenty properties in the program that have both a Commercial and Residential or Resource assessment.

- The 2023/24 program cost does not include revenues received from program participants for fire protection and does not include savings related to changes in Commercial Tax Policy in 2023/24. The removal of these costs normalizes the data for year-over-year comparisons.

Although the cost of additions can be controlled by policy and/or Council's discretionary decision-making authority, the Municipality has no control over assessment values, or the scale and timing of capital investment or portfolio growth initiated by property owners. It should also be acknowledged that pressure is mounting to increase commercial/private property leases, the cost of which cannot be projected with any reasonable degree of accuracy. Further, legislation does not permit the Municipality to a grant tax concession or other form of direct financial assistance to a business or industry and restricts tax assistance for private property owners to only lower income homeowners.

Administrative Considerations: The complexity inherent in property tax legislation, policy, and procedures places demands on the administrative capacity of HRM. Even with the assistance of technology, if the program continues to grow in scale and complexity additional designated staff resources may be required.

Policy Options to Reduce Budget and Administrative Pressures

Based on the assumption that the program will continue to accept applications from eligible property owners, amendments to policy could be considered to reduce or slow down, but not eliminate, program costs. The following is not an exhaustive list, but rather an opportunity to consider options in a timely manner or at some future date.

- **Decrease the Percentage Discount Provided to Organizations in Receipt of the Provincial Assessment Cap and Listed in Schedule D.** In 2023, of the 544 properties listed in Schedule D, 374 (69%) were eligible for the Provincial CAP program. The difference between 'market value' and capped value' ranged from \$28,000 to \$2,100,000 per property and represents a significant saving before the application of municipal tax relief. The average assessed value savings between the 'market value' and 'capped value' of these 374 properties is \$159,000 per property, representing a tax savings of \$1,750 per year, calculated using the proposed benchmark rate. In 2023/24, 53% of the properties added to Schedule D are eligible for the CAP program. In 2024/25 82% of the proposed program additions to Schedule D are eligible for the CAP program. This consideration is not an option for affordable housing providers that do not meet the CAP program's eligibility. Decreasing the percentage discount provided to organizations in receipt of the Provincial Cap would provide a greater level of equalization of the distribution of tax savings across the program as properties eligible for the capped assessment program already realize tax savings, annually. This option is included in the Alternatives section of this report.
- **Increase Maximum Payment Threshold.** The threshold could be amended from \$25,000 to \$50,000 to moderate the cost of large-scale construction projects.
- **Incorporate Vacant Property Under Development in Schedule E Community Benefit.** The % discount of 75% for Schedule F could be reduced to 50% if there is no program or service provided for public benefit. These properties could then be included in Schedule E Community Benefit for up to 3 years and identified with an expiry date (at the 3-year benchmark). Schedule F would then be redundant, and the number of schedules reduced.

If Regional Council selected one of these options (or other options) a supplementary staff report would be required to identify the financial implications and to make the changes to the Administrative Order.

FINANCIAL IMPLICATIONS

The projected additional cost of the program redesign was estimated to be \$432,000 based on the 806 properties in the 2022 tax relief program. In 2023, twenty-two (22) properties were added to the program and five (5) properties were removed resulting in a revised total of 822 properties, excluding properties only in the program for a partial year. The revised estimated cost of the program redesign based on 2023 taxable assessment values for 822 properties is amended to \$600,000.

Note: the cost of the tax relief program changes annually due to fluctuations in assessed values, municipal tax rates, the scale and location of large-scale development, property acquisitions, and program uptake. A comparison between tax bills for fiscal 2022 and 2023 for “renewals” indicates that most increases were due to revised assessment values (market conditions) and capital improvements. Early indications suggest that program uptake will remain robust in 2024 and the magnitude of government investment in affordable housing or large-scale projects (for example, sport or cultural facilities) will also impact budget capacity in the short to mid-term.

Projected 2024 Program Budget ¹	\$7,500,000
Projected Cost of Renewals (822)	\$6,700,000
Projected Cost of Additions (2024)	\$200,000
Projected Program Redesign Cost	\$600,000

Notes to Budget Projections for Fiscal 2024

1. Based on a municipal tax bill increase of 9%¹⁴

RISK CONSIDERATION

The primary risks with grants are representational (accuracy and completeness of information) and has been addressed by amending the annual Confirmation Form with the addition of the following:

“By submitting this application, the organization hereby agrees to all the terms and conditions of the Tax Relief Administrative Order, including:

- (a) That the Treasurer may request additional information they consider necessary for the renewal application and, if they do so, the organization must provide the requested additional information. If the organization refuses to provide the additional information, this renewal application is automatically withdrawn.*
- (b) The Treasurer may, at their sole discretion, determine if an overpayment of tax relief occurred, and if it has, the Treasurer may:*
 - (i) reduce in whole or in part, the amount of tax relief by the overpayment,*
 - (ii) sue to recover the overpayment, or*
 - (iii) both.*

Tax arrears might also pose reputational risk should collection proceedings be required.

COMMUNITY ENGAGEMENT

Broad public consultation will not be undertaken, but those organizations accepted in the tax relief program as of fiscal 2023 will receive a Communications Package, the opportunity to request a review in relation to the level of tax relief based on program and services delivered on-site, or to provide general comments by a stated deadline. Only one submission will be accepted per organization to mitigate significant variance in organizational capacity that characterizes participation in the tax relief program.

¹⁴ Recommendation report to the January 24, 2024, meeting of the Budget Committee, 2024 Budget Directions, Assessment, and Revenue Update, dated January 16, 2024. Item 6.1. This percentage may rely on changes to the budget to lower the estimated increase down from 9.7% projection (p.2).

ENVIRONMENTAL IMPLICATIONS

No environmental implications have been identified.

ALTERNATIVES

1. The Grants Committee could recommend that Halifax Regional Council reduce the percentage discount from 50% to 25% for nonprofit and charitable organizations listed in Schedule D who receive the Provincial Assessment CAP.

Over half of the properties in Schedule D are eligible for the Provincial Assessment CAP which represents a significant annual saving to residents as compared to other nonprofit affordable housing providers. A reduction in the level of municipal tax relief would represent a saving to the program which can be distributed to new applicants to the program, most of whom do not qualify for the CAP. If this option is selected, nonprofit and charitable organizations listed in Schedule D and have their assessment capped would receive the benefit of the program's Benchmark Formula (regional residential average tax) plus an additional discount of 25%.

Although the overall saving to the program budget is modest as a percentage of total costs, this option recognizes other nonprofit affordable housing providers do not receive this consideration under current provincial legislation irrespective of the income distribution of tenants.

If the Grants Committee or Regional Council select this alternative Administrative Order 2024-001-ADM is amended with the addition of the following:

3(j)(iv) Subject to clause 3j(v), for an Affordable Housing Rental Accommodations Organization, 50%,

(v) for an Affordable Housing Rental Accommodations Organization in receipt of a reduction in the assessed market value under the Nova Scotia Capped Assessment Program, 25%,

as well as a renumbering of the subsequent clauses.

2. The Grants Committee could decline a recommendation that Halifax Regional Council adopt the new Administrative Order 2023-001-ADM included as **Attachment 1** of this report.
3. The Grants Committee could recommend Halifax Regional Council adopt the new Administrative Order with amendments. If the proposed amendments are extensive a supplementary report may be required.

ATTACHMENTS

1. Administrative Order 2024-001-ADM Respecting Tax Relief for Non-Profit and Registered Canadian Charitable Organizations.
2. Communications Plan – Tax Relief Program Participants.
3. Reference Guide.
4. Showing Changes to *Revenue Collections Policy Administrative Order*
5. Amendments to Administrative Order 18, the *Revenue Collections Policy Administrative Order*

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Attachment 1
(Administrative Order)

**ADMINISTRATIVE ORDER 2024-001-ADM
RESPECTING TAX RELIEF FOR NON-PROFIT AND
REGISTERED CANADIAN CHARITABLE ORGANIZATIONS**

HALIFAX

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**ADMINISTRATIVE ORDER 2024-001-ADM
RESPECTING TAX RELIEF FOR NON-PROFIT AND
REGISTERED CANADIAN CHARITABLE ORGANIZATIONS**

BE IT ENACTED by the Council of the Halifax Regional Municipality, under the authority of the *Halifax Regional Municipality Charter*, S.N.S. 2008, c. 39, as amended, and the *Housing Supply and Services Act*, S.N.S. 2022, c.3, as follows:

Short Title

1. This Administrative Order may be cited as the *Tax Relief Administrative Order*.

Purposes

2. The purpose of this Administrative Order is to provide Tax Relief to Non-profit Organizations and Registered Canadian Charitable Organizations that, in the sole opinion of Council, are organizations that:

- (a) are non-commercial in nature;
- (b) do not represent the interests of business, commerce, or industry; and
- (c) provide a direct community benefit to the residents of the Municipality.

Interpretation

3. In this Administrative Order,

- (a) “Area Rate” means an area rate levied under the *Charter*, and includes a uniform charge;
- (b) “Assessment Roll” means the roll that has been forward to the Clerk of the Municipality under section 52 of the *Assessment Act*, R.S.N.S 1989, c. 23, as amended;
- (c) “Benchmark Rate” means the rate calculated by adding together the urban residential property taxes rates for the current Fiscal Year that were set by Council per \$100 of taxable assessment and rounded up to the nearest tenth, except for the following rates:
 - (i) an Area Rate levied for a business improvement district;
 - (ii) an Area Rate for private road maintenance;
 - (iii) the fire protection rate, and
 - (iv) a community Area Rate;
- (d) “*Charter*” means the *Halifax Regional Municipality Charter*, S.N.S, 2008, c. 39, as amended;
- (e) “Community Organization” means:
 - (i) an interest-based organization that has a common cause or purpose, or
 - (ii) an organization representing a geographic area of the municipality,
whose mandate is to engage residents of the municipality in the identification and collaborative resolution of local issues;
- (f) “Council” means the Council of the Municipality;
- (g) “Dwelling Unit” means a dwelling unit as defined by clause 3(z) of the *Charter*;

(h) "Eligible Organization" means a registered Non-profit Organization or a Registered Canadian Charitable Organization;

(i) "Entity" includes an individual, person, corporation, and Government;

(j) "Exemption Percentage" means:

(i) for a Charitable Organization Providing Housing and Dedicated Services for Persons with Special Needs, 100%,

(ii) for a Family Services, Child Care, and Dedicated Youth Services Organization, 85%,

(iii) for a Cultural, Recreational, Environmental, and Community Transit Organization, 75%,

(iv) for an Affordable Housing Rental Accommodations Organization, 50%;

(v) for a Community Benefit Organization, 25%,

(vi) for an Organization under the Federal Government Rapid Housing Initiatives Program, 100%, and

(vii) for an Organization with Vacant Property Under Development, 75%;

(k) "Exemption Rate" means the rate calculated by multiplying the Benchmark Rate by the applicable Exemption Rate Factor, and is represented by the formula:

$$\text{Benchmark Rate} \times \text{Exemption Rate Factor} = \text{Exemption Rate};$$

(l) "Exemption Rate Factor" means the amount calculated by subtracting the applicable Exemption Percentage from one hundred and dividing that difference by 100, and is represented by the formula:

$$(100 - \text{Exemption Percentage}) \div 100 = \text{Exemption Rate Factor};$$

(m) "Fiscal Year" means the period from April 1st in one year to March 31st in the following year, including both dates;

(n) "Government" means His Majesty in Right of the Province of Nova Scotia, His Majesty in Right of the Government of Canada, a First Nation, the Municipality, a Service Commission, or a corporation that is an agent of His Majesty in Right of the Province of Nova Scotia or in Right of Canada, including the Canada Mortgage and Housing Corporation;

(o) "Lease" means a written agreement signed by both:

(i) the owner of the Property and the lessee Eligible Organization that occupies the Property whereby the lessee has care and control over the Property in accordance with the terms and conditions of that agreement, or

(ii) the lessee Eligible Organization of the Property, and the sub-lessee of the Property that is another Eligible Organization, whereby the sub-lessee has care and control over the Property in accordance with the terms and conditions of that agreement;

(p) "Maximum Per Dwelling Unit Amount" means fifty per cent (50%) of the average total residential property taxes for single-family homes within the Municipality for the prior Fiscal Year, rounded to the nearest \$50;

(q) "Maximum Tax Payable Amount" means for:

(i) all Eligible Organizations other than an Affordable Housing Rental Accommodations Organization, \$25,000, or

(ii) for an Affordable Housing Rental Accommodations Organization, the lesser of

(A) \$25,000, or

(B) the amount calculated by multiplying the Maximum Per Dwelling Unit Amount by the number of Dwelling Units on the Property;

(r) "Minimum Tax Payable Amount" means one hundred and fifty dollars (\$150);

(s) "Municipal License" means a written contractual agreement signed by the Municipality and an Eligible Organization whereby that organization has the permission of the Municipality to use or occupy the Property that the Municipality has an estate, right, title or interest in;

(t) "Municipality" means the Halifax Regional Municipality;

(u) "Non-profit Organization" means:

(i) a society incorporated under the *Societies Act*, R.S.N.S. 1989 c.435, as amended,

(ii) a non-profit association incorporated under the *Co-operative Associations Act*, R.S.N.S. 1989 c. 98, as amended,

(iii) a non-profit association to which the *Co-operative Associations Act* applies,

(iv) a not-for-profit corporation incorporated under the *Canada Not-for-profit Corporations Act*, S.C. 2009, c. 23, or

(v) a non-profit organization otherwise incorporated under an Act of the Nova Scotia Legislature;

(v) "Owner" means

(i) a part owner, joint owner, tenant in common or joint tenant of the whole or any part of land or a building,

(ii) in the case of the absence or incapacity of the person having title to the land or building, a trustee, an executor, a guardian, an agent, a mortgagee in possession or a person having the care or control of the land or building,

(iii) a person who occupies shores, beaches or shoals, and

(iv) in the absence of proof to the contrary, the person assessed for the property;

(w) "Property" means the real property that is the subject of:

(i) before Tax Relief is provided, the application for Tax Relief submitted under this

Administrative Order, or

(ii) the Tax Relief provided under this Administrative Order;

(x) “Ratio of Use” means that portion of the Property that is used by the Eligible Organization to deliver the program, service, or program and service, forming the applicable direct community benefit to the residents of the Municipality;

(y) “Registered Canadian Charitable Organization” means a charitable organization registered pursuant to the Income Tax Act (Canada) and the regulations made pursuant to that Act;

(z) “Rental Housing” means rental housing as defined by the *Registration of Residential Rental Properties By-law* of the Municipality;

(aa) “Resident Caretaker” means an employee of the Eligible Organization who:

(i) resides on the Property, providing that Property is listed under one Assessment Account Number (AAN),

(ii) resides in a building on the Property that contains at least nine (9) Dwelling Units, and

(iii) manages the operations, maintenance, or both, of that building;

(ab) “Service Commission” means a service commission as defined by clause 3(bj) of the *Charter*;

(ac) “Tax Relief” means:

(i) a limitation of the municipal taxes levied under the *Housing Supply and Services Act* S.N.S. 2022, c.3 , including a limitation under the *Housing Act*, R.S.N.S., 1989, c. 211 continued under section 13 of the *Housing Supply and Services Act*,

(ii) an exemption from taxation or a reduction to the taxes that would otherwise be payable under the *Charter*, and

(iii) for a Lease or a Municipal License, a grant or contribution under the *Charter*;

(ad) “Taxable Amount” means the lesser of

(i) multiplying the Exemption Rate by the assessed value for the Property and then dividing that product by 100 and is represented by the formula:

$(\text{Exemption Rate} \times \text{Assessed Value}) \div 100$, or

(ii) the applicable Maximum Tax Payable Amount; and

(ae) “Treasurer” means the Treasurer for the Municipality, and includes a person acting under the supervision and direction of the Treasurer.

PART 1

GENERAL ELIGIBILITY REQUIREMENTS

Requirements for Non-profit Organization

4. To be eligible for consideration for Tax Relief under this Administrative Order, a Non-profit Organization shall:

- (a) be registered with the Registrar of Joint Stock Companies or with Corporations Canada, or created by a statute that expressly creates the organization as a Non-profit Organization;
- (b) be one of the following organizations:
 - (i) a Community Organization, including an environmental organization,
 - (ii) a cultural organization,
 - (iii) an education organization,
 - (iv) a fraternal organization,
 - (v) a recreational organization,
 - (vi) a religious organization, or
 - (vii) a sporting organization;
- (c) provide a direct community benefit to residents of the Municipality; and
- (d) own the Property by January 31st preceding the start of the Fiscal Year for which Tax Relief is sought, or such later date that may be extended by the Treasurer under subsection 9(5), have a Municipal License for the Property, or Lease the Property from the Government.

Requirements for Registered Canadian Charitable Organization

5. To be eligible for consideration for Tax Relief under this Administrative Order, a Registered Canadian Charitable Organization shall:

- (a) be a charitable organization registered under the *Income Tax Act*;
- (b) provide a direct community benefit to residents of the Municipality;
- (c) own the Property by January 31st preceding the start of the Fiscal Year for which Tax Relief is sought, or such later date that may be extended by the Treasurer under subsection 9(5), have a Municipal License for the Property, or Lease the Property from the Government; and
- (d) use the Property directly and solely for a charitable purpose.

Requirement to be Registered Under Rental Registry

6. If the *Registration of Residential Rental Properties By-law* applies to the Property, then the Property is ineligible for Tax Relief unless:

- (a) the Rental Housing has been validly registered under that By-law; and
- (b) proof of registration has been received by the Treasurer on or before January 31, 2025.

Property Must be Assessed as Taxable

7. To be eligible for Tax Relief, a Property shall be assessed as taxable on the Assessment Roll applicable to the Fiscal Year for which the application for Tax Relief is sought.

Expired Lease or Expired Municipal License

8. For an application to renew Tax Relief that is subject to an expired Lease or expired Municipal License, the Lease or Municipal License shall have expired for no more than three (3) consecutive years as of the March 31st preceding the Fiscal Year of the renewal application.

PART 2

APPLICATION REQUIREMENTS

Deadlines

9. (1) There is one intake period per Fiscal Year for applications for Tax Relief.

(2) Subject to subsections (4) and (5), for an initial application for Tax Relief, the deadline for an organization to submit a complete application to the Municipality is on or before the January 31st immediately preceding the start of the Fiscal Year for which Tax Relief is sought.

(3) Subject to subsections (4),(5) and (6), for an application to renew Tax Relief, the deadline for the Eligible Organization to submit the completed Confirmation Form to the Municipality is on or before the January 31st immediately preceding the start of the Fiscal Year for which the renewal is sought.

(4) In accordance with section 17, the Treasurer may request additional information and such information shall be provided as set out in that section.

(5) The Treasurer may extend the application deadlines if:

(a) a state of emergency or a state of local emergency is declared in accordance with *the Emergency Management Act*, or

(b) an order is issued by a medical officer in accordance with the *Health Protection Act*, and such declaration or order applies, in whole or in part, within the boundaries of the Municipality.

(6) If an application deadline falls on a weekend or holiday, the application deadline shall be extended to the next business day.

(7) The application deadlines shall be posted on the website of the Municipality and may be advertised in such other manners as determined by the Treasurer.

(8) If an application is submitted prior to applicable application deadline, the Municipality may provide the Eligible Organization an opportunity to remedy the application on or before that deadline.

(9) In accordance with Part 9 of this Administrative Order, applications are subject to budget and not all applications will be funded.

Late or Incomplete Applications

10. (1) Late or incomplete initial applications for Tax Relief shall not be considered for Tax Relief.

(2) Applications are late on the later of January 31st or the Day following the extended application deadline.

(3) Late or incomplete application to renew Tax Relief shall be pro-rated as set out in section 49.

(4) If the Eligible Organization fails to submit a completed Confirmation Form for three consecutive years, Tax Relief shall be revoked and the applicable Schedule automatically amended to remove the property.

(10) Where Tax Relief has been revoked under subsection (4), the organization may apply as an initial application by the deadline under section 9.

Required Information for Initial Tax Relief Application: Property Owned by Applicant Organization

11. (1) For an initial application for Tax Relief, an application shall be submitted in the form provided by the Municipality.

(2) For an initial application for Tax Relief, the applicant shall provide to the Municipality:

(a) a copy of its Articles of Incorporation;

(b) a description of the programs, services, or program and services, provided by the applicant;

(c) a description of the program, service, or program and services, actually being delivered by the applicant on the Property;

(d) a complete financial statement for the applicant's prior Fiscal Year, which shall include all revenues and expenses, assets, and liabilities of the applicant; and

(e) proof satisfactory to the Municipality demonstrating ownership of the Property, such as a deed, tax bill, or Notice of Assessment from the Property Valuation Services Corporation.

Additional Required Information for Initial Tax Relief Application: Organization Providing Affordable Housing Rental

12. If the application is in respect of an Organization Providing Affordable Housing Rental Accommodations, the initial application shall also include:

(a) the number of Dwelling Units on the Property; and

(b) a declaration respecting any Dwelling Units occupied by a Resident Caretaker at the time the application is submitted.

Additional Required Information for Initial Tax Relief Application: Organization Under the Federal Government Rapid Housing Initiatives Program

13. If the application is in respect of an Organization Under the Federal Government Rapid Housing Initiatives Program, the initial application shall also include a copy of the agreement under that program that has been signed by all the parties.

Additional Required Information for Initial Tax Relief Application: Property Owned by Applicant Organization with Occupancy or Partial Occupancy of a Third Party

14. (1) This section applies if the initial application is in respect of Property owned by an Eligible Organization and Leased to either another non-profit organization or a Canadian Registered Charitable Organization.

(2) If subsection (1) applies, the applicant shall:

(a) be the owner or lessee of the Property for which Tax Relief is sought; and

- (b) provide to the Municipality:
 - (i) a copy of the signed Lease,
 - (ii) the lessee's registration number listed in the Registry of Joint Stock Companies, or listed with the Canada Revenue Agency, or the corporation number listed under Corporations Canada,
 - (iii) the total area the lessee occupies under the Lease, and
 - (iv) the names of any other Entity in occupation of the Property.

Required Information for Renewal Tax Relief Application

15. (1) For an application to renew Tax Relief, the Eligible Organization shall complete the annual Confirmation Form provided by the Municipality.

(2) The Confirmation Form shall be completed in full, and shall confirm to the Municipality that:

(a) there has been no change in ownership or occupancy relating to the Property for which Tax Relief has previously been provided by the Municipality;

(b) if the renewal application is in respect of a Non-profit Organization, that such organization is:

(i) registered with the Registrar of Joint Stock Companies or with Corporations Canada, or

(ii) created by a statute that expressly names the Non-profit Organization;

(c) if the renewal application is in respect of a Registered Canadian Charitable Organization, that such organization is registered pursuant to the *Income Tax Act* (Canada); and

(d) if the renewal application is in respect of:

(i) an Organization Providing Affordable Housing Rental Accommodations, that there has been no change in the number of Dwelling Units on the Property at the time of renewal or, if there has been a change in the number of Dwelling Units on the Property, the new number of Dwelling Units on the Property, or

(ii) an Organizations Under the Federal Government Rapid Housing Initiatives Program, that the applicant is complying with the Government of Canada reporting conditions set out in the agreement under the Rapid Housing Initiatives Program.

Additional Required Information for Renewal Tax Relief Application: Expired Lease or Municipal License

16. (1) If the renewal application is for Tax Relief respecting an expired Lease or expired Municipal License, the applicant shall also provide to the Municipality written confirmation that:

(a) the Lease or Municipal License contains a provision allowing the lessee or licensee to remain in possession after the Lease or the Municipal License expired;

(b) the owner consents to the lessee or licensee remaining in possession of the Property; or

(c) for a Lease where the lessee is an Eligible Organization that has sub-leased to another Eligible Organization, the consent of the owner and the lessee.

(2) In accordance with section 8, Tax Relief for an expired Lease or Municipal License shall not exceed three (3) consecutive Fiscal Years.

Additional Required Information for Renewal Tax Relief Application if Requested by Treasurer

17. (1) For an application for the renewal of Tax Relief, the Treasurer may request:

(a) the applicant provide to the Municipality any additional information the Treasurer considers necessary for the renewal application, including any of the information required for an initial application; and

(b) the applicant publicly acknowledge that it has received tax relief from the Municipality, and may specify the manner of the communication.

(2) The Eligible Organization shall provide the requested additional information and the acknowledgement within the period of time specified in the request, or such greater period of time that may be granted by the Treasurer.

(3) An Eligible Organization that fails or refuses to provide the additional information and acknowledgment within the time specified in the request, shall be deemed to have withdrawn their application for renewal of Tax Relief.

Application Evaluation

18. (1) Applications for Tax Relief may be screened by the Treasurer for any outstanding lienable charges owed to the Municipality.

(2) If an outstanding amount is identified by the screening under subsection (1), an applicant may be declined or provided the opportunity to remedy through the execution of a signed payment plan.

(3) The following criteria shall be used by the Treasurer to evaluate applications for consideration by the Grants Committee for recommendation to the Council:

(a) confirmation of the applicant's registration and good standing;

(b) an applicant's Articles of Incorporation;

(c) the organization's financial statement for the prior Fiscal Year;

(d) the application of criteria for the program's Schedules and, if applicable, the Ratio of Use for the Property;

(e) the type and scope of the direct community benefit to the residents of the Municipality;

(f) occupancy of the Property by an Entity other than the applicant organization;

(g) confirmation of the Property's assessment in relation to its current use; and

(h) any additional information requested or otherwise considered relevant by the Treasurer, such as confirmation that the use is permitted under current zoning and verification of ownership, and occupancy of the Property.

PART 3

TAX RELIEF CLASSIFICATIONS

Requirement to Classify

19. (1) Each Eligible Organization shall be classified based on the Schedule criteria.
- (2) Each Eligible Organization shall meet all the criteria of Schedule E: Community Benefit Organization.
- (3) Each Eligible Organization that meets the criteria of Schedule E: Community Benefit Organization, shall only be classified as a Community Benefit Organization unless Council decides otherwise.
- (4) The classification of an Eligible Organization is at the sole discretion of Council, including where more than one classification could apply to the organization, the Property, or both the organization and the Property.
- (5) Each Property shall only be listed on one Schedule but the Property may be listed separately on an Appendix.

Tax Relief Classifications

20. (1) The following Tax Relief classifications are created:
 - (a) Schedule A: Charitable Organizations Providing Housing and Dedicated Services for Persons with Special Needs;
 - (b) Schedule B: Family Services, Child Care, and Dedicated Youth Services Organizations;
 - (c) Schedule C: Cultural, Recreational, Environmental, and Community Transit Organizations;
 - (d) Schedule D: Organizations Providing Affordable Housing Rental Accommodations;
 - (e) Schedule E: Community Benefit Organizations;
 - (f) Schedule F: Organizations Under the Federal Government Rapid Housing Initiatives Program; and
 - (g) Schedule G: Organizations with Vacant Property Under Development; and
- (2) Appendix 1: Tenant Organizations Recognized Under Property Owner's Tax Relief, is created and lists all the Eligible Organizations that are receiving Tax Relief under the Owner's classification.

PART 4

CLASSIFICATION CRITERIA

Schedule A: Charitable Organizations Providing Housing and Dedicated Services for Persons with Special Needs

21. (1) An Eligible Organization may be classified by Council as a Charitable Organization Providing Housing and Dedicated Services for Persons with Special Needs, if Council is satisfied that:
 - (a) the applicant is a Registered Canadian Charitable Organization;

- (b) the applicable eligibility requirements under Part 1 are satisfied;
- (c) the Articles of Incorporation support that the organization primarily provides housing services or programs, or a combination of them, for people who require special services or accommodations;
- (d) the direct benefit to residents of the Municipality is the provision of specialized housing services or programs, or a combination of housing services and programs, that are primarily provided to individuals and families who require specialized services or accommodations;
- (e) the housing services or programs, or the combination of them, are offered at no more than a nominal fee; and
- (f) the housing services or programs, or combination of them, primarily serve children, youth, individuals, or families with special needs, including the provision of:
 - (i) overnight or short stay shelter to address homelessness by providing residential accommodations for people who are:
 - (A) victims of violence,
 - (B) recovering from addictions,
 - (C) under a court-ordered guardianship, or
 - (D) released from incarceration;
 - (ii) transitional and supportive housing serving persons with a physical or cognitive disability, or mental illness;
 - (iii) food, clothing, and household items for lower income individuals and families;
 - (iv) respite care for the acute or chronically ill; or
 - (v) specialized support services, such as employment or advocacy for persons with a physical disability, a cognitive disability, or mental illness.

(2) If Council classifies an eligible Registered Canadian Charitable Organization as an Organizations Providing Housing and Dedicated Services for Persons with Special Needs, the organization shall provide the Municipality with an audited financial statement upon initial application to the Tax Relief Program in a form satisfactory to the Treasurer.

(3) Tax Relief shall not be processed until the Treasurer receives the audited financial statement.

Schedule B: Family Services, Child Care, and Dedicated Youth Services Organizations

22. (1) An Eligible Organization may be classified by Council as a Family Services, Child Care, and Dedicated Youth Services Organization, if Council is satisfied that:

- (a) the eligibility requirements under Part 1 are satisfied;
- (b) the direct community benefit to residents of the Municipality is a program or service, or a combination of them, that are primarily or exclusively provided to children, families, youth, or seniors; and

(c) the Articles of Incorporation support that the organization primarily provides the programs or services, or a combination of them, to children, families, youth, or seniors.

23. Examples of an Eligible Organization that may be classified by Council as a Family Services, Child Care, and Dedicated Youth Services Organization include an organization that:

(a) is a licensed non-profit day care, preschool, nursery school, or early education facility;

(b) is a child or youth welfare organization;

(c) is a family resource centre;

(d) is a parent or family support organization that provides educational resources and referrals services for parents, caregivers, and service-providers;

(e) exclusively serves youth at the ages for programs and services for Youth Services identified in the Youth Services Plan of the Municipality; or

(f) provides support services primarily serving seniors aged 65 or over.

Schedule C: Cultural, Recreational, Environmental, and Community Transit Organizations

24. (1) An Eligible Organization may be classified by Council as a Cultural, Recreational, Environmental, and Community Transit Organization, if Council is satisfied that:

(a) the eligibility requirements under Part 1 are satisfied;

(b) the direct community benefit to residents of the Municipality is a service that is primarily cultural, recreational, environmental, or community public transit, including:

(i) providing amenities, programs, and services to residents of the Municipality that enables their participation in age and culturally appropriate cultural and recreational activities, or

(ii) providing community-based environmental stewardship or public transit; and

(c) the Articles of Incorporation support that the organization primarily provides services that are cultural, recreational, environmental, or community-based public transit.

(2) A Cultural, Recreational, Environmental, and Community Transit Organization excludes a Registered Canadian Charitable Organization that primarily serves persons with a disability as such organization may be considered for classification under Charitable Organizations Providing Housing and Dedicated Services for Persons with Special Needs.

25. Examples of an Eligible Organization that may be classified by Council as a Cultural, Recreational, Environmental, and Community Transit Organization include:

(a) a visual, performing, literary, or media arts organization;

(b) a community museum or historical society;

(c) a sport organization;

(d) a recreation organization;

(e) a community centre;

- (f) an environmental organization;
- (g) an animal welfare or animal control organization;
- (h) a culture, recreation, sport, or environment umbrella organization; or
- (i) a community transit organization that has a funding agreement with the Municipality.

Schedule D: Organizations Providing Affordable Housing Rental Accommodations

26. (1) An Eligible Organization may be classified by Council as an Organizations Providing Affordable Housing Rental Accommodations, if Council is satisfied that

- (a) the eligibility requirements under Part 1 are satisfied;
- (b) the direct community benefit to residents of the Municipality is a service primarily in the form of housing;
- (c) the Articles of Incorporation support that the organization primarily provides a service in the form of housing;
- (d) the building containing the Dwelling Units is residential, including a single-family dwelling, row housing, or a duplex; and
- (e) the organization serves households in the low to moderate income range.

(2) Organizations Providing Affordable Housing Rental Accommodations exclude:

- (a) recreational facilities;
- (b) institutional facilities; or
- (c) educational residential facilities such as dormitories.

27. Examples of an Eligible Organization that may be classified by Council as a Charitable Organization Providing Affordable Housing Rental Accommodations include organizations that:

- (a) provide lease accommodations but do not meet the criteria of a Charitable Organization Providing Housing and Dedicated Services for Persons with Special Needs; or
- (b) develop housing, research housing, or advocate for housing.

Schedule E: Community Benefit Organizations

28. (1) An Eligible Organization may be classified by Council as a Community Benefit Organization if Council is satisfied that:

- (a) the eligibility requirements under Part 1 are satisfied;
- (b) the direct community benefit to residents of the Municipality is in the form of programs or services, or a combination of them; and
- (c) the Articles of Incorporation supports that the organization provides the programs or services, or a combination of them, to the residents of the Municipality.

(2) A Community Benefit Organization excludes:

- (a) organizations that provide aid primarily outside of Canada;

- (b) organizations whose sole purpose is fundraising or funding foundations; and
- (c) organizations directly or indirectly representing or promoting commerce, industry, a profession or trade, unions, or political parties.

29. Examples of an Eligible Organization that may be classified by Council as a Community Benefit Organization include:

- (a) a social or hobby organization;
- (b) an organization providing health or medical services;
- (c) an organization providing services that supplement education, such as providing literacy or employment placement services;
- (d) a Community Organization;
- (e) a religious organization; or
- (f) a fraternal or sorority organization.

Schedule F: Organizations with Vacant Property Under Development

30. (1) An Eligible Organization may be classified by Council as an Organization with Vacant Property Under Development, if Council is satisfied that:

- (a) the eligibility requirements under Part 1 are satisfied, except that the direct community benefit to the residents of the Municipality will be provided on the Property once an occupancy permit is issued by the Municipality;
- (b) there is a no existing building on the Property that is habitable or would be habitable when remediated;
- (c) the Property will be developed in such a manner to provide the direct community benefit;
- (d) Tax Relief shall not be provided for the Property on this Schedule for more than three (3) consecutive Fiscal Years;
- (e) the organization is otherwise eligible for Tax Relief under:
 - (i) Schedule A: Charitable Organizations Providing Housing and Dedicated Services for Persons with Special Needs,
 - (ii) Schedule B: Family Services, Child Care, and Dedicated Youth Services Organizations,
 - (iii) Schedule C: Cultural, Recreational, Environmental, and Community Transit Organizations,
 - (iv) Schedule D: Organizations Providing Affordable Housing Rental Accommodations,
 - (v) Schedule E: Community Benefit Organizations; or
 - (vi) Schedule G: Organizations Under the Federal Government Rapid Housing

Initiatives Program

(2) An Organization with Vacant Property Under Development excludes short-term or partial vacancies, such as vacancies due to tenant turnover or partial renovations to the Property.

(3) If the organization is otherwise eligible under Schedule A: Charitable Organization Providing Housing and Dedicated Services for Persons with Special Needs, then,

(a) the organization shall provide the Municipality with an audited financial statement in a form satisfactory to the Treasurer; and

(b) Tax Relief shall not be processed until the Treasurer receives the audited financial statement.

31. (1) Unless Council determines otherwise, if an occupancy permit has not been issued after three (3) consecutive Fiscal Years, the Property shall be ineligible for future Tax Relief, and Schedule F shall be automatically amended to remove the Property at the end of the third Fiscal Year.

(2) If the Property is automatically removed, the Eligible Organization may apply as an initial application for Tax Relief once an occupancy permit has been issued by the Municipality for the Property.

32. If an occupancy permit is issued by the Municipality before the end of the third Fiscal Year of Tax Relief, on April 1 of the fourth Fiscal Year,

(a) Schedule F shall be automatically amended to remove the Property from the Schedule; and

(b) the Property shall be automatically added to the applicable Schedule Council identified when Council added the Property to Schedule F, or if no such Schedule was identified, to Schedule E: Community Benefit Organization.

33. Nothing prevents Council from otherwise reclassifying the Property from Schedule E: Community Benefit Organization and moving it to the applicable Schedule.

Schedule G: Organizations Under the Federal Government Rapid Housing Initiatives Program

34. An Eligible Organization may be classified by Council as an Organization Under the Federal Government Rapid Housing Initiatives Program, if Council is satisfied that:

(a) the eligibility requirements under Part 1 are satisfied;

(b) the direct community benefit to residents of the Municipality is a service exclusively in the form of housing and ancillary services;

(c) the Articles of Incorporation support that the organization primarily provides the service of housing for people who require special services or accommodations;

(d) the organization has an agreement under the Rapid Housing Initiatives Program that has been signed by all the parties to it; and

(e) the organization confirms compliance with the annual reporting requirements under that agreement.

35. (1) At the expiration of the earlier of the Rapid Housing Initiative Program or the agreement under the Government Rapid Housing Initiatives Program,

(a) Schedule G shall be automatically amended to remove the Property at the end of the Fiscal Year in which the agreement or program expired; and

(b) Schedule E: Community Benefit Organization shall be automatically amended to add the property unless:

(i) the organization is otherwise eligible under Schedule A: Organizations Providing Housing and Dedicated Services for Persons with Special Needs, or

(ii) the organization is otherwise eligible under Schedule D: Organization Providing Affordable Housing Rental Accommodations.

(2) If subclause

(a) 35(1)(b)(i) applies, Schedule A: Charitable Organizations Providing Housing and Dedicated Services for Persons with Special Needs shall be automatically amended to add the property, providing subsections 21(2) and (3) respecting the audited financial statement are satisfied; or

(b) 35(1)(b)(ii) applies, Schedule D: Organizations Providing Affordable Housing Rental Accommodations shall be automatically amended to add the property, providing the organization provides the Municipality with the number of Dwelling Units on the Property.

(3) Nothing prevents Council from otherwise reclassifying the Property and moving it to the applicable Schedule.

Appendix 1: Eligible Organizations that Are Tenants Recognized Under Property Owner's Tax Relief

36. (1) An Eligible Organization may be listed by Council on Appendix 1 if the Eligible Organization owns the Property and that Property is Leased, in whole or in part, to another Eligible Organization.

(2) The Eligible Organization that Leases the Property shall:

(a) be classified as the same classification as the Eligible Organization that owns the Property; and

(b) receive the same level of Tax Relief as the Eligible Organization that owns the Property.

(3) If the Tax Relief for the Eligible Organization that owns the Property terminates, then the Tax Relief for the lessee shall automatically terminate.

(4) The Ratio of Use under section 52 shall apply.

PART 5

PROVISION OF TAX RELIEF

Tax Relief for Owned Property

37. Council may provide Tax Relief to an Eligible Organization that owns Property that is located within the Municipality.

Tax Relief for Property Leased by an Eligible Organization from the Government

38. (1) Council may provide Tax Relief to an Eligible Organization that Leases Property from the Government, providing:

(a) the Property that is the subject of the Lease is located within the Municipality;

(b) the Lease requires the Eligible Organization to pay the property taxes on that portion of the Property that it Leases; and

(c) subsection (2) or (3) is satisfied.

(2) For a Lease from Government other than an Organization Under the Federal Government Rapid Housing Initiatives Program, the Lease shall:

(a) be for a minimum of five (5) consecutive years; and

(b) have a minimum term of three (3) years remaining as of March 31st immediately preceding the Fiscal Year that is the subject of the initial application for Tax Relief.

(3) For a Lease from Government for an Organization Under the Federal Government Rapid Housing Initiatives Program, the Lease shall

(a) be for a minimum ten (10) consecutive years;

(b) have a minimum term of three (3) years remaining as of the March 31st immediately preceding the Fiscal Year of the initial application for Tax Relief; and

(c) stipulate that the organization owns the building on the leased Property or will own the building on the leased Property once construction is completed.

(4) For a Lease under this section for an Organization Under the Federal Government Rapid Housing Initiatives Program, Schedule G: Organizations Under the Federal Government Rapid Housing Initiatives Program shall apply.

(5) For all other Leases under this section, the applicable Schedule determined by Council shall apply.

Tax Relief for Property Leased by an Eligible Organization and Sub-leased to another Eligible Organization

39. (1) Council may provide Tax Relief for Property that is Leased by an Eligible Organization and sub-leased to another Eligible Organization, providing:

(a) the Property that is subject of the Tax Relief is located in the Municipality; and

(b) the Lease is for a minimum of five (5) consecutive years, with a minimum of three (3) years remaining as of the January 31st immediately preceding the Fiscal Year of the initial application for Tax Relief.

(2) The Ratio of Use under section 52 shall apply.

Tax Relief for Property Under Municipal License

40. Council may provide Tax Relief to an Eligible Organization that has a Municipal License for the Property, providing:

(a) the Property is Licensed from the Municipality;

(b) the Municipal License:

(i) is for a minimum of five (5) consecutive years, and

(ii) has a minimum term of three (3) years remaining as of March 31st immediately preceding the Fiscal Year of the initial application for Tax Relief; and

(c) the Municipal License requires the Eligible Organization to pay the property taxes on that portion of the Property that it licenses.

Tax Relief Based on Primary Use

41. (1) The amount of Tax Relief shall be based on the actual primary use of the Property rather than the mandate of the Eligible Organization.

(2) In the event of a substantive change in the actual use or occupancy of the Property, the Eligible Organization, and the Property, may be reassigned to another Schedule or may be terminated based on the new primary use of the Property.

Tax Relief Applies to Eligible Portions of the Real Property

42. (1) Unless section 43 applies, Tax Relief is only available for that portion of the Property that the Treasurer has determined is occupied by the Eligible Organization receiving the Tax Relief.

(2) Tax Relief is only available for that portion of the Property that is used by the recipient Eligible Organization for the provision of the direct community benefit to the residents of the Municipality.

Tax Relief for Vacant Property Not Under Development

43. (1) Council may provide Tax Relief for a Property that is vacant but is not under development, providing:

- (a) the entire Property is vacant and unoccupied;
- (b) one or more of the following apply:
 - (i) there is a building on the Property that is habitable or would be habitable when remediated,
 - (ii) the property has a demonstrated cultural or historical significance,
 - (iii) there is an improvement on the Property other than a building such as a community garden, sport field, park, or playground; or
 - (iv) the Property is a water lot;
- (c) the Property is owned, Leased from the Government, or licensed under a Municipal License by an Eligible Organization; and
- (d) the Property is not classified on Schedule F: Organizations with Vacant Property Under Development.

(2) If subsection (1) is satisfied, the Eligible Organization shall be assigned to the correct Schedule as defined in section 20.

PART 6

EXCLUSIONS FROM TAX RELIEF

Amounts Excluded from Considerations for Tax Relief

44. For the purposes of determining eligibility and classification for Tax Relief, Council shall not consider the amounts owed for the following:

- (a) the deed transfer tax;
- (b) the harmonized sales tax;
- (c) a cash grant from, or a contribution agreement with, the Municipality;
- (d) a service agreement with the Municipality;
- (e) for debts of the organization, including insolvency, tax sale proceedings, or foreclosures;
- (f) ownership or occupancy of a registered heritage property or premises located within a municipal heritage district; or
- (g) a capital contribution towards the construction, remediation, or upgrade of an asset of the Municipality.

Exclusions Ineligible from Tax Relief

45. An exclusion under this Part shall be ineligible for Tax Relief and the amount of that exclusion shall be paid over and above the Maximum Tax Payable Amount.

Amounts Excluded from Tax Relief

46. (1) The following amounts for property taxes are excluded from Tax Relief:

- (a) an Area Rate levied for a business improvement district;
 - (b) an Area Rate for private road maintenance;
 - (c) the fire protection rate;
 - (d) community area rates;
 - (e) charges imposed or fixed under a by-law, including the *Regional Subdivision By-law*;
- and
- (f) fees, fines, or interest owed to the Municipality for arrears on taxes.

(2) For further clarification, Area Rates, other than Area Rates listed under subsection (1), are eligible for Tax Relief.

Certain Dwellings Units Excluded from Tax Relief

47. Tax Relief provided by the Council under this Administrative Order shall exclude:

- (a) the portion of the Property that is a Dwelling Unit occupied by one or more employees of the Eligible Organization as a condition of their employment; or
- (b) for an Eligible Organization that is classified as a Community Benefit Organization, all Dwelling Units.

PART 7

PRO-RATED REDUCTIONS OF TAX RELIEF

Effect of Pro-Rated Reductions

48. (1) A pro-rated reduction under this Part reduces the amount of Tax Relief provided by the Municipality which increases the property taxes owed.

(2) An increase in the property taxes owed resulting from a pro-rated reduction shall be paid over and above the Maximum Tax Payable Amount.

Pro-Rated Reduction for Late Renewal Applications

49. (1) If the terms and conditions set out in Part 2 for applications to renew Tax Relief have not been satisfied on or before the later of January 31st preceding the start of the Fiscal Year for which Tax Relief is sought, or the Day extended by the Treasurer under section 9, Tax Relief for the Property shall be reduced in the following Fiscal Year in accordance with this Section.

(2) Tax Relief shall be reduced by fifty percent (50%) per Property, up to a maximum reduction of \$5,000 per Property.

(3) If the Eligible Organization has not satisfied the terms and conditions set out in Part 2 for applications to renew Tax Relief for three (3) consecutive Fiscal Years, Tax Relief shall terminate and the applicable Schedule or Appendix shall be automatically amended to remove them.

(4) If subsection (3) applies, the organization may apply for Tax Relief by submitting an initial application to the Municipality by the deadline required under Part 2.

Reduction for Proportional Occupancy

50. (1) Tax Relief provided under this Administrative Order shall be reduced based on the proportional occupancy of the Property owned by an Eligible Organization as of January 31st preceding the start of the Fiscal Year for which Tax Relief is sought.

(2) The portion of the Property that is occupied by an Entity that is ineligible for tax relief under Part 1 of this Administrative Order, General Eligibility Requirements shall be excluded from Tax Relief, and the amount of Tax Relief to the Eligible Organization shall be reduced to the amount calculated by multiplying the percentage occupied by the Eligible Organization by the amount of Tax Relief, and is represented by the formula:

$$(\text{Percentage occupied} \div 100) \times \text{Amount of Tax Relief} = \text{Amount of Reduced Tax Relief}$$

(3) The Eligible Organization is deemed to occupy that portion of the Property that is occupied by another Entity as an on-site office, providing:

(a) the Entity has a written agreement with the Eligible Organization to manage the daily operations of the Property; and

(b) the building on the Property the Entity manages contains at least nine (9) Dwelling Units.

Lessee Receives Same Tax Relief as the Owner

51. An Eligible Organization that is a lessee or sub-lessee of property owned by another Eligible Organization shall receive the same level of Tax Relief as the Eligible Organization that owns the Property.

Reduction and Proportional Occupancy for Ratio of Use

52. (1) This section shall apply where there are one or more leases on the Property that is the subject of Tax Relief and the lessees and sub-lessees occupy a total of more than fifty percent of that Property.

(2) The level of Tax Relief received by the Eligible Organization shall be determined based on the ratio of use on the property, being that portion of the property that is used to deliver the program, service, or program and service, that forms the applicable direct community benefit and is represented by the proportional distribution of Eligible Organizations occupying the Property.

Pro-rated Reduction for Surrendering Occupancy

53. (1) If the Lease or Municipal License for the Property terminates or expires prior to the end of the current Fiscal Year, the amount of Tax Relief payable to the recipient shall be reduced and pro-rated to the amount calculated by:

(a) dividing the dollar amount of the Tax Relief by 365; and

(b) multiplying that result by the number of days the Eligible Organization Leased or had a Municipal License for the Property, and

is represented by the formula: $(\text{Amount of Tax Relief} \div 365) \times \text{days Leased or Licensed}$.

(2) Where the Property is owned by an Eligible Organization and it is Leased to another Eligible Organization, and the owner is no longer eligible for Tax Relief, then the Tax Relief of the lessee shall terminate.

Pro-rated Reduction for Property Sale or Conveyance

54. The portion of the Property that is sold or conveyed to another Entity shall be excluded from Tax Relief, and the amount of Tax Relief shall be pro-rated and reduced to the amount calculated by:

(a) dividing the dollar amount of the Tax Relief by 365; and

(b) then multiplying that result by the number of days the Eligible Organization owned the Property, and

is represented by the formula: $(\text{Amount of Tax Relief} \div 365) \times \text{days owned}$.

PART 8

AMOUNTS OWED FOR ELIGIBLE TAXES

Amount of Tax Relief for Owned Property

55. (1) This section applies to Tax Relief other than Tax Relief in the form of a grant or contribution under section 56.

(2) The amount of the taxes to be paid shall be the greater of:

(a) the Taxable Amount; or

(b) the Minimum Tax Payable Amount.

Amount of Tax Relief for Municipal License and Certain Leased Properties

56. (1) This section applies to Tax Relief in the form of a grant or contribution for:

(a) a Municipal License;

(b) a Lease for an Organization Under the Federal Government Rapid Housing Initiatives Program; or

(c) a Lease for Property that is owned by an Eligible Organization and Leased to another Eligible Organization.

(2) The grant or contribution shall be in an amount that would reduce the taxes to the amount that would be paid if the Eligible Organization owned the Property under section 55.

Maximum Per Dwelling Unit Amount

- 57. (1) The Maximum Per Dwelling Unit Amount shall be determined by the Treasurer.
- (2) For an Affordable Housing Rental Accommodations Organization, the Maximum Per Dwelling Unit Amount shall exclude property taxes owed for a separately assessed parking space.
- (3) A separately assessed ancillary property, including a parking lot, shall be subject to the Maximum Tax Payable Amount.

Discrepancy Between Number of Dwelling Units on Application and Assessment Roll

58. Where the Treasurer determines there is discrepancy between the number of Dwelling Units on the Assessment Roll and the number of Dwelling Units listed on the initial or renewal application, the number of Dwelling Units on the Assessment Roll shall be used for the purposes of Tax Relief.

PART 9

GENERAL

Conditions of All Tax Relief

- 59. Tax Relief under this Administrative Order may only be provided if the provisions of this Administrative Order are satisfied.
- 60. Recipients of Tax Relief shall annually acknowledge receipt of public funded operating assistance in accordance with the published program guidelines.
- 61. The provision of Tax Relief to an Eligible Organization is at the sole discretion of the Council.
- 62. Tax Relief for a subsequent Fiscal Year is at the sole discretion of the Council.
- 63. Tax Relief provided by the Council under this Administrative Order is valid only for the Fiscal Year in which it was applied for and shall not be awarded retroactively to a prior Fiscal Year.
- 64. All applications for Tax Relief are subject to the annual budget.
- 65. Not all applications for Tax Relief will be funded.
- 66. (1) Unless section 75 applies, Tax Relief is not transferable, including not being transferable to another Entity or other Property.
 - (2) For further clarity, if a subdivision occurs
 - (a) that divides the Property, Tax Relief shall not apply to the new parcel with the new assessment account number (AAN); or
 - (b) that consolidates land with the Property, Tax Relief applies to the consolidated property and the ratio of use shall be used to determine the level of Tax Relief.
 - (3) An initial application may be made for the subdivided portions not receiving Tax Relief.
- 67. Tax Relief may be terminated by Council for any reason, including if the recipient breaches an enactment of Government such as a by-law of the Municipality.

Interest Owed on Tax Arrears

- 68. (1) Taxes are payable by the stated due date.

(2) Interest shall be paid on outstanding amounts at the rate set out in *Administrative Order 14 Respecting the Application of Interest Charges on Outstanding Accounts*.

(3) Eligible Organizations in tax arrears may make application to the Municipality to execute a tax arrears payment arrangement for both principal and interest to bring the property into current status within two (2) years.

Tax Sale Proceedings

69. (1) In accordance with *Administrative Order 18, Respecting Revenue Collections Policy*, and the *Charter*, all properties with tax arrears for the preceding three (3) Fiscal Years shall be put up for tax sale.

(2) Tax sale proceedings for a property may be deferred if a tax arrears payment arrangement has been entered into and the taxpayer is complying with that agreement.

Refund and By-law F-300 Fees

70. (1) Subject to subsections (1) and (2), on the written request to the Treasurer, an overpayment of taxes resulting from Tax Relief may be refunded.

(2) A refund of taxes shall be reduced by all applicable fees under By-law F-300, *A By-law Relating to Fees for the Provision of Taxation Information*.

(3) A refund of \$150 or less shall be applied as a credit to the tax account for the Property.

Set Off for Grant

71. The Treasurer may set off, in whole or in part, the amount of Tax Relief in the form of a grant or contribution against any sums the Eligible Organization owes to the Municipality.

Recourse for Overpayment of Tax Relief

72. The Treasurer may, at their sole opinion, determine if an overpayment of Tax Relief has occurred, and if it has, the Treasurer may:

- (a) reduce, in whole or in part, the amount of Tax Relief by the amount of the overpayment;
- (b) sue to recover the overpayment; or
- (c) both.

Referral by Council

73. The question of Tax Relief for Property under this Administrative Order may be referred by the Council to a Standing Committee or to the Committee of the Whole for a recommendation to Council on whether to provide Tax Relief.

Report to Council

74. The Chief Administrative Officer shall, at least once per Fiscal Year, prepare a report and recommendation for Council's consideration which recommends Eligible Organizations to be:

- (a) added or removed from the Schedules or the Appendix to this Administrative Order; or
- (b) moved from the Appendix or a Schedule of this Administrative Order to a different Schedule or Appendix of this Administrative Order.

Changes to Assessment Roll

75. If:

(a) the name of an Eligible Organization listed in a Schedule or an Appendix has been revised on the Assessment Roll,

(b) the address of an Eligible Organization listed in a Schedule or an Appendix has been revised on the Assessment Roll, or

(c) the assessment account number for an Eligible Organization listed in a Schedule or an Appendix has been revised on the Assessment Roll,

then the name, address, or assessment account number of such organization on each Schedule or Appendix is automatically amended to the revised name, address, or assessment account number as it appears on the Assessment Roll, providing the Property that is the subject of the Tax Relief on the Schedule is the same property.

Review and Amendments

76. The Treasurer may, from time to time, review this Administrative Order and recommend amendments for Council's consideration.

Schedules and Appendix

77. (1) The following Schedules A, B, C, D, E, F, G, and Appendix 1 form part of this Administrative Order:

- (a) Schedule A: Charitable Organizations Providing Housing and Dedicated Services for Persons with Special Needs;
- (b) Schedule B: Family Services, Child Care, and Dedicated Youth Services Organizations;
- (c) Schedule C: Cultural, Recreational, Environmental, and Community Transit Organizations;
- (d) Schedule D: Organizations Providing Affordable Housing Rental Accommodations;
- (e) Schedule E: Community Benefit Organizations;
- (f) Schedule F: Organizations with Vacant Property Under Development;
- (g) Schedule G: Organizations Under the Federal Government Rapid Housing Initiatives Program;
- (h) Appendix 1: Eligible Tenant Organizations Recognized Under Property Owner's Tax Relief.

PART 10

TRANSITION AND REPEAL

Transition

78. (1) On or before March 31, 2024, Tax Relief shall be provided in accordance with the Administrative Order 2014-001-ADM, the *Tax Relief for Non-Profit Organizations Administrative Order*.

(2) On and after April 1, 2024, Tax Relief shall be provided under this Administrative Order.

Reference to Former Tax Relief Administrative Order

79. A reference in an enactment to 2014-001-ADM, the *Tax Relief for Non-Profit Organizations Administrative Order*, is to be read as including a reference to the provisions of this Administrative Order relating to the same subject-matter.

Repeal

80. Administrative Order 2014-001-ADM, the *Tax Relief for Non-Profit Organizations Administrative Order*, is repealed.

Effective Date

81. This Administrative Order comes into force on April 1, 2024.

Done and passed in Council this day of , 2024 .

Mayor

Municipal Clerk

Notice of Motion:	2024
Adoption:	2024
Effective Date:	April 1, 2024

Communications Plan

Attachment 2

Current Program Participants (as of 2023)

Action Item	Purpose	Status
Create mailing list	Participants (2023)	Done
Newsletter	Orientation	Draft
Appeals Form	Resolve Issues	Done
Draft Schedules	Orientation	Revised
Do Not List	Notification	Done June/2023
Removals	Notification and Assistance	

- Each organization in the current program will receive a mailed package that includes a newsletter and draft schedules. An “appeal” process, called a Request to Review, will be included for those organizations that feel that they have been incorrectly assigned to a schedule. General feedback invited from all recipients.
- Only one (1) response from an organization will be considered. This approach is intended to mitigate any advantage that may be sort through the use of, for example, lobbying, petitions, a list serve directory, social media etcetera.
- Individual correspondence may be required for specific cases. For example, new method to identify shelters not to be listed with civic address has been sent to those organizations who have requested “Do Not List” for the safety of clients and staff.
- Properties to be removed in 2024 to be notified.
- “Appeals” timeline – a period of three months for submissions and time for review and any make proposed revisions to 2024 Schedules.

Regional Council

Action Item	Purpose	Status
Draft Schedules	Listed by District	
Memo	Overview with contact information	

Internal Orientation

Action Item	Purpose	Status
Real Estate/Parks & Recreation	HRM Lease/License	
Revenue	Policy and Billing	
Corporate Communications	Orientation for media inquiries	

- Test system could be conducted in 2024.

External Communications

Action Item	Purpose	Status
Newspaper	Notice of Redesign	
Web page	Update Content	
Nonprofittax@halifax.ca	Inquiries	

New Additions to the Program (2023)

Action Item	Purpose	Status
Create mailing list	Additions (2023)	Done

Newsletter

Orientation

- The 2024 tax relief report [status quo policy and procedures] tentatively scheduled for Grants Committee July 24, 2024. Anticipate Council – first reading August 2024; second reading/approval target date September 2024.
- Those organizations NEW to the program will be sent a newsletter plus a letter indicating which schedule the property will be assigned to in the 2024 program.

Policy Approval (2023)

Action Item	Purpose	Status
Administrative Order	Policy	
Power Point Presentation	Committee Orientation	
Power Point Presentation	Council/Public Orientation	

- Staff report with NEW Administrative Order to Grants Committee March 27, 2024.
Option of a Power Point presentation for orientation.
- Anticipate Regional Council – first reading April 9 2024; second reading/approval April 23, 2024.

Implementation (2024)

Action Item	Purpose
Newspaper Advert	Open 2024 Intake
Program Guidebook	Policy and procedures
New Forms	Application Form
New Forms	Confirmation Form
Orientation Package	Additions new to program

- Orientation package would be mailed on a go-forward basis to organizations accepted into the program and includes letter of notification, copy of the Administrative Order, and program guidebook.
- At present there is no capacity to deliver tax-related workshops within communities – uptake tends to be by sector, not geographic location and nonprofit and charitable organizations are not evenly distributed throughout the region. In the alternative, topic-specific print materials could be developed for self-directed learning.

Other

- Report to Regional Council on options and ability/constraints in extending program to include charities leasing in the market to be completed and submitted.
- Capacity of Legal Services to be gauged. Work plan also impacted by vacation schedules and competing priorities.

REFERENCE GUIDE

DISCLAIMER

This Reference is **for your convenience only** and only introduces the concept of how the *Tax Relief Administrative Order* works.

TAX RELIEF INTRODUCTION

The *Tax Relief Administrative Order* is the mechanism used by Council to determine the amount of property taxes non-profit organizations and registered Canadian charitable organization (collectively "organization") owe to the Municipality.

The amount of taxes that are owed to the Municipality are:

- the higher of the Taxable Amount or \$150 (the minimum tax payable amount),
- plus the amounts excluded from Tax Relief,
- plus any additional amounts owed to the Municipality due to pro-rata reduction(s).

The following steps are used to determine who is eligible to receive tax relief and, if they are eligible, how the amount of taxes owed to the Municipality is calculated.

Step 1: Organization Must be Eligible for Tax Relief

The organizations must:

- meet the General Eligibility Requirements in Part 1; and
- for a
 - new application for tax relief, provide the required and applicable additional information under Part II by the deadlines in Part 2; or
 - a renewal application for tax relief, provide the required and applicable additional information for under Part II by the deadlines in Part 2

The information is then evaluated by the Municipality to determine if the application is complete and the organization is eligible for tax relief.

Step 2: Classification

If the organization is eligible, it needs to be classified based on criteria listed in Part 4. Every organization must meet the requirement for Community Benefit Organization. If the organization meets the criteria for a Community Benefit Organization, additional criteria may make the organization eligible to be classified to another classification. Eligibility for another classification does not guarantee classification.

Step 3: Conditions for Tax Relief

Part 5 lists requirements that the property must satisfy before tax relief will be provided. There are different rules for:

- property owned by an eligible organization,
- property owned by an eligible organization and leased to another eligible organization,
- property owned by Government and leased to an eligible organization,

- property leased by an eligible organization from either another eligible organization or Government, and that is sub-leased to another eligible organization, and
- property the eligible organization licenses from the Municipality.

There are rules that apply to all tax relief. These rules require that:

- tax relief is based on the actual primary use of the property;
- tax relief is only available for the portion of the property occupied by the eligible organization receiving the tax relief; and
- tax relief is only available in limited circumstances where the entire property is vacant and not under development.

There are also general conditions for tax relief under Part 9 that apply. These conditions:

- require the Administrative Order be satisfied before tax relief is provided;
- do not require Council to provide tax relief (it is at the sole discretion of Council);
- specify tax relief is only valid for one fiscal year and that tax relief is subject to budget (not all applications will be funded); and
- specify that tax relief is not transferable.

Step 4: Taxable Amount

The taxable amount is the smaller amount of:

- the amount calculated in this Step, or
- \$25,000 (called the Maximum Tax Payable Amount).

Despite this amount, the taxable amount is always at least \$150 (called the minimum tax payable).

Depending on the classification either the exemption rate or the Maximum Per Dwelling Unit Amount will reduce the amount of taxes owed to the Municipality.

The Maximum Per Dwelling Unit Amount only applies to Affordable Housing Rental Accommodation Organizations. The Maximum Per Dwelling Unit Amount is 50% of the average total residential property taxes for single-family homes within the Municipality for the prior Fiscal Year (rounded to the nearest \$50). It is determined annually by the Treasurer. To determine the amount of the reduction, the Maximum Per Dwelling Unit Amount is multiplied by the number of dwelling units on the property. This number will apply if it less than \$25,000.

The exemption rate applies to every other classification. To calculate the exemption rate, first the benchmark rate is determined. The benchmark rate is the tax rate calculated by adding together most of the residential property tax rates set by Council each year for the urban area of the Municipality. They are set at so many cents per 100 dollars of assessed value. Assessed value is determined by PVSC (the Property Valuation Services Corporation).

The exemption rate is calculated by multiplying the exemption percentage for the classification by the benchmark rate. The exemption rate is then multiplied by the assessed value for the property and divided by 100. This number will apply if it less than \$25,000.

Step 5: Exclusions

There are certain property taxes that must be paid and certain dwellings units that are ineligible for tax relief. These are listed in Part 6.

There are also reductions to tax relief listed in Part 7 which decrease the amount of tax relief the organization will receive and increase the property taxes owed to the Municipality. These are known as pro-rated reductions.

Attachment 4

(Showing Proposed Changes to *Revenue Collection Policy*)

Halifax Regional Municipality
Administrative Order 18
Revenue Collections Policy

4.2.2 Lienable Charges-Real Property Taxes

(a) Residential and commercial property taxes are billed twice annually with two due dates, one on April 30th and one on October 31st (or the last working day of the month in question). Residents receive their tax bills approximately six weeks prior to the due date.

(b) Notwithstanding 4.2.1(a) and 4.2.2(a), the first due date for residential, commercial, and resource property taxes for the 2020/2021 fiscal year, shall be June 1st, 2020.

(c) Notwithstanding 4.2.2(a), residential and commercial property taxes may be billed to eligible non-profit organizations receiving tax relief under ~~Administrative Order 2014-001-ADM, the Tax Relief For Non-Profit Organizations~~ **Tax Relief** Administrative Order, in accordance with By-Law T-800, the Property Tax Billing for Tax Relief Recipients By-law.

Attachment 5

(Amendments to Administrative Order)

HALIFAX REGIONAL MUNICIPALITY
ADMINISTRATIVE ORDER NUMBER 18
RESPECTING REVENUE COLLECTIONS POLICY

BE IT RESOLVED as an Administrative Order of the Council of the Halifax Regional Municipality that Administrative Order 18, the *Revenue Collections Policy Administrative Order*, is amended as follows:

1. Clause 4.2.2 (c) is amended by:

(a) striking out the words, comma, hyphens, and numbers “Administrative Order 2014-001-ADM, the Tax Relief For Non-Profit Organizations” after the word “under” and before the word “Administrative”; and

(b) adding the words “Tax Relief” after the word “under” and before the word “Administrative”.

Done and passed this day of , 2024 .

Mayor

Municipal Clerk

ATTACHMENT 3
(Administrative Order)

*** REVISED – April 17, 2024 ***

**ADMINISTRATIVE ORDER 2024-001-ADM
RESPECTING TAX RELIEF FOR NON-PROFIT AND
REGISTERED CANADIAN CHARITABLE ORGANIZATIONS**

HALIFAX

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**ADMINISTRATIVE ORDER 2024-001-ADM
RESPECTING TAX RELIEF FOR NON-PROFIT AND
REGISTERED CANADIAN CHARITABLE ORGANIZATIONS**

BE IT ENACTED by the Council of the Halifax Regional Municipality, under the authority of the *Halifax Regional Municipality Charter*, S.N.S. 2008, c. 39, as amended, and the *Housing Supply and Services Act*, S.N.S. 2022, c.3, as follows:

Short Title

1. This Administrative Order may be cited as the *Tax Relief Administrative Order*.

Purposes

2. The purpose of this Administrative Order is to provide Tax Relief to Non-profit Organizations and Registered Canadian Charitable Organizations that, in the sole opinion of Council, are organizations that:

- (a) are non-commercial in nature;
- (b) do not represent the interests of business, commerce, or industry; and
- (c) provide a direct community benefit to the residents of the Municipality.

Interpretation

3. In this Administrative Order,

- (a) “Area Rate” means an area rate levied under the *Charter*, and includes a uniform charge;
- (b) “Assessment Roll” means the roll that has been forward to the Clerk of the Municipality under section 52 of the *Assessment Act*, R.S.N.S 1989, c. 23, as amended;
- (c) “Benchmark Rate” means the rate calculated by adding together the urban residential property taxes rates for the current Fiscal Year that were set by Council per \$100 of taxable assessment and rounded up to the nearest tenth, except for the following rates:
 - (i) an Area Rate levied for a business improvement district;
 - (ii) an Area Rate for private road maintenance;
 - (iii) the fire protection rate, and
 - (iv) a community Area Rate;
- (d) “*Charter*” means the *Halifax Regional Municipality Charter*, S.N.S, 2008, c. 39, as amended;
- (e) “Community Organization” means:
 - (i) an interest-based organization that has a common cause or purpose, or
 - (ii) an organization representing a geographic area of the municipality,
whose mandate is to engage residents of the municipality in the identification and collaborative resolution of local issues;
- (f) “Council” means the Council of the Municipality;
- (g) “Dwelling Unit” means a dwelling unit as defined by clause 3(z) of the *Charter*;

(h) "Eligible Organization" means a registered Non-profit Organization or a Registered Canadian Charitable Organization;

(i) "Entity" includes an individual, person, corporation, and Government;

(j) "Exemption Percentage" means:

(i) for a Charitable Organization Providing Housing and Dedicated Services for Persons with Special Needs, 100%,

(ii) for a Family Services, Child Care, and Dedicated Youth Services Organization, 85%,

(iii) for a Cultural, Recreational, Environmental, and Community Transit Organization, 75%,

(iv) Subject to clause 3(j)(v), for an Affordable Housing Rental Accommodations Organization, 50%,

(v) for an Affordable Housing Rental Accommodations Organization in receipt of a reduction in the assessed market value under the Nova Scotia Capped Assessment Program, 25%,

(vi) for a Community Benefit Organization, 25%,

(vii) for an Organization under the Federal Government Rapid Housing Initiatives Program, 100%, and

(viii) for an Organization with Vacant Property Under Development, 75%;

(k) "Exemption Rate" means the rate calculated by multiplying the Benchmark Rate by the applicable Exemption Rate Factor, and is represented by the formula:

Benchmark Rate x Exemption Rate Factor = Exemption Rate;

(l) "Exemption Rate Factor" means the amount calculated by subtracting the applicable Exemption Percentage from one hundred and dividing that difference by 100, and is represented by the formula:

$(100 - \text{Exemption Percentage}) \div 100 = \text{Exemption Rate Factor};$

(m) "Fiscal Year" means the period from April 1st in one year to March 31st in the following year, including both dates;

(n) "Government" means His Majesty in Right of the Province of Nova Scotia, His Majesty in Right of the Government of Canada, a First Nation, the Municipality, a Service Commission, or a corporation that is an agent of His Majesty in Right of the Province of Nova Scotia or in Right of Canada, including the Canada Mortgage and Housing Corporation;

(o) "Lease" means a written agreement signed by both:

(i) the owner of the Property and the lessee Eligible Organization that occupies the Property whereby the lessee has care and control over the Property in accordance with the terms and conditions of that agreement, or

(ii) the lessee Eligible Organization of the Property, and the sub-lessee of the Property that is another Eligible Organization, whereby the sub-lessee has care and control over

the Property in accordance with the terms and conditions of that agreement;

(p) "Maximum Per Dwelling Unit Amount" means fifty per cent (50%) of the average total residential property taxes for single-family homes within the Municipality for the prior Fiscal Year, rounded to the nearest \$50;

(q) "Maximum Tax Payable Amount" means for:

(i) all Eligible Organizations other than an Affordable Housing Rental Accommodations Organization, \$25,000, or

(ii) for an Affordable Housing Rental Accommodations Organization, the lesser of

(A) \$25,000, or

(B) the amount calculated by multiplying the Maximum Per Dwelling Unit Amount by the number of Dwelling Units on the Property;

(r) "Minimum Tax Payable Amount" means one hundred and fifty dollars (\$150);

(s) "Municipal License" means a written contractual agreement signed by the Municipality and an Eligible Organization whereby that organization has the permission of the Municipality to use or occupy the Property that the Municipality has an estate, right, title or interest in;

(t) "Municipality" means the Halifax Regional Municipality;

(u) "Non-profit Organization" means:

(i) a society incorporated under the *Societies Act*, R.S.N.S. 1989 c.435, as amended,

(ii) a non-profit association incorporated under the *Co-operative Associations Act*, R.S.N.S. 1989 c. 98, as amended,

(iii) a non-profit association to which the *Co-operative Associations Act* applies,

(iv) a not-for-profit corporation incorporated under the *Canada Not-for-profit Corporations Act*, S.C. 2009, c. 23, or

(v) a non-profit organization otherwise incorporated under an Act of the Nova Scotia Legislature;

(v) "Owner" means

(i) a part owner, joint owner, tenant in common or joint tenant of the whole or any part of land or a building,

(ii) in the case of the absence or incapacity of the person having title to the land or building, a trustee, an executor, a guardian, an agent, a mortgagee in possession or a person having the care or control of the land or building,

(iii) a person who occupies shores, beaches or shoals, and

(iv) in the absence of proof to the contrary, the person assessed for the property;

(w) "Property" means the real property that is the subject of:

- (i) before Tax Relief is provided, the application for Tax Relief submitted under this Administrative Order, or
 - (ii) the Tax Relief provided under this Administrative Order;
- (x) “Ratio of Use” means that portion of the Property that is used by the Eligible Organization to deliver the program, service, or program and service, forming the applicable direct community benefit to the residents of the Municipality;
- (y) “Registered Canadian Charitable Organization” means a charitable organization registered pursuant to the Income Tax Act (Canada) and the regulations made pursuant to that Act;
- (z) “Rental Housing” means rental housing as defined by the *Registration of Residential Rental Properties By-law* of the Municipality;
- (aa) “Resident Caretaker” means an employee of the Eligible Organization who:
- (i) resides on the Property, providing that Property is listed under one Assessment Account Number (AAN),
 - (ii) resides in a building on the Property that contains at least nine (9) Dwelling Units, and
 - (iii) manages the operations, maintenance, or both, of that building;
- (ab) “Service Commission” means a service commission as defined by clause 3(bj) of the *Charter*;
- (ac) “Tax Relief” means:
- (i) a limitation of the municipal taxes levied under the *Housing Supply and Services Act* S.N.S. 2022, c.3 , including a limitation under the *Housing Act*, R.S.N.S., 1989, c. 211 continued under section 13 of the *Housing Supply and Services Act*,
 - (ii) an exemption from taxation or a reduction to the taxes that would otherwise be payable under the *Charter*, and
 - (iii) for a Lease or a Municipal License, a grant or contribution under the *Charter*;
- (ad) “Taxable Amount” means the lesser of
- (i) multiplying the Exemption Rate by the assessed value for the Property and then dividing that product by 100 and is represented by the formula:

$$(\text{Exemption Rate} \times \text{Assessed Value}) \div 100, \text{ or}$$
 - (ii) the applicable Maximum Tax Payable Amount; and
- (ae) “Treasurer” means the Treasurer for the Municipality, and includes a person acting under the supervision and direction of the Treasurer.

PART 1

GENERAL ELIGIBILITY REQUIREMENTS

Requirements for Non-profit Organization

4. To be eligible for consideration for Tax Relief under this Administrative Order, a Non-profit Organization shall:

- (a) be registered with the Registrar of Joint Stock Companies or with Corporations Canada, or created by a statute that expressly creates the organization as a Non-profit Organization;
- (b) be one of the following organizations:
 - (i) a Community Organization, including an environmental organization,
 - (ii) a cultural organization,
 - (iii) an education organization,
 - (iv) a fraternal organization,
 - (v) a recreational organization,
 - (vi) a religious organization, or
 - (vii) a sporting organization;
- (c) provide a direct community benefit to residents of the Municipality; and
- (d) own the Property by January 31st preceding the start of the Fiscal Year for which Tax Relief is sought, or such later date that may be extended by the Treasurer under subsection 9(5), have a Municipal License for the Property, or Lease the Property from the Government.

Requirements for Registered Canadian Charitable Organization

5. To be eligible for consideration for Tax Relief under this Administrative Order, a Registered Canadian Charitable Organization shall:

- (a) be a charitable organization registered under the *Income Tax Act*;
- (b) provide a direct community benefit to residents of the Municipality;
- (c) own the Property by January 31st preceding the start of the Fiscal Year for which Tax Relief is sought, or such later date that may be extended by the Treasurer under subsection 9(5), have a Municipal License for the Property, or Lease the Property from the Government; and
- (d) use the Property directly and solely for a charitable purpose.

Requirement to be Registered Under Rental Registry

6. If the *Registration of Residential Rental Properties By-law* applies to the Property, then the Property is ineligible for Tax Relief unless:

- (a) the Rental Housing has been validly registered under that By-law; and
- (b) proof of registration has been received by the Treasurer on or before January 31, 2025.

Property Must be Assessed as Taxable

7. To be eligible for Tax Relief, a Property shall be assessed as taxable on the Assessment Roll applicable to the Fiscal Year for which the application for Tax Relief is sought.

Expired Lease or Expired Municipal License

8. For an application to renew Tax Relief that is subject to an expired Lease or expired Municipal License, the Lease or Municipal License shall have expired for no more than three (3) consecutive years as of the March 31st preceding the Fiscal Year of the renewal application.

PART 2

APPLICATION REQUIREMENTS

Deadlines

9. (1) There is one intake period per Fiscal Year for applications for Tax Relief.

(2) Subject to subsections (4) and (5), for an initial application for Tax Relief, the deadline for an organization to submit a complete application to the Municipality is on or before the January 31st immediately preceding the start of the Fiscal Year for which Tax Relief is sought.

(3) Subject to subsections (4),(5) and (6), for an application to renew Tax Relief, the deadline for the Eligible Organization to submit the completed Confirmation Form to the Municipality is on or before the January 31st immediately preceding the start of the Fiscal Year for which the renewal is sought.

(4) In accordance with section 17, the Treasurer may request additional information and such information shall be provided as set out in that section.

(5) The Treasurer may extend the application deadlines if:

(a) a state of emergency or a state of local emergency is declared in accordance with *the Emergency Management Act*, or

(b) an order is issued by a medical officer in accordance with the *Health Protection Act*, and such declaration or order applies, in whole or in part, within the boundaries of the Municipality.

(6) If an application deadline falls on a weekend or holiday, the application deadline shall be extended to the next business day.

(7) The application deadlines shall be posted on the website of the Municipality and may be advertised in such other manners as determined by the Treasurer.

(8) If an application is submitted prior to applicable application deadline, the Municipality may provide the Eligible Organization an opportunity to remedy the application on or before that deadline.

(9) In accordance with Part 9 of this Administrative Order, applications are subject to budget and not all applications will be funded.

Late or Incomplete Applications

10. (1) Late or incomplete initial applications for Tax Relief shall not be considered for Tax Relief.

(2) Applications are late on the later of January 31st or the Day following the extended application deadline.

(3) Late or incomplete application to renew Tax Relief shall be pro-rated as set out in section 49.

(4) If the Eligible Organization fails to submit a completed Confirmation Form for three consecutive years, Tax Relief shall be revoked and the applicable Schedule automatically amended to remove the property.

(10) Where Tax Relief has been revoked under subsection (4), the organization may apply as an initial application by the deadline under section 9.

Required Information for Initial Tax Relief Application: Property Owned by Applicant Organization

11. (1) For an initial application for Tax Relief, an application shall be submitted in the form provided by the Municipality.

(2) For an initial application for Tax Relief, the applicant shall provide to the Municipality:

(a) a copy of its Articles of Incorporation;

(b) a description of the programs, services, or program and services, provided by the applicant;

(c) a description of the program, service, or program and services, actually being delivered by the applicant on the Property;

(d) a complete financial statement for the applicant's prior Fiscal Year, which shall include all revenues and expenses, assets, and liabilities of the applicant; and

(e) proof satisfactory to the Municipality demonstrating ownership of the Property, such as a deed, tax bill, or Notice of Assessment from the Property Valuation Services Corporation.

Additional Required Information for Initial Tax Relief Application: Organization Providing Affordable Housing Rental

12. If the application is in respect of an Organization Providing Affordable Housing Rental Accommodations, the initial application shall also include:

(a) the number of Dwelling Units on the Property; and

(b) a declaration respecting any Dwelling Units occupied by a Resident Caretaker at the time the application is submitted.

Additional Required Information for Initial Tax Relief Application: Organization Under the Federal Government Rapid Housing Initiatives Program

13. If the application is in respect of an Organization Under the Federal Government Rapid Housing Initiatives Program, the initial application shall also include a copy of the agreement under that program that has been signed by all the parties.

Additional Required Information for Initial Tax Relief Application: Property Owned by Applicant Organization with Occupancy or Partial Occupancy of a Third Party

14. (1) This section applies if the initial application is in respect of Property owned by an Eligible Organization and Leased to either another non-profit organization or a Canadian Registered Charitable Organization.

(2) If subsection (1) applies, the applicant shall:

(a) be the owner or lessee of the Property for which Tax Relief is sought; and

- (b) provide to the Municipality:
 - (i) a copy of the signed Lease,
 - (ii) the lessee's registration number listed in the Registry of Joint Stock Companies, or listed with the Canada Revenue Agency, or the corporation number listed under Corporations Canada,
 - (iii) the total area the lessee occupies under the Lease, and
 - (iv) the names of any other Entity in occupation of the Property.

Required Information for Renewal Tax Relief Application

15. (1) For an application to renew Tax Relief, the Eligible Organization shall complete the annual Confirmation Form provided by the Municipality.

(2) The Confirmation Form shall be completed in full, and shall confirm to the Municipality that:

(a) there has been no change in ownership or occupancy relating to the Property for which Tax Relief has previously been provided by the Municipality;

(b) if the renewal application is in respect of a Non-profit Organization, that such organization is:

(i) registered with the Registrar of Joint Stock Companies or with Corporations Canada, or

(ii) created by a statute that expressly names the Non-profit Organization;

(c) if the renewal application is in respect of a Registered Canadian Charitable Organization, that such organization is registered pursuant to the *Income Tax Act* (Canada); and

(d) if the renewal application is in respect of:

(i) an Organization Providing Affordable Housing Rental Accommodations, that there has been no change in the number of Dwelling Units on the Property at the time of renewal or, if there has been a change in the number of Dwelling Units on the Property, the new number of Dwelling Units on the Property, or

(ii) an Organizations Under the Federal Government Rapid Housing Initiatives Program, that the applicant is complying with the Government of Canada reporting conditions set out in the agreement under the Rapid Housing Initiatives Program.

Additional Required Information for Renewal Tax Relief Application: Expired Lease or Municipal License

16. (1) If the renewal application is for Tax Relief respecting an expired Lease or expired Municipal License, the applicant shall also provide to the Municipality written confirmation that:

(a) the Lease or Municipal License contains a provision allowing the lessee or licensee to remain in possession after the Lease or the Municipal License expired;

(b) the owner consents to the lessee or licensee remaining in possession of the Property; or

(c) for a Lease where the lessee is an Eligible Organization that has sub-leased to another Eligible Organization, the consent of the owner and the lessee.

(2) In accordance with section 8, Tax Relief for an expired Lease or Municipal License shall not exceed three (3) consecutive Fiscal Years.

Additional Required Information for Renewal Tax Relief Application if Requested by Treasurer

17. (1) For an application for the renewal of Tax Relief, the Treasurer may request:

(a) the applicant provide to the Municipality any additional information the Treasurer considers necessary for the renewal application, including any of the information required for an initial application; and

(b) the applicant publicly acknowledge that it has received tax relief from the Municipality, and may specify the manner of the communication.

(2) The Eligible Organization shall provide the requested additional information and the acknowledgement within the period of time specified in the request, or such greater period of time that may be granted by the Treasurer.

(3) An Eligible Organization that fails or refuses to provide the additional information and acknowledgment within the time specified in the request, shall be deemed to have withdrawn their application for renewal of Tax Relief.

Application Evaluation

18. (1) Applications for Tax Relief may be screened by the Treasurer for any outstanding lienable charges owed to the Municipality.

(2) If an outstanding amount is identified by the screening under subsection (1), an applicant may be declined or provided the opportunity to remedy through the execution of a signed payment plan.

(3) The following criteria shall be used by the Treasurer to evaluate applications for consideration by the Grants Committee for recommendation to the Council:

(a) confirmation of the applicant's registration and good standing;

(b) an applicant's Articles of Incorporation;

(c) the organization's financial statement for the prior Fiscal Year;

(d) the application of criteria for the program's Schedules and, if applicable, the Ratio of Use for the Property;

(e) the type and scope of the direct community benefit to the residents of the Municipality;

(f) occupancy of the Property by an Entity other than the applicant organization;

(g) confirmation of the Property's assessment in relation to its current use; and

(h) any additional information requested or otherwise considered relevant by the Treasurer, such as confirmation that the use is permitted under current zoning and verification of ownership, and occupancy of the Property.

PART 3

TAX RELIEF CLASSIFICATIONS

Requirement to Classify

19. (1) Each Eligible Organization shall be classified based on the Schedule criteria.
- (2) Each Eligible Organization shall meet all the criteria of Schedule E: Community Benefit Organization.
- (3) Each Eligible Organization that meets the criteria of Schedule E: Community Benefit Organization, shall only be classified as a Community Benefit Organization unless Council decides otherwise.
- (4) The classification of an Eligible Organization is at the sole discretion of Council, including where more than one classification could apply to the organization, the Property, or both the organization and the Property.
- (5) Each Property shall only be listed on one Schedule but the Property may be listed separately on an Appendix.

Tax Relief Classifications

20. (1) The following Tax Relief classifications are created:
 - (a) Schedule A: Charitable Organizations Providing Housing and Dedicated Services for Persons with Special Needs;
 - (b) Schedule B: Family Services, Child Care, and Dedicated Youth Services Organizations;
 - (c) Schedule C: Cultural, Recreational, Environmental, and Community Transit Organizations;
 - (d) Schedule D: Organizations Providing Affordable Housing Rental Accommodations;
 - (e) Schedule E: Community Benefit Organizations;
 - (f) Schedule F: Organizations Under the Federal Government Rapid Housing Initiatives Program; and
 - (g) Schedule G: Organizations with Vacant Property Under Development; and
- (2) Appendix 1: Tenant Organizations Recognized Under Property Owner's Tax Relief, is created and lists all the Eligible Organizations that are receiving Tax Relief under the Owner's classification.

PART 4

CLASSIFICATION CRITERIA

Schedule A: Charitable Organizations Providing Housing and Dedicated Services for Persons with Special Needs

21. (1) An Eligible Organization may be classified by Council as a Charitable Organization Providing Housing and Dedicated Services for Persons with Special Needs, if Council is satisfied that:
 - (a) the applicant is a Registered Canadian Charitable Organization;

- (b) the applicable eligibility requirements under Part 1 are satisfied;
- (c) the Articles of Incorporation support that the organization primarily provides housing services or programs, or a combination of them, for people who require special services or accommodations;
- (d) the direct benefit to residents of the Municipality is the provision of specialized housing services or programs, or a combination of housing services and programs, that are primarily provided to individuals and families who require specialized services or accommodations;
- (e) the housing services or programs, or the combination of them, are offered at no more than a nominal fee; and
- (f) the housing services or programs, or combination of them, primarily serve children, youth, individuals, or families with special needs, including the provision of:
 - (i) overnight or short stay shelter to address homelessness by providing residential accommodations for people who are:
 - (A) victims of violence,
 - (B) recovering from addictions,
 - (C) under a court-ordered guardianship, or
 - (D) released from incarceration;
 - (ii) transitional and supportive housing serving persons with a physical or cognitive disability, or mental illness;
 - (iii) food, clothing, and household items for lower income individuals and families;
 - (iv) respite care for the acute or chronically ill; or
 - (v) specialized support services, such as employment or advocacy for persons with a physical disability, a cognitive disability, or mental illness.

(2) If Council classifies an eligible Registered Canadian Charitable Organization as an Organizations Providing Housing and Dedicated Services for Persons with Special Needs, the organization shall provide the Municipality with an audited financial statement upon initial application to the Tax Relief Program in a form satisfactory to the Treasurer.

(3) Tax Relief shall not be processed until the Treasurer receives the audited financial statement.

Schedule B: Family Services, Child Care, and Dedicated Youth Services Organizations

22. (1) An Eligible Organization may be classified by Council as a Family Services, Child Care, and Dedicated Youth Services Organization, if Council is satisfied that:

- (a) the eligibility requirements under Part 1 are satisfied;
- (b) the direct community benefit to residents of the Municipality is a program or service, or a combination of them, that are primarily or exclusively provided to children, families, youth, or seniors; and

(c) the Articles of Incorporation support that the organization primarily provides the programs or services, or a combination of them, to children, families, youth, or seniors.

23. Examples of an Eligible Organization that may be classified by Council as a Family Services, Child Care, and Dedicated Youth Services Organization include an organization that:

(a) is a licensed non-profit day care, preschool, nursery school, or early education facility;

(b) is a child or youth welfare organization;

(c) is a family resource centre;

(d) is a parent or family support organization that provides educational resources and referrals services for parents, caregivers, and service-providers;

(e) exclusively serves youth at the ages for programs and services for Youth Services identified in the Youth Services Plan of the Municipality; or

(f) provides support services primarily serving seniors aged 65 or over.

Schedule C: Cultural, Recreational, Environmental, and Community Transit Organizations

24. (1) An Eligible Organization may be classified by Council as a Cultural, Recreational, Environmental, and Community Transit Organization, if Council is satisfied that:

(a) the eligibility requirements under Part 1 are satisfied;

(b) the direct community benefit to residents of the Municipality is a service that is primarily cultural, recreational, environmental, or community public transit, including:

(i) providing amenities, programs, and services to residents of the Municipality that enables their participation in age and culturally appropriate cultural and recreational activities, or

(ii) providing community-based environmental stewardship or public transit; and

(c) the Articles of Incorporation support that the organization primarily provides services that are cultural, recreational, environmental, or community-based public transit.

(2) A Cultural, Recreational, Environmental, and Community Transit Organization excludes a Registered Canadian Charitable Organization that primarily serves persons with a disability as such organization may be considered for classification under Charitable Organizations Providing Housing and Dedicated Services for Persons with Special Needs.

25. Examples of an Eligible Organization that may be classified by Council as a Cultural, Recreational, Environmental, and Community Transit Organization include:

(a) a visual, performing, literary, or media arts organization;

(b) a community museum or historical society;

(c) a sport organization;

(d) a recreation organization;

(e) a community centre;

- (f) an environmental organization;
- (g) an animal welfare or animal control organization;
- (h) a culture, recreation, sport, or environment umbrella organization; or
- (i) a community transit organization that has a funding agreement with the Municipality.

Schedule D: Organizations Providing Affordable Housing Rental Accommodations

26. (1) An Eligible Organization may be classified by Council as an Organizations Providing Affordable Housing Rental Accommodations, if Council is satisfied that

- (a) the eligibility requirements under Part 1 are satisfied;
- (b) the direct community benefit to residents of the Municipality is a service primarily in the form of housing;
- (c) the Articles of Incorporation support that the organization primarily provides a service in the form of housing;
- (d) the building containing the Dwelling Units is residential, including a single-family dwelling, row housing, or a duplex; and
- (e) the organization serves households in the low to moderate income range.

(2) Organizations Providing Affordable Housing Rental Accommodations exclude:

- (a) recreational facilities;
- (b) institutional facilities; or
- (c) educational residential facilities such as dormitories.

27. Examples of an Eligible Organization that may be classified by Council as a Charitable Organization Providing Affordable Housing Rental Accommodations include organizations that:

- (a) provide lease accommodations but do not meet the criteria of a Charitable Organization Providing Housing and Dedicated Services for Persons with Special Needs; or
- (b) develop housing, research housing, or advocate for housing.

Schedule E: Community Benefit Organizations

28. (1) An Eligible Organization may be classified by Council as a Community Benefit Organization if Council is satisfied that:

- (a) the eligibility requirements under Part 1 are satisfied;
- (b) the direct community benefit to residents of the Municipality is in the form of programs or services, or a combination of them; and
- (c) the Articles of Incorporation supports that the organization provides the programs or services, or a combination of them, to the residents of the Municipality.

(2) A Community Benefit Organization excludes:

- (a) organizations that provide aid primarily outside of Canada;

- (b) organizations whose sole purpose is fundraising or funding foundations; and
- (c) organizations directly or indirectly representing or promoting commerce, industry, a profession or trade, unions, or political parties.

29. Examples of an Eligible Organization that may be classified by Council as a Community Benefit Organization include:

- (a) a social or hobby organization;
- (b) an organization providing health or medical services;
- (c) an organization providing services that supplement education, such as providing literacy or employment placement services;
- (d) a Community Organization;
- (e) a religious organization; or
- (f) a fraternal or sorority organization.

Schedule F: Organizations with Vacant Property Under Development

30. (1) An Eligible Organization may be classified by Council as an Organization with Vacant Property Under Development, if Council is satisfied that:

- (a) the eligibility requirements under Part 1 are satisfied, except that the direct community benefit to the residents of the Municipality will be provided on the Property once an occupancy permit is issued by the Municipality;
- (b) there is a no existing building on the Property that is habitable or would be habitable when remediated;
- (c) the Property will be developed in such a manner to provide the direct community benefit;
- (d) Tax Relief shall not be provided for the Property on this Schedule for more than three (3) consecutive Fiscal Years;
- (e) the organization is otherwise eligible for Tax Relief under:
 - (i) Schedule A: Charitable Organizations Providing Housing and Dedicated Services for Persons with Special Needs,
 - (ii) Schedule B: Family Services, Child Care, and Dedicated Youth Services Organizations,
 - (iii) Schedule C: Cultural, Recreational, Environmental, and Community Transit Organizations,
 - (iv) Schedule D: Organizations Providing Affordable Housing Rental Accommodations,
 - (v) Schedule E: Community Benefit Organizations; or
 - (vi) Schedule G: Organizations Under the Federal Government Rapid Housing

Initiatives Program

(2) An Organization with Vacant Property Under Development excludes short-term or partial vacancies, such as vacancies due to tenant turnover or partial renovations to the Property.

(3) If the organization is otherwise eligible under Schedule A: Charitable Organization Providing Housing and Dedicated Services for Persons with Special Needs, then,

(a) the organization shall provide the Municipality with an audited financial statement in a form satisfactory to the Treasurer; and

(b) Tax Relief shall not be processed until the Treasurer receives the audited financial statement.

31. (1) Unless Council determines otherwise, if an occupancy permit has not been issued after three (3) consecutive Fiscal Years, the Property shall be ineligible for future Tax Relief, and Schedule F shall be automatically amended to remove the Property at the end of the third Fiscal Year.

(2) If the Property is automatically removed, the Eligible Organization may apply as an initial application for Tax Relief once an occupancy permit has been issued by the Municipality for the Property.

32. If an occupancy permit is issued by the Municipality before the end of the third Fiscal Year of Tax Relief, on April 1 of the fourth Fiscal Year,

(a) Schedule F shall be automatically amended to remove the Property from the Schedule; and

(b) the Property shall be automatically added to the applicable Schedule Council identified when Council added the Property to Schedule F, or if no such Schedule was identified, to Schedule E: Community Benefit Organization.

33. Nothing prevents Council from otherwise reclassifying the Property from Schedule E: Community Benefit Organization and moving it to the applicable Schedule.

Schedule G: Organizations Under the Federal Government Rapid Housing Initiatives Program

34. An Eligible Organization may be classified by Council as an Organization Under the Federal Government Rapid Housing Initiatives Program, if Council is satisfied that:

(a) the eligibility requirements under Part 1 are satisfied;

(b) the direct community benefit to residents of the Municipality is a service exclusively in the form of housing and ancillary services;

(c) the Articles of Incorporation support that the organization primarily provides the service of housing for people who require special services or accommodations;

(d) the organization has an agreement under the Rapid Housing Initiatives Program that has been signed by all the parties to it; and

(e) the organization confirms compliance with the annual reporting requirements under that agreement.

35. (1) At the expiration of the earlier of the Rapid Housing Initiative Program or the agreement under the Government Rapid Housing Initiatives Program,

(a) Schedule G shall be automatically amended to remove the Property at the end of the Fiscal Year in which the agreement or program expired; and

(b) Schedule E: Community Benefit Organization shall be automatically amended to add the property unless:

(i) the organization is otherwise eligible under Schedule A: Organizations Providing Housing and Dedicated Services for Persons with Special Needs, or

(ii) the organization is otherwise eligible under Schedule D: Organization Providing Affordable Housing Rental Accommodations.

(2) If subclause

(a) 35(1)(b)(i) applies, Schedule A: Charitable Organizations Providing Housing and Dedicated Services for Persons with Special Needs shall be automatically amended to add the property, providing subsections 21(2) and (3) respecting the audited financial statement are satisfied; or

(b) 35(1)(b)(ii) applies, Schedule D: Organizations Providing Affordable Housing Rental Accommodations shall be automatically amended to add the property, providing the organization provides the Municipality with the number of Dwelling Units on the Property.

(3) Nothing prevents Council from otherwise reclassifying the Property and moving it to the applicable Schedule.

Appendix 1: Eligible Organizations that Are Tenants Recognized Under Property Owner's Tax Relief

36. (1) An Eligible Organization may be listed by Council on Appendix 1 if the Eligible Organization owns the Property and that Property is Leased, in whole or in part, to another Eligible Organization.

(2) The Eligible Organization that Leases the Property shall:

(a) be classified as the same classification as the Eligible Organization that owns the Property; and

(b) receive the same level of Tax Relief as the Eligible Organization that owns the Property.

(3) If the Tax Relief for the Eligible Organization that owns the Property terminates, then the Tax Relief for the lessee shall automatically terminate.

(4) The Ratio of Use under section 52 shall apply.

PART 5

PROVISION OF TAX RELIEF

Tax Relief for Owned Property

37. Council may provide Tax Relief to an Eligible Organization that owns Property that is located within the Municipality.

Tax Relief for Property Leased by an Eligible Organization from the Government

38. (1) Council may provide Tax Relief to an Eligible Organization that Leases Property from the Government, providing:

(a) the Property that is the subject of the Lease is located within the Municipality;

(b) the Lease requires the Eligible Organization to pay the property taxes on that portion of the Property that it Leases; and

(c) subsection (2) or (3) is satisfied.

(2) For a Lease from Government other than an Organization Under the Federal Government Rapid Housing Initiatives Program, the Lease shall:

(a) be for a minimum of five (5) consecutive years; and

(b) have a minimum term of three (3) years remaining as of March 31st immediately preceding the Fiscal Year that is the subject of the initial application for Tax Relief.

(3) For a Lease from Government for an Organization Under the Federal Government Rapid Housing Initiatives Program, the Lease shall

(a) be for a minimum ten (10) consecutive years;

(b) have a minimum term of three (3) years remaining as of the March 31st immediately preceding the Fiscal Year of the initial application for Tax Relief; and

(c) stipulate that the organization owns the building on the leased Property or will own the building on the leased Property once construction is completed.

(4) For a Lease under this section for an Organization Under the Federal Government Rapid Housing Initiatives Program, Schedule G: Organizations Under the Federal Government Rapid Housing Initiatives Program shall apply.

(5) For all other Leases under this section, the applicable Schedule determined by Council shall apply.

Tax Relief for Property Leased by an Eligible Organization and Sub-leased to another Eligible Organization

39. (1) Council may provide Tax Relief for Property that is Leased by an Eligible Organization and sub-leased to another Eligible Organization, providing:

(a) the Property that is subject of the Tax Relief is located in the Municipality; and

(b) the Lease is for a minimum of five (5) consecutive years, with a minimum of three (3) years remaining as of the January 31st immediately preceding the Fiscal Year of the initial application for Tax Relief.

(2) The Ratio of Use under section 52 shall apply.

Tax Relief for Property Under Municipal License

40. Council may provide Tax Relief to an Eligible Organization that has a Municipal License for the Property, providing:

(a) the Property is Licensed from the Municipality;

(b) the Municipal License:

(i) is for a minimum of five (5) consecutive years, and

(ii) has a minimum term of three (3) years remaining as of March 31st immediately preceding the Fiscal Year of the initial application for Tax Relief; and

(c) the Municipal License requires the Eligible Organization to pay the property taxes on that portion of the Property that it licenses.

Tax Relief Based on Primary Use

41. (1) The amount of Tax Relief shall be based on the actual primary use of the Property rather than the mandate of the Eligible Organization.

(2) In the event of a substantive change in the actual use or occupancy of the Property, the Eligible Organization, and the Property, may be reassigned to another Schedule or may be terminated based on the new primary use of the Property.

Tax Relief Applies to Eligible Portions of the Real Property

42. (1) Unless section 43 applies, Tax Relief is only available for that portion of the Property that the Treasurer has determined is occupied by the Eligible Organization receiving the Tax Relief.

(2) Tax Relief is only available for that portion of the Property that is used by the recipient Eligible Organization for the provision of the direct community benefit to the residents of the Municipality.

Tax Relief for Vacant Property Not Under Development

43. (1) Council may provide Tax Relief for a Property that is vacant but is not under development, providing:

- (a) the entire Property is vacant and unoccupied;
- (b) one or more of the following apply:
 - (i) there is a building on the Property that is habitable or would be habitable when remediated,
 - (ii) the property has a demonstrated cultural or historical significance,
 - (iii) there is an improvement on the Property other than a building such as a community garden, sport field, park, or playground; or
 - (iv) the Property is a water lot;
- (c) the Property is owned, Leased from the Government, or licensed under a Municipal License by an Eligible Organization; and
- (d) the Property is not classified on Schedule F: Organizations with Vacant Property Under Development.

(2) If subsection (1) is satisfied, the Eligible Organization shall be assigned to the correct Schedule as defined in section 20.

PART 6

EXCLUSIONS FROM TAX RELIEF

Amounts Excluded from Considerations for Tax Relief

44. For the purposes of determining eligibility and classification for Tax Relief, Council shall not consider the amounts owed for the following:

- (a) the deed transfer tax;
- (b) the harmonized sales tax;
- (c) a cash grant from, or a contribution agreement with, the Municipality;
- (d) a service agreement with the Municipality;
- (e) for debts of the organization, including insolvency, tax sale proceedings, or foreclosures;
- (f) ownership or occupancy of a registered heritage property or premises located within a municipal heritage district; or
- (g) a capital contribution towards the construction, remediation, or upgrade of an asset of the Municipality.

Exclusions Ineligible from Tax Relief

45. An exclusion under this Part shall be ineligible for Tax Relief and the amount of that exclusion shall be paid over and above the Maximum Tax Payable Amount.

Amounts Excluded from Tax Relief

46. (1) The following amounts for property taxes are excluded from Tax Relief:

- (a) an Area Rate levied for a business improvement district;
 - (b) an Area Rate for private road maintenance;
 - (c) the fire protection rate;
 - (d) community area rates;
 - (e) charges imposed or fixed under a by-law, including the *Regional Subdivision By-law*;
- and
- (f) fees, fines, or interest owed to the Municipality for arrears on taxes.

(2) For further clarification, Area Rates, other than Area Rates listed under subsection (1), are eligible for Tax Relief.

Certain Dwellings Units Excluded from Tax Relief

47. Tax Relief provided by the Council under this Administrative Order shall exclude:

- (a) the portion of the Property that is a Dwelling Unit occupied by one or more employees of the Eligible Organization as a condition of their employment; or
- (b) for an Eligible Organization that is classified as a Community Benefit Organization, all Dwelling Units.

PART 7

PRO-RATED REDUCTIONS OF TAX RELIEF

Effect of Pro-Rated Reductions

48. (1) A pro-rated reduction under this Part reduces the amount of Tax Relief provided by the Municipality which increases the property taxes owed.

(2) An increase in the property taxes owed resulting from a pro-rated reduction shall be paid over and above the Maximum Tax Payable Amount.

Pro-Rated Reduction for Late Renewal Applications

49. (1) If the terms and conditions set out in Part 2 for applications to renew Tax Relief have not been satisfied on or before the later of January 31st preceding the start of the Fiscal Year for which Tax Relief is sought, or the Day extended by the Treasurer under section 9, Tax Relief for the Property shall be reduced in the following Fiscal Year in accordance with this Section.

(2) Tax Relief shall be reduced by fifty percent (50%) per Property, up to a maximum reduction of \$5,000 per Property.

(3) If the Eligible Organization has not satisfied the terms and conditions set out in Part 2 for applications to renew Tax Relief for three (3) consecutive Fiscal Years, Tax Relief shall terminate and the applicable Schedule or Appendix shall be automatically amended to remove them.

(4) If subsection (3) applies, the organization may apply for Tax Relief by submitting an initial application to the Municipality by the deadline required under Part 2.

Reduction for Proportional Occupancy

50. (1) Tax Relief provided under this Administrative Order shall be reduced based on the proportional occupancy of the Property owned by an Eligible Organization as of January 31st preceding the start of the Fiscal Year for which Tax Relief is sought.

(2) The portion of the Property that is occupied by an Entity that is ineligible for tax relief under Part 1 of this Administrative Order, General Eligibility Requirements shall be excluded from Tax Relief, and the amount of Tax Relief to the Eligible Organization shall be reduced to the amount calculated by multiplying the percentage occupied by the Eligible Organization by the amount of Tax Relief, and is represented by the formula:

$$(\text{Percentage occupied} \div 100) \times \text{Amount of Tax Relief} = \text{Amount of Reduced Tax Relief}$$

(3) The Eligible Organization is deemed to occupy that portion of the Property that is occupied by another Entity as an on-site office, providing:

(a) the Entity has a written agreement with the Eligible Organization to manage the daily operations of the Property; and

(b) the building on the Property the Entity manages contains at least nine (9) Dwelling Units.

Lessee Receives Same Tax Relief as the Owner

51. An Eligible Organization that is a lessee or sub-lessee of property owned by another Eligible Organization shall receive the same level of Tax Relief as the Eligible Organization that owns the Property.

Reduction and Proportional Occupancy for Ratio of Use

52. (1) This section shall apply where there are one or more leases on the Property that is the subject of Tax Relief and the lessees and sub-lessees occupy a total of more than fifty percent of that Property.

(2) The level of Tax Relief received by the Eligible Organization shall be determined based on the ratio of use on the property, being that portion of the property that is used to deliver the program, service, or program and service, that forms the applicable direct community benefit and is represented by the proportional distribution of Eligible Organizations occupying the Property.

Pro-rated Reduction for Surrendering Occupancy

53. (1) If the Lease or Municipal License for the Property terminates or expires prior to the end of the current Fiscal Year, the amount of Tax Relief payable to the recipient shall be reduced and pro-rated to the amount calculated by:

(a) dividing the dollar amount of the Tax Relief by 365; and

(b) multiplying that result by the number of days the Eligible Organization Leased or had a Municipal License for the Property, and

is represented by the formula: $(\text{Amount of Tax Relief} \div 365) \times \text{days Leased or Licensed}$.

(2) Where the Property is owned by an Eligible Organization and it is Leased to another Eligible Organization, and the owner is no longer eligible for Tax Relief, then the Tax Relief of the lessee shall terminate.

Pro-rated Reduction for Property Sale or Conveyance

54. The portion of the Property that is sold or conveyed to another Entity shall be excluded from Tax Relief, and the amount of Tax Relief shall be pro-rated and reduced to the amount calculated by:

(a) dividing the dollar amount of the Tax Relief by 365; and

(b) then multiplying that result by the number of days the Eligible Organization owned the Property, and

is represented by the formula: $(\text{Amount of Tax Relief} \div 365) \times \text{days owned}$.

PART 8

AMOUNTS OWED FOR ELIGIBLE TAXES

Amount of Tax Relief for Owned Property

55. (1) This section applies to Tax Relief other than Tax Relief in the form of a grant or contribution under section 56.

(2) The amount of the taxes to be paid shall be the greater of:

(a) the Taxable Amount; or

(b) the Minimum Tax Payable Amount.

Amount of Tax Relief for Municipal License and Certain Leased Properties

56. (1) This section applies to Tax Relief in the form of a grant or contribution for:

(a) a Municipal License;

(b) a Lease for an Organization Under the Federal Government Rapid Housing Initiatives Program; or

(c) a Lease for Property that is owned by an Eligible Organization and Leased to another Eligible Organization.

(2) The grant or contribution shall be in an amount that would reduce the taxes to the amount that would be paid if the Eligible Organization owned the Property under section 55.

Maximum Per Dwelling Unit Amount

- 57. (1) The Maximum Per Dwelling Unit Amount shall be determined by the Treasurer.
- (2) For an Affordable Housing Rental Accommodations Organization, the Maximum Per Dwelling Unit Amount shall exclude property taxes owed for a separately assessed parking space.
- (3) A separately assessed ancillary property, including a parking lot, shall be subject to the Maximum Tax Payable Amount.

Discrepancy Between Number of Dwelling Units on Application and Assessment Roll

58. Where the Treasurer determines there is discrepancy between the number of Dwelling Units on the Assessment Roll and the number of Dwelling Units listed on the initial or renewal application, the number of Dwelling Units on the Assessment Roll shall be used for the purposes of Tax Relief.

PART 9

GENERAL

Conditions of All Tax Relief

- 59. Tax Relief under this Administrative Order may only be provided if the provisions of this Administrative Order are satisfied.
- 60. Recipients of Tax Relief shall annually acknowledge receipt of public funded operating assistance in accordance with the published program guidelines.
- 61. The provision of Tax Relief to an Eligible Organization is at the sole discretion of the Council.
- 62. Tax Relief for a subsequent Fiscal Year is at the sole discretion of the Council.
- 63. Tax Relief provided by the Council under this Administrative Order is valid only for the Fiscal Year in which it was applied for and shall not be awarded retroactively to a prior Fiscal Year.
- 64. All applications for Tax Relief are subject to the annual budget.
- 65. Not all applications for Tax Relief will be funded.
- 66. (1) Unless section 75 applies, Tax Relief is not transferable, including not being transferable to another Entity or other Property.
 - (2) For further clarity, if a subdivision occurs
 - (a) that divides the Property, Tax Relief shall not apply to the new parcel with the new assessment account number (AAN); or
 - (b) that consolidates land with the Property, Tax Relief applies to the consolidated property and the ratio of use shall be used to determine the level of Tax Relief.
 - (3) An initial application may be made for the subdivided portions not receiving Tax Relief.
- 67. Tax Relief may be terminated by Council for any reason, including if the recipient breaches an enactment of Government such as a by-law of the Municipality.

Interest Owed on Tax Arrears

- 68. (1) Taxes are payable by the stated due date.

(2) Interest shall be paid on outstanding amounts at the rate set out in *Administrative Order 14 Respecting the Application of Interest Charges on Outstanding Accounts*.

(3) Eligible Organizations in tax arrears may make application to the Municipality to execute a tax arrears payment arrangement for both principal and interest to bring the property into current status within two (2) years.

Tax Sale Proceedings

69. (1) In accordance with *Administrative Order 18, Respecting Revenue Collections Policy*, and the *Charter*, all properties with tax arrears for the preceding three (3) Fiscal Years shall be put up for tax sale.

(2) Tax sale proceedings for a property may be deferred if a tax arrears payment arrangement has been entered into and the taxpayer is complying with that agreement.

Refund and By-law F-300 Fees

70. (1) Subject to subsections (1) and (2), on the written request to the Treasurer, an overpayment of taxes resulting from Tax Relief may be refunded.

(2) A refund of taxes shall be reduced by all applicable fees under By-law F-300, *A By-law Relating to Fees for the Provision of Taxation Information*.

(3) A refund of \$150 or less shall be applied as a credit to the tax account for the Property.

Set Off for Grant

71. The Treasurer may set off, in whole or in part, the amount of Tax Relief in the form of a grant or contribution against any sums the Eligible Organization owes to the Municipality.

Recourse for Overpayment of Tax Relief

72. The Treasurer may, at their sole opinion, determine if an overpayment of Tax Relief has occurred, and if it has, the Treasurer may:

- (a) reduce, in whole or in part, the amount of Tax Relief by the amount of the overpayment;
- (b) sue to recover the overpayment; or
- (c) both.

Referral by Council

73. The question of Tax Relief for Property under this Administrative Order may be referred by the Council to a Standing Committee or to the Committee of the Whole for a recommendation to Council on whether to provide Tax Relief.

Report to Council

74. The Chief Administrative Officer shall, at least once per Fiscal Year, prepare a report and recommendation for Council's consideration which recommends Eligible Organizations to be:

- (a) added or removed from the Schedules or the Appendix to this Administrative Order; or
- (b) moved from the Appendix or a Schedule of this Administrative Order to a different Schedule or Appendix of this Administrative Order.

Changes to Assessment Roll

75. If:

(a) the name of an Eligible Organization listed in a Schedule or an Appendix has been revised on the Assessment Roll,

(b) the address of an Eligible Organization listed in a Schedule or an Appendix has been revised on the Assessment Roll, or

(c) the assessment account number for an Eligible Organization listed in a Schedule or an Appendix has been revised on the Assessment Roll,

then the name, address, or assessment account number of such organization on each Schedule or Appendix is automatically amended to the revised name, address, or assessment account number as it appears on the Assessment Roll, providing the Property that is the subject of the Tax Relief on the Schedule is the same property.

Review and Amendments

76. The Treasurer may, from time to time, review this Administrative Order and recommend amendments for Council's consideration.

Schedules and Appendix

77. (1) The following Schedules A, B, C, D, E, F, G, and Appendix 1 form part of this Administrative Order:

- (a) Schedule A: Charitable Organizations Providing Housing and Dedicated Services for Persons with Special Needs;
- (b) Schedule B: Family Services, Child Care, and Dedicated Youth Services Organizations;
- (c) Schedule C: Cultural, Recreational, Environmental, and Community Transit Organizations;
- (d) Schedule D: Organizations Providing Affordable Housing Rental Accommodations;
- (e) Schedule E: Community Benefit Organizations;
- (f) Schedule F: Organizations with Vacant Property Under Development;
- (g) Schedule G: Organizations Under the Federal Government Rapid Housing Initiatives Program;
- (h) Appendix 1: Eligible Tenant Organizations Recognized Under Property Owner's Tax Relief.

PART 10

TRANSITION AND REPEAL

Transition

78. (1) On or before March 31, 2024, Tax Relief shall be provided in accordance with the Administrative Order 2014-001-ADM, the *Tax Relief for Non-Profit Organizations Administrative Order*.

(2) On and after April 1, 2024, Tax Relief shall be provided under this Administrative Order.

Reference to Former Tax Relief Administrative Order

79. A reference in an enactment to 2014-001-ADM, the *Tax Relief for Non-Profit Organizations Administrative Order*, is to be read as including a reference to the provisions of this Administrative Order relating to the same subject-matter.

Repeal

80. Administrative Order 2014-001-ADM, the *Tax Relief for Non-Profit Organizations Administrative Order*, is repealed.

Effective Date

81. This Administrative Order comes into force on April 1, 2024.

Done and passed in Council this day of , 2024 .

Mayor

Municipal Clerk

Notice of Motion:	2024
Adoption:	2024
Effective Date:	April 1, 2024
