



Municipality of the District of Argyle

Item: Request for Bylaw 28 exemption

Date: December 9, 2024

Vision statement

Argyle is the community of choice to invest, live and play.

Mission statement

Argyle invests time & talent in growth opportunities in fishing, tourism, and renewable energy sectors.

Argyle provides affordable taxation while providing safe and healthy communities and strives to engage and inform our residents on decisions that affect them most.

Argyle provides high class, accessible recreational and cultural facilities and helps celebrate its unique heritage and culture and welcomes new residents to our region.

CAO's Recommendation:

Recommend that the Council add the East Kemptville Meeting House Society as an exempt, nonprofit organization for the 2025 assessment year.

Recommend that the Council approve the write off of the property tax bill for 2024, to assist the organization in unfortunate timing around the transfer of property from the church to the Society. It should be noted that all organizations must pay the fire area rate, regardless of their exemption status.

Suggested motion:

Move to add East Kemptville Meeting House Society to the list of exempted non-profit organizations

Move that the 2024 taxes of 578.02 plus applicable interest be written off by council and repaid to the East Kemptville Meeting House Society.

Background:

Enclosed is the request from the Society to be considered under By-law 28, Tax Exemptions for Certain Organizations. Also included is the actual By-law. The By-law is meant to support non-profit organizations that engage in community activities that municipalities would otherwise be directly responsible for. The East Kemptville Meeting House Society recently obtained possession of property formerly exempted, as it was owned by a church. All church buildings and land are exempt under the Assessment Act, which is not automatically true for other non-profit organizations.

It is clear from previous dealings with the Society and through the request letter that the non-profit organization seeks to construct a community hall in the East Kemptville Area. While this is likely a long-term objective, they would be no different than other organizations that run local community halls in our area, whether it is a local Legion, or unassociated, all clubs have been approved under the Bylaw 28 exemption list.

The timing of property possession was unfortunate for the Society. They were unable to change the classification on the property at the time of purchase, which meant that they were billed for the year 2024. Nothing in the By-law would prevent a refund for the year 2024.

Internal assessment of the situation would side with the request to write off the current year's taxes, due to the unfortunate timing of the land transaction and the fact that the Society had no recourse available to them to apply the exemption for 2024.

MGA considerations:

Tax exemption policy for certain organizations (**bold added by CAO, highlighting relevant sections**)

71 (1) The council may, by policy, exempt from taxation, to the extent and under the conditions set out in the policy

(a) property

- (i) of a named registered Canadian charitable organization, and
- (ii) that is used directly and solely for a charitable purpose;

(b) property of a nonprofit community, charitable, fraternal, educational, recreational, religious, cultural or sporting organization if, in the opinion of the council, the organization provides a service that might otherwise be a responsibility of the council;

(c) and (d) repealed 2001

(e) the buildings, pump stations, deep well pumps, main transmission lines, distribution lines, meters and associated plant and equipment of a municipal water utility.

(2) The council may, by policy, to the extent and under the conditions set out in the policy, provide that the tax payable with respect to all or part of the taxable commercial property of any nonprofit community, charitable, fraternal, educational, recreational, religious, cultural or sporting organization named in the policy be reduced to the tax that would otherwise be payable if the property were residential property, inclusive of area rates.

(3) A tax exemption or reduction pursuant to this Section shall be shown on the tax bill and accounted for by the municipality as an expenditure.

(4) The council may, in its discretion, refuse to grant an exemption or reduction pursuant to this Section and a policy made pursuant to this Section extends only to properties specifically named in the policy.

(5) An exemption given pursuant to this Section does not apply to area rates or the fire protection rate unless specified in the policy.

(6) A policy made pursuant to this Section has effect in the fiscal year following the fiscal year in which it is published, unless the policy sets a different effective date, including an effective date retroactive to the beginning of the current fiscal year.

Financial considerations:

Financial impact is a reduction of commercial taxes of about \$580 per year. This decision would align all community halls, or potential halls, to be treated equitably within By law 28. While there is a cost to the municipality, there may be reduced financial requests from this organization to cover such an expense.