

Effective Date

April 26, 2023

Approving Authority

City Council

Policy Owner

Manager,
Assessment &
Property Systems

2018-1-CPD

Community Non-Profit Tax Exemption Policy

Purpose & Scope

Purpose

- 1 The purpose of this Policy is to:
 - set the parameters under which the City of Regina will consider applications for property tax exemptions from organizations with financial need,
 - provide fair, consistent treatment and consideration for all applicants providing non-profit and charitable services for the benefit of Regina residents,
 - support the services and organizations in financial need that further Council's priorities as outlined in The Community Safety & Well-being (CSWB) Plan, *Design Regina: The Official Community Plan Bylaw No. 2013-48 (OCP)*, and other plans that support initiatives that have a clear community impact and respond to community needs, and
 - define clear guidelines for granting exemptions to organizations for which the burden resulting from the tax exemption is a justifiable expense to the taxpayers of Regina.

Scope

- 2 This Policy is intended for non-profit organizations applying for property tax exemptions, as well as to Administration and City Council to define the fair and equitable process for review, evaluation and approval of those applications.

Policy Provisions

Definitions

- 3 The following definitions apply to this Policy:

- 3.1 Abatement means a cancellation, reduction, refund or deferral of property taxes authorized by section 244 of *The Cities Act*.
- 3.2 Accessibility refers to ensuring everyone, including people with disabilities, has fair and equitable access to activities, services, products and environments within Regina. Improving accessibility involves removing barriers to inclusion that can include physical, social, financial, communication or other factors that can prevent someone or a group of people from being able to access an activity, service, product or environment.
- 3.3 Applicant means the organization applying for a tax exemption.
- 3.4 Assessed value means the property assessment determined in accordance with *The Cities Act* and adopted by the Saskatchewan Assessment Management Agency.
- 3.5 Building permit means a permit issued under the City of Regina *Building Bylaw No. 2003-7*.
- 3.6 CIGP means the City of Regina's Community Investment Grants Program, which is designed to fund and partner with community non-profit organizations to deliver programs, projects and services that align with the City's priorities, have a clear community impact and respond to community needs.
- 3.7 City means the City of Regina.
- 3.8 Community garden means a single piece of land gardened collectively by a group of people for fruits, vegetables, or flowers.
- 3.9 CSWB means the Community Safety & Well-being Plan, which outlines a strategy to improve safety and well-being for Regina residents by addressing a number of pressure points and social issues that present barriers to safety and well-being in Regina.
- 3.10 Economic Hub is a geographically compact locale with a colocation of similar or complementary activities and destinations.
- 3.11 Executive Director means the Executive Director of the Financial Strategy & Sustainability Division, or their designate.
- 3.12 Exemption means an exemption or an abatement from property taxes provided under *The Cities Act*.
- 3.13 Food security refers to the goal that all residents have access to safe, culturally appropriate and nutritious food through an economically and environmentally sustainable food system that promotes self-reliance and social justice.
- 3.14 Inclusion refers to including and creating space for different people and groups to engage in authentic and empowering participation, with a true sense of belonging and full access to opportunities.

- 3.15 OCP means *Design Regina: The Official Community Plan Bylaw No. 2013-48* (OCP), a comprehensive policy framework to guide the physical, environmental, economic, social and cultural development of the City. The goals and policies in Design Regina aim to create a sustainable city where social, environmental and economic concerns are addressed.
- 3.16 Statutory exemption means an exemption from property taxes provided under section 262 of *The Cities Act*.
- 3.17 Stream means the categorization of an exemption as defined in sections 13 to 15 of this Policy to determine its prioritization in receiving an exemption, as well as the duration of the exemption.

General

- 4 To be eligible for a tax exemption, an organization must conform to the following principles and meet all the requirements of this Policy. Each principle is supported by specific criteria that provide a way of judging whether the principle has been met in practice. Relaxation of any requirement is at the discretion of the Executive Director.
- 5 Tax exemptions may be granted to the portion of a property or a percentage of the assessed value equivalent to the proportion of services provided by the Applicant that meets all the requirements of this Policy.
- 6 Council may provide relief from municipal property taxes, and/or other taxing authorities in accordance with and to the extent permitted by *The Cities Act* and applicable provincial legislation and regulations that govern education and library property taxes. Council, at its discretion, may cancel any or all exemptions within a given year.

Principles and Criteria

Principle #1 – Compliance with Municipal Policies, Plans, Bylaws, Codes and Legislation

- 7 The Applicant must support or comply with all applicable legislation, municipal policies, plans, bylaws, codes. The intent of this principle is to ensure that organizations receiving municipal support reflect the goals, policies and general operating principles of the City.

Criteria

- 7.1 The Applicant's property use must conform to the relevant zoning, building and land use bylaws. Applicable bylaws include but are not limited to:
- (a) The Zoning Bylaw
 - (b) The Building Bylaw
 - (c) The Clean Property Bylaw
 - (d) The Regina Fire Bylaw
 - (e) The Regina Community Standards Bylaw
- 7.2 Applicants must support one or more of the City's official plans listed below:

- (a) Design Regina: The Official Community Plan
 - (b) The Community Safety & Well-being Plan
 - (c) The Recreation Master Plan
 - (d) The Cultural Plan
- 7.3 Applicants must be in good standing with the City (i.e., no outstanding accounts such as unpaid taxes, utilities, tickets, permits, or follow-up reports required pursuant to a grant or other funding program).
- 7.4 Applicants must comply with any applicable provincial or federal legislation, including but not limited to:
- (a) Section 15 of the Canadian Charter of Rights and Freedoms which prohibits discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability except where the object of the Applicant's program is to improve the conditions of disadvantaged individuals or groups as authorized by section 15(2) of the Charter,
 - (b) *The Planning and Development Act, 2007*,
 - (c) *The Construction Codes Act, 2022*, and
 - (d) *The Fire Safety Act* and Regulations (which incorporates the National Fire Code).

Principle #2 – Non-Profit Organization

- 8 Applicants must be a non-profit or charitable organization. The intent of this principle is to ensure that municipal support is not used for commercial or private gain, and that organizations are publicly accountable entities with the authority to manage funds and receive grants from governments and funding agencies.

Criteria

- 8.1 Applicants must be:
- (a) a charitable or membership non-profit corporation incorporated or registered pursuant to *The Non-profit Corporations Act, 1995* or the *Canada Not-for-profit Corporations Act* and be in operation for at least one year prior to the date of application, or
 - (b) a non-profit co-operative incorporated or registered pursuant to *The Co-operatives Act, 1996* or the *Canada Co-operatives Act* and be in operation for at least one year prior to the date of application.
- 8.2 Tax exemptions are based on the main use of the property being considered for an exemption, not on the non-profit or charitable service of the Applicant as a whole.
- 8.3 Any portion of the property used by the private sector or an organization not meeting the terms of this Policy is not eligible for a tax exemption.

Principle #3 – Alignment with the City’s Plans and Programs

- 9 The intent of this principle is to ensure that tax exemptions are used to support organizations that further Council’s objectives of delivering services economically, and enhancing quality of life as set out in the CSWB Plan and OCP. This alignment will determine the appropriate exemption stream under which an application will be reviewed and prioritized.

Evaluation Criteria

- 10 Applicants will be evaluated by an Adjudication committee on the following criteria:
- 10.1 Applicants that meet one or more of the following criteria will receive priority for an exemption:
- (a) supports community gardens on public lands,
 - (b) would receive a statutory exemption as per sections 262 (j) or (p) of *The Cities Act* if the organization owned the building or land,
 - (c) is, at the time of application, under construction and once complete will qualify for a statutory exemption provided that:
 - (i) a building permit for the site has been issued, and
 - (ii) construction and occupancy of the property and/or facility will be complete within two years of the date of application.
- 10.2 Applicants for organizations whose mandate, mission or purpose supports one or more of the following criteria identified as priorities by the CSWB Plan will be considered for an exemption:
- (a) Domestic and Intimate Partner Violence - refers to violence committed by someone in the victim’s domestic circle, including partners and ex-partners, immediate family members, other relatives, and family friends,
 - (b) Food Insecurity - refers to an inability or uncertainty that one will be able to obtain or consume an adequate quality diet or a sufficient quantity of food in socially acceptable ways,
 - (c) Problematic Substance Use – refers to harm reduction facilities including safe consumption sites, overdose prevention sites, needle disposals, and greater access to Naloxone kits and other harm reduction supplies along with more accessible detox and treatment services,
 - (d) Racism and Discrimination - refers to a system of oppression that excludes and discriminates a person or group of persons based on race, and
 - (e) Safety - refers to the presence of limited or no risk which reduces or eliminates an individual’s or community’s experience of harm.

- (f) Service System - refers to networks of organizations and agencies that support individuals and groups in a variety of ways, including mental health, substance use, employment, food security, education, etc.

10.3 Applicants for organizations will be considered for an exemption if they operate as a sport, culture, recreation, arts or heritage organization in a single facility that is delivering a service that is not provided by another organization in the City and:

- (a) are able, often because they are purpose-built or retrofitted, to deliver a unique collection of programs that would not be possible in another space, or
- (b) are positioned strategically within the City to enhance the activation of key institutional, recreation and economic hubs, such as in Wascana Centre and in downtown Regina.

Principle #4 – Accessible to the Public

- 11 The Applicant's services, programs and activities should be accessible and inclusive to all residents of Regina. The intent of this principle is to ensure that the organization does not prohibit the public from participation.

Criteria

- 11.1 The Applicant must demonstrate that the services, programs and activities provided are available to the public, and that efforts are made to remove any economic, physical, cultural and transportation barriers to participation, including organizations that support marginalized demographics.
- 11.2 Where special equipment, knowledge or developed skills are required as a prerequisite to participation, the knowledge or skill development should be available to the public from the Applicant (i.e., equipment rentals, learn-to programs).
- 11.3 Members of the public, within the appropriate age range, may join the Applicant's organization or participate in its activities for a nominal rate or fee.

Principle #5 – Financial Need / Impact

- 12 The Applicant must demonstrate that the organization needs the City's support and that its operations or user fees would be significantly impacted without the tax exemption. The intent of this principle is to balance the cost to taxpayers with the financial benefit to the Applicant's organization while considering the impact on the services provided by the Applicant.

Criteria

- 12.1 Applicants must present a business case that demonstrates:
 - (a) how funding impacts the organization and/or will be used to deliver services,
 - (b) key KPIs, measurements or data used by the organization to track services delivered and/or outcomes achieved

- (c) performance metrics related to the organization’s specific services
- (d) how it will continue to deliver its core services if a tax exemption is not received, and
- (e) how a lack of a tax exemption would:
 - (i) impair services to the community, or
 - (ii) impose hardship on the users of the services of the program.

12.2 If an Applicant is leasing the property, documents that indicate that the Applicant will receive the benefit of the tax exemption are required. Documents should demonstrate that the lease payments will be reduced by the amount of the tax exemption, or that other considerations equivalent to the value of the tax exemption will be provided by the landlord.

Funding and Distribution

- 13 Tax exemptions are dependent on the annual budget cap set by Council. For 2024, the cap is \$1,329,215.27. The cap will increase annually by a percentage equal to the previous year’s municipal mill rate increase.
- 14 Applications that meet all the criteria identified in sections 7 to 12 will be assigned to the applicable stream to determine the level of exemption to be granted. Priority will be given to applicants within Streams One and Two, with the remaining funding prorated between applications in Stream Three. Details of each Stream are outlined in Table 1 Community Non-Profit Tax Exemption Streams. Table 1 - Community Non-Profit Tax Exemption Streams

Table 1 - Community Non-Profit Tax Exemption Streams

Stream	Allocated Funding	Criteria	Exemption Duration	Exemption Percentage
Stream One – Normally would receive a statutory exemption	Not limited, up to the maximum Cap amount	Applicants meeting one or more of the requirements outlined in criteria 10.1	Up to 5 years	100% of eligible portion of property
Stream Two – Long-Standing Recipients	Not limited, up to the maximum Cap amount	Applicants who are not in Stream One that support one or more priorities identified in criteria 10.2 or 10.3, and whose properties have a history of ten or more years of property tax exemptions	Up to 4 years, aligned with CIGP grant cycle if they are a Community Partner	100% of eligible portion of property

Three - Remaining Organizations	Remainder under the cap after Streams One and Two are assigned	Applicants who are not in Streams One or Two that support one or more priorities identified in criteria 10.2 or 10.3	One Year	If the allocated funding in this stream is exceeded, proration is applied amongst the organizations in this stream.
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- 15 Tax exemptions may be granted to the portion of a property or a percentage of the assessed value equivalent to the proportion of services provided by the Applicant, that meets all the requirements of this policy.

Conditions

- 16 Conditions of the tax exemption may include but are not limited to:
- (a) registration of a covenant restricting use of the property,
 - (b) a requirement that the Applicant will continue a specific service or program,
 - (c) a requirement that the Applicant have the property available for public use for specific times or a total amount of time,
 - (d) a requirement that the Applicant offer use of the property available to certain groups free of charge or at reduced rates, and
 - (e) a requirement that the Applicant will immediately disclose any substantial increase in the organization's revenue or anticipated revenue.

Failure to Comply with Conditions

- 17 Where an organization breaches any conditions of the tax exemption, Council may take one or more of the following actions:
- (a) revoke the tax exemption with notice,
 - (b) disqualify any future application for tax exemptions for a specific period, or
 - (c) require repayment of monies equal to the foregone tax revenue.

Cancellation of the Tax Exemption

- 18 A property receiving a tax exemption becomes taxable if:
- (a) the use of the property changes to a use that does not qualify for the tax exemption,
 - or

- (b) the occupant of the property changes and the new occupant does not qualify for the tax exemption.

Application and Adjudication Process

- 19 A complete application with supporting documentation must be submitted to the City using the prescribed application form by April 15 in the year preceding the year for which they are requesting the tax exemption.
- 20 Application submissions must include:
 - (a) a copy of the Certification of Incorporation,
 - (b) if registered in Saskatchewan, a Corporate Registry Profile Report from Information Services Corporation,
 - (c) a description of the programs, services and/or benefits delivered from the property including participant numbers, volunteer hours, benefiting groups, individuals, and/or special needs populations, and the fees charged for participation,
 - (d) a description of any third-party use of the property including user group names, fees charged, and conditions of use,
 - (e) for the last three years, copies of:
 - (i) audited financial statements, or
 - (ii) where audited financial statements are not available, financial statements that have been verified as correct by two signing officers from the organization,
 - (f) a copy of the certificate of title or lease agreement, as applicable, and
 - (g) evidence of funding requests from other sources, if applicable.
- 21 Administration will make recommendations to Council. The recommendation will include the appropriate stream, level of exemption and recommended term. If approved by City Council, the exemption will be authorized by Council's passage of an enabling bylaw. The Applicant may also be required to enter into a tax exemption agreement with the City.
- 22 All recipients of tax exemptions from the City are required to publicly acknowledge the exemption.

Transition Provisions

- 23 All applications for 2024 tax exemptions received on and after January 1, 2023 will be considered under this Policy, and
 - (a) the deadline for 2024 applications will be June 30th, 2023, and

- (b) the deadline for future years will be April 15th in the year preceding the year for which they are requesting the tax exemption.

Roles and Responsibilities

- 24 The Executive Director, or their delegate, in their sole discretion conclusively determines compliance with the eligibility criteria for tax exemptions under this Policy. Council approval of all tax exemptions under this Policy is required through the passing of a bylaw. The Executive Director is authorized to finalize and approve the terms of any tax exemption agreements entered into pursuant to this Policy, and the City Clerk is authorized to execute the agreements after review and approval by the City Solicitor.
- 25 Amendments to this Policy made from time to time require approval by Council.

Related Forms

- 26 The following materials relate to this Policy:
 - (a) Community Non-Profit Tax Exemption Policy Application Form (available on Regina.ca)
 - (b) Community Safety & Well-being Plan
 - (c) Design Regina: The Official Community Plan Bylaw No. 2013-48
- 27 Council’s authority to grant property tax exemptions is also exercised under the following policies and programs:
 - (a) Heritage Incentive Policy
 - (b) Housing Incentives Policy
 - (c) Downtown Residential Tax Incentives Policy
 - (d) Economic Development Incentives Program
 - (e) 2013 boundary alteration tax mitigation principles and tools

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