

December 2, 2019

To: Members  
Finance and Administration Committee

Re: Community Non-Profit Tax Exemption Policy - Organizations not Recommended

---

RECOMMENDATION

1. That the property tax exemption requests as listed in Appendix A – Organizations Not Recommended for Property Tax Exemptions be denied.
2. That this report be forwarded to the December 16, 2019 meeting of City Council for approval.

CONCLUSION

Thirty organizations applied for 2020 property tax exemptions under the *Community Non-Profit Tax Exemption Policy* (CNPTEP). Administration provided Report FA19-18, which recommended twenty-three organizations be approved for 2020 property tax exemptions and seven organizations be denied. The Finance & Administration Committee requested further information as to why the organizations not recommended for exemptions did not qualify. This report is in response to that request.

BACKGROUND

*The Cities Act* (the Act) provides two types of exemptions: statutory and permissive. Statutory exemptions are provided by section 262 of the Act or through special legislation and are granted to properties such as schools, public hospitals, or are municipally, provincially and federally owned public buildings and land.

Tax incentives in the form of permissive exemptions and cancellations are authorized by subsections 244 and 262(3) and (4) of the Act. These are tools for City Council to support properties that further City Council's vision and benefit Regina residents.

Prior to the adoption of the *Community Non-Profit Tax Exemption Policy* (CNPTEP), Administration made recommendations to Council for property tax exemptions for non-profit organizations as individual requests were received based on individual circumstances and past practice. City Council requested Administration create a policy for the non-profit and charitable sector to guide the consistent review and evaluation of applications for permissive property tax exemptions from non-profit and charitable organizations.

During the development of the policy for non-profit tax exemptions, Administration engaged an independent consultant to facilitate public and stakeholder consultation. The objectives of the consultation was to solicit feedback on a policy and to inform participants about the history of exemptions as well as City Council's direction regarding a policy. The consultation consisted of engagement sessions as well as an online survey. The results of the engagement suggested support for a policy that provides a fair, equitable, and transparent process and acknowledged that there is no easy solution to balancing the needs of all stakeholders, the public and City Council. Additionally, the Policy should support the services and organizations in financial need that further Council's priorities, as outlined in *Design Regina: The Official Community Plan Bylaw No. 2013-48 (OCP)*.

In consideration of the feedback received through public consultation, and in collaboration with Community Services, the CNPTEP was developed. City Council approved the CNPTEP in December 2018.

## DISCUSSION

### The Policy

The policy sets the parameters under which the City of Regina will consider applications for property tax exemptions. To be eligible, an organization must conform to the following principles and meet all the requirements of the policy:

Principle 1 - Compliance with Municipal Policies, Plans, Bylaws, Codes and Legislation.

- The intent of this principle is to ensure that organizations receiving municipal support reflect the goals, policies and general operating principles of the City.

Principle 2 - Applicants must be a non-profit or charitable organization.

- The intent of this principle is to ensure that municipal support should not be used for commercial or private gain and that organizations are publicly accountable entities.

Principle 3 - Alignment with the City's Plans and Programs.

- The Applicant's main services, programs and activities must align with the parks, recreation and open space, cultural, health and safety and social development priorities and objectives outlined in the OCP.
- The intent of this principle is to ensure that tax exemptions are used to support organizations that further Council's objectives of enhancing quality of life and delivering services economically as set out in the OCP.

3.1 Applicants must meet one or more of the following requirements:

- (a) Operates 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:
  - (i) 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
  - (ii) are positioned strategically within the city to enhance the activation of key institutional, recreation and economic hubs,

- (iii) such as in Wascana Centre and in downtown Regina;
- (b) supports community gardens on public lands;
- (c) supports communities to create collaborative strategies to address hunger and food security through education and training for marginalized communities;
- (d) enhances public safety, security and emergency preparedness for the citizens of Regina;
- (e) would receive a statutory exemption as per Sections 262 (j) or (p) of *The Cities Act* if the organization owned the building or land; and
- (f) 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.

Principle 4 - Accessible to the public.

- The intent of this principle is to ensure that the organization does not prohibit the public from participation and their programs and activities should be equally available to all residents of Regina.

Principle 5 - Financial Need.

- The intent of this principle is to balance the cost to taxpayers with the financial benefit to the organization while considering the impact on the services provided.
- 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.

Administration recognizes there are many non-profit organizations who provide valuable services in our community, however to be eligible for a tax exemption, an organization must conform to all principles and meet all requirements of the policy.

Organizations not being recommended for a property tax exemption are still able to apply for grants under the Community Investment Grants Program (CIGP). The CIGP funds non-profit organizations to deliver programs and services to Regina residents that align with city priorities, have a clear community impact, and respond to community needs. Organizations are invited to apply for funding under the CIGP's three funding streams – Culture, Social Development and Sport & Recreation.

Table 1 summarizes the three funding streams and their key priorities:

|   |
|---|
| <p><b>Culture</b></p> <ul style="list-style-type: none"><li>• Preserve and conserve Regina’s intangible cultural heritage; e.g., languages, traditions, stories.</li><li>• Improve awareness and access to arts and cultural activity and resources; e.g., artistic practices, cultural spaces, cultural industries.</li><li>• Animate the city’s public spaces.</li><li>• Reflect the cultural aspirations of newcomers, First Nations, Métis and Inuit people.</li><li>• Strengthen the cultural community through meaningful partnerships between organizations.</li><li>• Support efforts by organizations that deliver programs, services and space that align with the Truth &amp; Reconciliation Calls to Action (TRC)</li></ul> |
| <p><b>Social Development</b></p> <ul style="list-style-type: none"><li>• Support communities to create collaborative strategies to address hunger and food security as well as access to housing.</li><li>• Strengthen development of safe neighbourhoods through community activities and resources.</li><li>• Support organizations that represent First Nations, Métis, Inuit people, newcomers, residents with disabilities and citizens who are marginalized to build a welcoming and socially inclusive community.</li><li>• Support efforts by organizations that deliver programs, services and space that align with the Truth &amp; Reconciliation Calls to Action (TRC).</li></ul>   |
| <p><b>Sport &amp; Recreation</b></p> <ul style="list-style-type: none"><li>• Increase accessibility to sport and recreation activities and resources, including sporting events and celebrations.</li><li>• Support community initiatives that address the recreation aspirations of our diverse community.</li><li>• Promote active and healthy lifestyles among children and youth.</li><li>• Support community initiatives that encourage multi-season use of open space.</li><li>• Support efforts by organizations that deliver programs, services and space that align with the Truth &amp; Reconciliation Calls to Action (TRC).</li></ul>   |

Each stream has various grants available, each with its own guidelines, application form, and timelines. In some cases, organizations may be eligible to apply for more than one grant.

Administration is recommending seven organizations not be approved for 2020 property tax exemptions as they do not conform to all principles and meet all requirements of the CNPTEP. Detailed information on each organization not recommended for an exemption is attached as Appendix A.

## RECOMMENDATION IMPLICATIONS

### Financial Implications

There is no financial impact with the recommended option.

All estimated property tax levies are based on the 2019 assessment values and the approved 2019 mill rates. These amounts will change once all taxing authorities' budgets are finalized for 2020.

### Environmental Implications

None with respect to this report.

### Policy and/or Strategic Implications

The recommendations in this report are in accordance with the *Community Non-Profit Tax Exemption Policy* which became effective January 1, 2019.

### Other Implications

Changes to provincial legislation are beyond the control of the City. *The Education Property Tax Act* and *The Education Property Tax Regulations* came into effect January 1, 2018 and govern the application and Administration of Education property tax exemptions and cancellations.

### Accessibility Implications

None with respect to this report.

## COMMUNICATIONS

All affected parties will be provided with a copy of this report prior to the Finance and Administration Committee and City Council meetings. Notification of City Council's decision will also be provided to all affected parties.

Copies of the report will be provided to the Regina Public Library Board, Regina Roman Catholic Separate School Division No. 81, and the Government of Saskatchewan.

DELEGATED AUTHORITY

The recommendations contained in this report require City Council approval.

Respectfully submitted,

Respectfully submitted,

  
Deborah Bryden, Director, Assessment & Taxation 11/25/2019

  
Barry Lacey, Exec. Director, Financial Strategy & Sustainability 11/26/2019

Report prepared by: Tony Petrulias, Manager, Property Tax & Utility Billing