

ADMINISTRATIVE ORDER 2014-001-ADM
TAX RELIEF TO NON-PROFIT ORGANIZATIONS ADMINISTRATIVE ORDER

BE IT ENACTED by the Council of the Halifax Regional Municipality, under the authority of the *Halifax Regional Municipality Charter*, 2008 S.N.S. c. 39, as amended, as follows:

Short Title

1. This Administrative Order may be cited as Administrative Order 2014-001-ADM, the *Tax Relief For Non-Profit Organizations Administrative Order*.

Interpretation

2. In this Administrative Order,

- (a) "Council" means the Council of the Municipality;
- (b) "dwelling unit" means a dwelling unit as defined by clause 3(z) of the *Halifax Regional Municipality Charter*, S.N.S., 2008, c. 39, as amended;
- (c) "fiscal year" means the period of time from April 1st of a given calendar year up to and including March 31st of the next calendar year;
- (d) "Government" means the Government of Canada, Government of the Province of Nova Scotia, a corporation that is an agent of Her Majesty in Right of Canada or the Province, a First Nation, the Municipality and a service commission;
- (e) "lease" means a written contractual agreement signed by both:
 - (i) the owner of the real property and the occupant of the real property whereby the lessee has care and control over the real property by mutual agreement in accordance with the terms and conditions of the agreement; or
 - (ii) the lessee of the real property and the occupant of the real property whereby the sublessee has care and control over the real property by mutual agreement in accordance with the terms and conditions of the agreement;
- (ea) "license" means a written contractual agreement signed by the Municipality and another organization whereby the organization has the permission of the Municipality to use or occupy real property in which the Municipality has an estate, right, title or interest in,
- (f) "Municipality" means the Halifax Regional Municipality;
- (g) "non-profit organization" includes:
 - (i) a society incorporated pursuant to the *Societies Act*, R.S.N.S. 1989 c.435, as amended,
 - (ii) a non-profit association incorporated pursuant to 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 pursuant to the *Canada Not-for-profit Corporations Act*, S.C. 2009, c. 23, and
 - (v) a non-profit organization otherwise incorporated pursuant to an Act of the Nova Scotia

Legislature;

(h) "service commission" means a service commission as defined by clause 3(bj) of the *Halifax Regional Municipality Charter*; and

(i) "tax relief" means a grant or contribution provided by the Municipality pursuant to sections 14 and 16 of this Administrative Order.

Application for Tax Relief

3. For an initial application for tax relief, an applicant must provide to the Municipality:

- (a) a copy of its Articles of Incorporation;
- (b) proof satisfactory to the Municipality respecting:
 - (i) the ownership of the property for which tax relief is sought such as a deed, or
 - (ii) the occupancy of the property for which tax relief is sought such as a signed lease agreement or license agreement;
- (c) a complete financial statement for the prior fiscal year of the applicant including:
 - (i) all revenues and expenses, assets and liabilities of the applicant, and
 - (ii) list of the Board of Directors of the applicant; and
- (d) a description of the program or service provided by the applicant.

4. For a subsequent application for tax relief, the applicant must provide to the Municipality:

- (a) the information required pursuant to clauses 3c and 3d of this Administrative Order; and
- (b) any change of ownership or occupancy relating to the real property for which tax relief has previously been provided.

Eligibility of Non-Profit Organization for Tax Relief

4A. To be eligible for consideration by the Council for tax relief pursuant to this Administrative Order, a non-profit organization:

- (a) shall be one of the following:
 - (i) a charitable organization,
 - (ii) a community organization,
 - (iii) a cultural organization,
 - (iv) an educational organization,
 - (v) a fraternal organization,
 - (vi) a recreational organization,
 - (vii) a religious organization, or
 - (viii) a sporting organization;
- (b) shall be:
 - (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; and
- (c) shall own, license or lease real property as set out in sections 5 or 5A of this Administrative Order.

Eligibility of Registered Canadian Charitable Organization for Tax Relief

4B. To be eligible for consideration by the Council for tax relief pursuant to this Administrative Order, a registered Canadian charitable organization:

(a) shall be a charitable organization registered pursuant to the *Income Tax Act* (Canada) and the regulations made pursuant to that Act; and

(b) shall own, license or lease real property as set out in sections 5 or 5A of this Administrative Order.

Provision of Tax Relief for Owned Property

5. Council may provide tax relief to an eligible non-profit organization or an eligible registered Canadian charitable organization that owns real property that is located within the Municipality.

Provision of Tax Relief for Licensed or Leased Property

5A. (1) An application for tax relief must be made to the Municipality by the March 31st immediately preceding the start of the fiscal year for which tax relief is sought.

(2) Any application for tax relief that does not satisfy subsection 1 is a late application.

(3) An application for the renewal of tax relief that is a late application will result in a reduction of the amount of such relief in accordance with sections 7C and 7D.

(4) Council may provide tax relief to an eligible non-profit organization or an eligible registered Canadian charitable organization that leases or has a license for real property that is located within the Municipality if

(a) (i) the real property is leased or licensed, for a minimum of five (5) consecutive years with a minimum of three (3) years remaining as of the March 31st immediately preceding the fiscal year for which tax relief is initially applied for, and the real property is licensed from the Municipality or leased from

- (A) the Government,
- (B) another non-profit organization or registered Canadian charitable organization,
- (C) another person, or
- (D) another entity; or

(ii) the real property was licensed from the Municipality, and the license has expired as of the March 31st immediately preceding the fiscal year for which the application to renew tax relief is applied for, and the conditions set out in subsection 5 are satisfied; or

(iii) the real property was leased, and the lease has expired as of the March 31st immediately preceding the fiscal year for which the application to renew tax relief is applied for, and the real property was leased from

- (A) the Government,
- (B) another non-profit organization or registered Canadian charitable organization,
- (C) another person, or
- (D) another entity,

and the conditions set out in subsection 5 are satisfied;

(b) the lease or license requires an eligible tenant non-profit organization or an eligible tenant registered Canadian charitable organization to pay the real property taxes on that portion of the real property that has been leased or licensed to the eligible organization; and

(c) the real property is owned by a non-profit organization or registered Canadian charitable organization and it is leased to another non-profit organization or registered Canadian charitable organization, the applicant is the owner of the property and such owner provides to the Municipality:

(i) the lessee's registration number listed in either the Registry of Joint Stock Companies or the charities listings of the Canada Revenue Agency;

(ii) a copy of the signed lease; and

(iii) the total area the lessee occupies under the lease.

(5) If the lease or license respecting the real property that is the subject of an application for the renewal of tax relief has expired,

(a) the lease or license must have been expired for no more than three (3) years as of the March 31st immediately preceding the start of the fiscal year for which tax relief is sought; and

(b) the applicant must provide to the Municipality written confirmation from the licensor or lessor that

(i) the lease or license contains a provision allowing the lessee or licensee to remain in possession after the lease or the license expired, or

(ii) the lessor or licensor consents to the lessee or licensee remaining in possession of the real property.

5B If clause 5A(4)(c) applies, the amount of tax relief provided to the eligible lessee shall be the lesser of the amount of tax relief provided to the owner of the property or the total amount of the tax relief provided to the owner of the property divided by the area of the property occupied by the eligible lessee.

Pro Rata Tax Relief

6. (1) If tax relief has been provided pursuant to this Administrative Order, the amount of tax relief shall be pro-rated based on the proportional occupancy of the subject real property by an eligible non-profit organization or an eligible registered Canadian charitable organization and the duration of such occupancy during the current taxation year as follows:

(a) that portion of the real property leased, sub-leased or occupied by Government, another person or another entity must be excluded from eligibility for tax relief and the amount of tax relief must be pro-rated based on the proportional share of non-profit organization or registered Canadian charitable organization occupancy, expressed as a percentage for the entire real property;

(b) if any portion of the real property owned by an eligible non-profit organization or an eligible registered Canadian charitable organization for which tax relief has been provided is conveyed to a Government, another non-profit organization or another registered Canadian charitable organization, another person or another entity, the amount of tax relief shall be calculated by,

(i) dividing the number of days in the calendar year by the dollar amount of the tax relief; and

(ii) multiplying the result of sub-clause (b) (i) of this clause by the number of days the eligible non-profit or eligible registered Canadian charity organization owned the real property;

(c) if the lease or license is terminated for any reason or expires prior to the end of the current taxation year, the amount of tax relief shall be calculated by:

(i) dividing the number of days in the calendar year by the dollar amount of the tax relief; and

(ii) multiplying the result of sub-clause (c) (i) of this clause by the number of days the eligible non-profit or eligible registered Canadian charity organization leased or licensed the real property.

(2) For greater certainty, a vacant portion of the real property that:

(a) is the subject of tax relief that has been provided,

(b) is owned by an eligible non-profit organization or an eligible registered Canadian charitable organization,

(c) is vacant, and

(d) is not otherwise ineligible for tax relief or subject to a pro-rate reduction,

is eligible for tax relief.

7. Where tax relief is provided pursuant to this Administrative Order and the property owner or lessee or licensee terminates the lease or license for any reason or the lease or license expires prior to the end of the fiscal year the amount of tax relief must be calculated by:

(a) dividing the number of days in the calendar year by the dollar amount of the tax relief; and

(b) multiplying the result of clause (a) of this section by the number of days the eligible non-profit or eligible registered Canadian charity organization is in possession of the property.

7A Where

(a) the real property is owned by a non-profit organization or registered Canadian charitable organization and it is leased to another non-profit organization or registered Canadian charitable organization; and

(b) tax relief is provided pursuant to this Administrative Order to the eligible lessee; and

(c) the owner of real property is no longer eligible for tax relief or the tax relief is pro-rate;

then the tax relief of the eligible lessee shall terminate.

7B Repealed.

First Late Renewal Application

7C. (1) If an application for the renewal of tax relief is a late application and the application for the previous fiscal year was on time, the amount of tax relief for each property that was filed late shall be reduced in accordance with subsection 2 of this section.

(2) If subsection 1 applies, the amount of tax relief for each property that was filed late shall be reduced as follows:

(a) if the application is received on or before June 30th, there shall be no reduction; or

(b) if the application is received after June 30th and on or before September 28th, there shall be a reduction of 1/365 for every calendar day such application is late after June 30th, to a maximum of two thousand five hundred dollars (\$2,500) per property; or

(c) if the application is received after September 28th, there shall be a reduction of 1/365 for every calendar day such application is late after June 30th to a maximum of five thousand dollars (\$5,000) per property.

(3) If June 30th or September 28th falls on a Saturday or Sunday, the deadline shall be extended until the next business day.

Subsequent Late Renewal Applications

7D. (1) If an application for the renewal of tax relief is the second consecutive late application, the amount of tax relief for each property that was filed late shall be reduced in accordance with the following:

(a) if the application is received on or before the September 28th, tax relief shall be reduced by 1/365 for every calendar day such application is late; or

(b) if the application is received after September 28th, then

(i) tax relief shall be revoked for the fiscal year for each property for which the application is late, and

(ii) the applicant shall be ineligible for tax relief for the fiscal year for each property for which the application is late, and

(iii) if the applicant is listed on any Schedule, the applicant is struck off such Schedule in respect of each late property.

(2) Where September 28th falls on a Saturday or Sunday, the deadline shall be extended until the next business day.

(3) If a non-profit organization or a registered Canadian charity organization is struck off a Schedule pursuant to subclause 7D(1)(b)(iii), such organization may apply for tax relief for the next fiscal year providing the application complies with this Administrative Order and if such application is late, section 7C shall apply.

Provision of Tax Relief

8. The provision of tax relief to an eligible non-profit organization or an eligible registered Canadian charity organization is at the sole discretion of the Council.

9. Tax relief for a subsequent taxation year is at the sole discretion of the Council.

10. Any tax relief provided by the Council pursuant to this Administrative Order must exclude that portion of the owned or leased or licensed real property that is used as a dwelling unit for an employee of the eligible non-profit organization or the eligible registered Canadian charitable organization.

11. Tax relief provided by the Council pursuant to this Administrative Order is valid only for the fiscal year in which it was applied for and cannot be awarded retroactively to a prior fiscal year.

12. Tax relief is not transferable including not being transferable to another person, organization, entity or other real property.

Tax Relief - Conversion to Residential Rate

14. The amount of tax relief provided by the Council to an eligible non-profit organization or an eligible registered Canadian charitable organization named in a Schedule attached to this Administrative Order is equal to a conversion of its current tax rate to the residential tax rate.

15. In determining the amount of the residential tax rate pursuant to this Administrative Order:

- (a) the following amounts of real property tax are eligible for tax relief:
 - (i) area rates or uniform charge except for a business improvement district area rate;
 - (ii) mandatory provincial contributions; and
 - (iii) the fire protection rate.

(b) the following amounts of real property tax are not eligible and are excluded from tax relief:

- (i) an area rate levied for a business improvement district,
- (ii) charges imposed or fixed pursuant to a by-law including a subdivision by-law,
- (iii) fees, fines or interest owed to the Municipality for arrears on taxes, and
- (iv) any other amount that is not specified pursuant to clause (a) of this section.

Tax Relief - Reduction of Residential Rate

16. For an eligible non-profit organization or an eligible registered Canadian charitable organization named in Schedules 26, 27, 28, or 30 there is a further reduction of the residential tax rate of those named in:

- (a) Schedule 26 - one hundred percent (100%);
- (b) Schedule 27 - seventy-five percent (75%);
- (c) Schedule 28 - fifty percent (50%);
- (d) Schedule 30 - twenty-five percent (25%); and
- (e) Schedule 29 - zero percent (0%)

Referral by Council

17. The question of the tax relief for a property pursuant to this Administrative Order may be referred by the Council to a Standing Committee or to the Council in Committee for a recommendation to the Council on whether to provide tax relief.

Schedules

18. Schedules 26, 27, 28, 29 and 30 attached hereto form part of this Administrative Order.

Done and passed in Council this 18th day of March, 2014.

Mayor

Municipal Clerk

Notice of Motion:	February 11, 2014
Approval:	March 18, 2014
Correction to Schedules – May 27, 2014	
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Amendment # 1 – Repeal and Replace Schedules	
Notice of Motion:	December 9, 2014
Approval:	January 13, 2015
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Amendment # 2 – Repeal and Replace Schedule 27, 28 & 29	
Notice of Motion:	March 10, 2015
Approval:	March 24, 2015
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Amendment # 3 – Repeal and Replace Schedule 26, 27, 28, 29 and 30	
Notice of Motion:	February 16, 2016
Approval:	February 23, 2016
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Amendment # 4 – Repeal and Replace Schedule 26, 27, 28, 29 & 30	
Notice of Motion:	January 10, 2017
Approval:	January 24, 2017
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Amendment # 5 – Addition to Schedule 29	
Notice of Motion:	March 21, 2017
Approval:	March 28, 2017
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Amendment # 6	
Notice of Motion:	June 13, 2017
Approval:	June 20, 2017