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BY-LAW 2003-95F

**A BY-LAW OF THE CITY OF GREATER SUDBURY TO
PROVIDE PROPERTY TAX REBATES FOR REGISTERED
CHARITIES OCCUPYING COMMERCIAL OR INDUSTRIAL
PROPERTY IN THE CITY OF GREATER SUDBURY**

WHEREAS it is necessary for the Council of the City of Greater Sudbury pursuant to the *Municipal Act, 2001*, S.O. 2001, c.25, as amended, to provide tax rebates to registered charities occupying land in the commercial property class or the industrial property class;

AND WHEREAS the City of Greater Sudbury wishes to adopt a Property Tax Rebate Policy for Registered Charities;

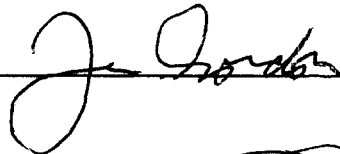
**NOW THEREFORE THE COUNCIL OF THE CITY OF GREATER SUDBURY
HEREBY ENACTS AS FOLLOWS:**

1. The Property Tax Rebate Policy for Registered Charities attached hereto as Schedule "A" and forming part of this By-law is hereby adopted.
2. Tax Rebates for Registered Charities occupying land in the commercial property class or the industrial property class in the City of Greater Sudbury will be provided in accordance with the City of Greater Sudbury's Property Tax Rebate Policy for Registered Charities.
3. For the purposes of this By-law a charity is eligible if it is a registered charity as defined in the Income Tax Act and has a registration number issued by the Department of National Revenue;
4. By-law 2001-183F is hereby repealed.

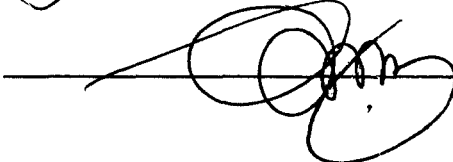
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5. This By-law shall come into force and take effect immediately following passage and shall be in effect for the taxation year 2003 and thereafter.

READ THREE TIMES AND PASSED IN OPEN COUNCIL this 24th day of April, 2003.



Mayor



Clerk

To By-law 2003-95F

CITY OF GREATER SUDBURY

**PROPERTY TAX REBATE POLICY
For Registered Charities**

POLICY OBJECTIVE

It is the objective of this policy to provide property tax relief, in the form of a property tax rebate, to registered charities who are occupying Commercial or Industrial property within the City of Greater Sudbury, pursuant to the Municipal Act section 361, as amended.

POLICY BACKGROUND

The Policy is designed to provide tax relief to registered charities that have experienced increases originally caused by the elimination of the Business Occupancy Tax (B.O.T.). Prior to passage of The Fair Municipal Finance Act I, charitable organizations, certain not-for-profit organizations and other "not-business use" entities, as determined by the Province, were exempted from paying the B.O.T. and were taxed at the residential property tax rate rather than the commercial tax rate.

As a result of Provincial tax reforms:

- 1) Charities in the Commercial or Industrial classes no longer enjoy residential tax rate treatment and instead are taxable at the commercial and industrial property tax class rates.
- 2) Due to the elimination of the B.O.T., commercial and industrial tax rates are now set at levels sufficient to recover the lost B.O.T. revenues.

Registered charities occupying Commercial or Industrial property are taxed using Commercial or Industrial tax rates. Owner-occupied charities occupying properties in the Residential property class are taxed at the residential tax rate and are not deemed eligible for a rebate under this policy.

The Municipal Act section 361, as amended prescribes eligibility criteria and mandates minimum rebate amounts.

The Municipal Act section 361 prescribes that;

1. A charity is eligible if it is a registered charity as defined by subsection 248(1) of the Income Tax Act (Canada) that has a registration number issued by Canada Customs and Revenue Agency; and
2. A property is eligible if it is one of the commercial classes or industrial classes, within the meaning of subsection 308(1) of the Municipal Act.

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3. The provision of a rebate to organizations that are similar to eligible registered charities or a class of such organizations defined by the municipality is optional. The rebate for similar organizations does not have to be the same percentage of taxes payable as the eligible charities rebate; and
4. Municipalities must rebate at least 40 percent of the taxes payable by eligible charities on the properties they occupy or the total amounts they are required to pay under Municipal Act subsections 367 or 368; and
5. One half of the rebate must be paid within 60 days after receipt by the municipality of the application and the balance within 120 days; and
6. The application may be based on an estimate of the taxes payable; and
7. The program calls for final adjustments to be made after the taxes paid by the organization can be determined (in respect to the differences between the estimated rebate paid by the municipality and the rebate to which the charity is entitled); and
8. Charities that move to other municipalities within a taxation year are required to repay amounts by which the rebates the charities received exceed rebates from those other municipalities ; and
9. The cost of a rebate of taxes on a property shall be shared by all the municipalities and school boards that share in the revenue.

POLICY DETAILS

A. Policy Eligibility Criteria:

(a) Exempt Organizations

The Assessment Act as amended, exempts from taxable assessment, properties owned and occupied by certain organizations prescribed in the legislation. These organizations include:

- a) churches and religious organizations
- b) educational institutions
- c) seminaries of learning maintained for philanthropic purposes
- d) houses of refuge or for the care of children
- e) incorporated institutions conducted on philanthropic purposes and not for the purposes of profit or gain.

The status of these organizations is not affected by the Municipal Act section 361 and do not require consideration under his policy.

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2. Registered Charities

This policy conforms with Provincial legislation by ensuring that all registered charities that are occupying commercial or industrial properties are granted a mandatory property tax rebate of at least 40 percent of the taxes payable by the applicant on the eligible property occupied or the total amounts they are required to pay under Municipal Act subsections 367 or 368.

"Eligible Charity" means a registered charity as defined by subsection 248 (1) of the Income Tax Act (Canada) that has a registration number issued by Revenue Canada. A charitable organization must be established and operated for charitable purposes, and it must devote its resources to charitable activities. A charity has to meet a public benefit test. To qualify under this test, an organization must show that;

1. its activities / purposes provide tangible benefit to the public; and
2. benefits are for the public as a whole or a significant section of it in that they are not a restricted group or one where members share a private connection such as social clubs or professional associations with specific membership; and
3. the charity's activities must be legal and must not be contrary to public policy.

There are four general categories of charitable purposes. For an organization to be registered, its purposes have to fall within one or more of the following categories:

- i The relief of poverty;
- ii The advancement of religion;
- iii The advancement of education; or
- iv Other purposes that benefit the community.

B. Policy Application and Administration

- (a) Registered charities must submit an application to the City after January 1 of the year and no later than the last day of February of the following year.
- (b) Through the application, the organization is required to;
 - (i) identify the amount (or an estimate) of taxes or if in a gross lease situation identify the amount of taxes to be passed on by the landlord; and
 - (ii) provide the square footage of occupied space.
- (c) Property taxes deemed eligible for rebate will be determined by the City in consultation with the Ontario Property Assessment Corporation, in accordance with Municipal Act Section 361 as amended, and any regulations prescribed. Taxes deemed eligible for rebate must reflect the proportion of the property that is occupied by the applicant organization. The City's determination of eligible taxes and rebate will take precedence over any determination.

(c) Effective Date of Policy

The policy and the provisions for implementation are effective April 24, 2003 in accordance with City of Greater Sudbury Bylaw 2003-95F, to be applicable for the 2003 taxation year and thereafter.

2003-95F