

Property tax exemptions provide benefits to the community

by Doug Holmes

Local governments are required by provincial law to exempt churches, schools, and hospitals/health centres from paying municipal property taxes. Further to these statutory exemptions, a Council may also, at its discretion, exempt taxes on properties that are owned or leased by non-profit organizations or are used for public purposes.

When granting a permissive tax exemption (PTE), as the non-statutory exemptions are called, Summerland Council considers various factors including the primary use of the property and its correlation to Council priorities, such as encouraging economic development and attracting new residents and businesses to the community.

Properties occupied by recreation providers and cultural organizations are also generally eligible for a PTE if they make their facilities and programs available to the general public. In determining an exemption, Council looks to see if there are any restrictions to an organization's membership and to what extent their activities are open to non-members and the wider community.

Recently, Council approved full or partial exemptions for four years to 14 non-profit organizations that provide economic, cultural, charitable or recreational services to the community. They include:

- Kettle Valley Railway Society
- South Okanagan Sailing Association
- Royal Canadian Legion Branch 22
- Summerland Chamber of Commerce
- Summerland Golf Society
- Summerland Recreation Society (Lakeshore Racquets Centre)
- Summerland Community Centre Association
- Summerland Yacht Club
- Summerland Youth Centre Association
- Summerland Athletic Club (Badminton Club)
- Summerland Rodeo Grounds Equine Development Committee
- Summerland Sportsman's Association
- Freshwater Fisheries Society of BC
- Penticton Disc Golf Club

All these organizations received exemptions in past years except the Disc Golf Club, which is a new applicant after entering into a recent licence of occupation agreement with the District to use 47 acres of municipal property in the Trapper's area to set up a disc golf course. The property is still available for other public uses and therefore probably isn't taxable but an exemption was given just to be certain.

Sometimes Council does not approve requests for tax emptions even though the applicant provides a valuable service to the community. For example, non-profit affordable housing complexes generally do not receive exemptions as Council supports these projects at the construction stage through the waiving of development and building fees, development cost charges, and offsite upgrades. Approximately \$2m in fees was waived for the two affordable housing projects currently under construction: a five-storey 60-unit BC Housing project on Heny Ave and a four-storey 90-unit affordable seniors housing apartment on Dickson Ave.

The 14 organizations that did receive a PTE account for approximately \$290,000 annually in exempt property taxes.

While that may sound like a lot of lost revenue, if an organization receiving an exemption wasn't here to deliver the service then, it could be argued, the District would be expected to provide it. Given that non-profit volunteer groups can usually provide services more economically than the District, PTE's makes financial sense and are a good deal for the taxpayer.

Council recognizes the significant value of volunteer and non-profit organizations to the well-being of the community and permissive tax exemptions are a way to support local groups that enhance our quality of life while delivering affordable services to the residents of Summerland.

Doug Holmes is mayor of Summerland