



DE16-22

## Regina City Council Delegation – Tuesday, March 29, 2016

### RE: 2016 Annual Property Tax Exemptions

Good evening ladies and gentlemen, my name is Chad Novak, and I am here representing the **Saskatchewan Taxpayers Advocacy Group**, which is a grassroots organization proudly standing up for the rights of individual taxpayers. I am here to address the 2016 Annual Property Tax Exemptions.

As I said before, a common theme you're going to hear from me this evening is the concept of providing ***fair and equitable treatment of all taxpayers in Regina***. To that extent, I feel strongly that the entire listing of annual property tax exemptions, *and more specifically the policy behind it*, needs to have a thorough review and a complete overhaul. A quick review of the list of properties subject to exemption will show you what I mean. There are some sporting organizations receiving tax exemptions, *where others are not*. There are some cultural organizations on the list, *where others are not*. There are some non-profit organizations on the list, *where others are not*. To me, this suggests one of two things – either the treatment of all applicable groups is not being applied fairly, or more likely, not all organizations that *may* be eligible for a tax exemption are *aware* that they could apply and be granted an exemption.

Tonight, we've seen a prime example of this with the **Saskatchewan Multicultural Centre Association**. Their worthwhile cultural organization has paid property taxes for decades, and now, only when they are in financial dire straits, they have applied for an exemption. At first Administration recommended denial, but thankfully the Finance and Administration Committee not only saw this as a fair request, but also recommended approval of the exemption request for at least three years. With regards to their specific situation, I would personally like to see the City of Regina provide a rebate to their organization for the property taxes they've paid over the past 25 years, as a goodwill gesture. I am confident that this would be a welcome financial boost to their group, and by the taxpayers of Regina, since they unfortunately lost a significant portion of their annual funding because of a short-sighted action by our Provincial Government.

We desperately need a complete overhaul of our policies for property tax exemptions, so there isn't any further confusion by community groups as to their qualification for such exemptions. Most importantly, **we need to implement a clear policy on charitable and non-profit organizations**, since one does not currently exist (See Appendix A). Further to this, we also need to implement an "ability to pay" clause into these exemptions, because as we've seen in recent years, there are organizations receiving continued property tax exemptions simply because "that's what they've received in the past" – *even though their financial circumstances had changed significantly from when they first applied for the*

*exemption*. One glaring recent example of this was the Saskatchewan Roughriders, who in the 1990's most certainly needed a hand up from anywhere they could get it. However, in recent years, their financial situation had significantly improved which called this exemption into question, and rightfully, it was finally removed. The same can be said for other organizations like the Cornwall Centre for their parkade, or the Regina Airport Authority (RAA). What I find interesting about the RAA is, based on the current formula (See Appendix B), when it comes time to determine their property tax exemption, it would appear that the more financially successful they are, the higher their property tax exemption actually is. This seems almost counter intuitive, at least on the ability to pay premise.

**On the concept of fair and equitable treatment of all community groups, I can't help but question the exemption for the Regina Trades and Skills Centre (RTSC).** Granted, they provide assistance for certain trades, similar to how Sask Polytechnic might, but I don't think they are an accredited educational facility. Not to take anything away from their ability to help the construction industry, but they are nothing more than a glorified training room at a construction company as shown by their "Who We Are" section of their website, as shown in Appendix C. Their organization is quite similar, in fact, to the **Saskatchewan Indian Institute of Technology Career Centre**, which operates just down the street from the RTSC. As far as I've found through my research, they do not receive any sort of tax exemption. My question for you is, *why is this*, and ***what can we do to level the playing field for all groups?***

Finally this evening, in a situation that appears to have *attempted* to level the playing field for a particular group, let's take a look at the Caledonian Curling Club's tax exemption. I note that the original reason they were granted a property tax exemption, as shown in Appendix D, was actually to pay for a 99 year lease that the City of Regina entered with them in exchange for the use of their facility as a clubhouse for the Craig Golf Course - ***a golf course which is no longer in operation***, and the future of which is subject to review by your organization. That said, I can't help but wonder, why then are we still giving them a tax exemption? What's even more bizarre is that, to be "fair", other curling clubs in the City applied for, and continue to receive, a similar property tax exemption. I think the taxpayers of Regina deserve to know why these clubs receive tax exemptions when there are other groups that can barely make ends meet year over year and could desperately use these kinds of exemptions and financial assistance.

Thank you for your time this evening, and I will gladly answer any questions you may have.

## **Appendix A**

Subsection 262(1) of *The Cities Act* provides for some exemptions to specific charitable organizations. **The City does not have a specific policy in providing exemptions for non-profit or charitable organizations.** Some exemptions have been provided on specific case by case basis.

The process to have an exemption considered by City Council is for the organization to submit a letter to City Clerk requesting an exemption. The letter outlines why the organization believes it should be exempt and the purpose of the organization. The City also requires the organization's incorporation documents and the financial statements for the past three years. The organization must clearly identify all sources of government funding received in the past.

## Appendix B

The portion of the property owned and occupied by the Regina Airport Authority Inc. and located at 5201 Regina Avenue; Block A Plan 68R15859, as described in tax account 10065031 and as shown in the map attached as Schedule “B” is exempted from payment of taxes in accordance with the following formula:

$$EX = PT - (0.65 \times PC)$$

Where:

EX is the amount of the tax exemption the Regina Airport Authority Inc. shall receive; and

PT is the total amount of property taxes that would be imposed against the Regina Airport Authority Inc.'s Property described above for the 2016 tax year prior to the exemption; and

PC is the total passenger count report by the Regina Airport Authority Inc. for the 12 month period that commenced three years prior to the 2016 tax year.

## Appendix C

### Who We Are

The Regina Trades & Skills Centre was established as a not-for-profit with two main goals:

1. Deliver short-term trades and skills training that leads to entry-level jobs in industries where workers are in high demand.
2. Work with industry to develop and deliver relevant and recognized programs that are responsive to industry needs for trained and skilled workers.

Regina Trades and Skills Centre courses are taught by experienced tradespeople. Our course offerings change throughout the year and stay attuned to the demands of the labour market. All RTSC courses include:

1. Specific occupational training, both practical and theoretical.
2. Training in Occupational Health and Safety and Workplace Essential Skills.
3. Program Coordinators work with employers to link them with course participants prior to the completion of training.

Regina Trades & Skills Centre is succeeding! RTSC grads are getting jobs, many are going on to apprenticeship and feedback from employers is positive.

## Appendix D

In the mid 1970s, the City entered into an agreement with the Caledonian Curling Club where the City agreed to pay a lease payment that is equivalent to the annual taxes for the property in exchange for use of the facility during the summer as a clubhouse for the Craig Golf Course. The property is located at 2225 Sandra Schmirler Way; Plan: 78R35572 Block: A. Ext. 7. The property is described on the Assessment Roll as Account No. 10112030.