

Municipality of Chatham-Kent

Finance, Budget and Information Technology and Transformation

Financial Services

To: Mayor and Members of Council

From: Matt Torrance, MBA, CPA, CGA
Director, Financial Services

Date: April 20, 2021

Subject: Charity Rebate Program

Recommendations

It is recommended that:

1. The attached by-law to establish a tax rebate program for eligible charities be approved.
2. By-law 182-2004 be repealed.

Background

The Municipal Act, 2001, Section 361 requires that every municipality shall have a charity rebate program in accordance with the provisions set forth by the Act. The existing by-law incorporates provisions for the exemption of Royal Canadian Legion branches which are no longer required since provincial legislation has been enacted exempting them from taxation.

Comments

The purpose of this report is to ensure that our by-law is in accordance with the terms and provisions as set by the Municipal Act, 2001. Section 3 of the Assessment Act was recently amended to unilaterally exempt all lands “used and occupied as a memorial home, clubhouse or athletic grounds by an Ontario branch of the Royal Canadian Legion” from property taxation, effective as at January 1, 2019. As a result, administration is recommending a change in the by-law to not include a provision related to the Royal Canadian Legions, as the Province has effectively passed legislation exempting these properties.

This report also further aligns the program requirements of Chatham-Kent’s charity rebate program to coincide with that of Section 361, Subsection 3(7) of the Municipal Act, 2001.

Areas of Strategic Focus and Critical Success Factors

The recommendations in this report support the following areas of strategic focus:

- Economic Prosperity:
Chatham-Kent is an innovative and thriving community with a diversified economy
- A Healthy and Safe Community:
Chatham-Kent is a healthy and safe community with sustainable population growth

People and Culture:
Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community

Environmental Sustainability:
Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendations in this report support the following critical success factors:

Financial Sustainability:
The Corporation of the Municipality of Chatham-Kent is financially sustainable

Open, Transparent and Effective Governance:
The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership

Has the potential to support all areas of strategic focus & critical success factors

Neutral issues (does not support negatively or positively)

Consultation

Legal Services was consulted in the preparation of this report.

Financial Implications

There are no financial implications resulting from the recommendations.

Prepared by:

Reviewed by:

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Reviewed by:

Reviewed by:

Matt Torrance, MBA, CPA, CGA
Director, Financial Services

Gord Quinton, MBA, CPA, CGA
Chief Financial Officer, Treasurer

Attachment: By-Law for Charity Rebates

C: Dave Taylor, Manager, Legal Services
Judy Smith, Director, Municipal Governance/Clerk

CORPORATION OF THE MUNICIPALITY OF CHATHAM-KENT

BY-LAW NO. -2021

A by-law to establish a charity rebate program pursuant to the Municipal Act, 2001.

WHEREAS under Section 361(1) of the Municipal Act, 2001 requires that every Municipality have a tax rebate program for eligible charities to provide tax relief on eligible property;

AND WHEREAS, for the purposes of so establishing a tax rebate program for eligible charities, Council for the Municipality of Chatham-Kent previously enacted By-Law 182-2004;

AND WHEREAS Council of the Municipality of Chatham-Kent deems it advisable to amend certain provisions contained in By-law 182-2004;

AND WHEREAS it is deemed more expedient to repeal said by-law and replace it with a new consolidated document which incorporates the sought amendments;

NOW THEREFORE the Council of the Corporation of the Municipality of Chatham-Kent enacts the following:

1. That By-Law 182-2004 be repealed;
2. In this By-law:
 - a) "Municipality" means The Corporation of the Municipality of Chatham-Kent.
 - b) "Rebate" means 40% of the taxes that are levied in respect of Commercial and Industrial property occupied by the Eligible Charity.
 - c) "Eligible Charity" means a registered charity as defined in subsection 248(1) of the Income Tax Act (Canada) that has a registration number issued by the Canada Revenue Agency.
3. Tax relief granted pursuant to the By-law shall be in the form of a rebate provided that:
 - a) Such Eligible Charity occupies the property in respect of which taxes are imposed.
 - b) Such Eligible Charity is responsible for taxes on the property that they occupy and have proof of same.
 - c) The rebate payable to such Eligible Charity shall be 40% of the amount paid by the same.
 - d) Payment of one-half of the rebate must be made within 60 days after receipt by the Municipality of the application of the Eligible Charity for the rebate for the taxation year and the balance of the rebate must be paid within 120 days after receipt by the Municipality of the application.

4. All applications for tax rebate must be in writing and be submitted annually to the Treasurer by February 28 in the year following for which the application applies.

FINALLY PASSED this 10th day of May, 2021.

SIGNED

Mayor – Darrin Canniff

SIGNED

Clerk – Judy Smith