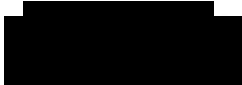




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Item No. 1
Grants Committee
May 9, 2022

TO: Chair and Members of the Grants Committee

SUBMITTED BY: 

Jacques Dubé, Chief Administrative Officer

DATE: April 11, 2022

SUBJECT: Tax Relief for Not-for-profits during Construction and Renovation

INFORMATION REPORT

ORIGIN

June 8, 2021 Halifax Regional Council motion (Item 14.1):

MOVED by Councillor Mason, seconded by Councillor Kent

THAT Halifax Regional Council request a staff report providing options to temporarily include vacant or unoccupied properties owned by non-profits or charities on Administrative Order 2014-001-ADM while they are undergoing construction or renovation.

MOTION PUT AND PASSED.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, S.N.S. 2008, c.39

79A (1) Subject to subsections (2) to (4), the Municipality may only expend money for municipal purposes if

- (a) The expenditure is included in the Municipality's operating budget or capital budget or is otherwise authorized by the Municipality...

BACKGROUND

HRM provides tax relief for approximately 250 charitable and not-for-profit organizations – to more than 800 properties across the region – in accordance with [Administrative Order 2014-001-ADM - Tax Relief to Non-Profit Organizations](#). Commercial properties in this program can receive tax relief between two-thirds and one hundred percent of their tax bill. Residential properties can receive between 50 percent and 100 percent tax relief.

The types of properties vary widely from shelters and co-op housing to community halls and sporting venues. Most have buildings of some kind but some properties receiving tax relief may not, such as a sports field or a conservation area.

DISCUSSION

Properties that do not provide a direct or indirect service to residents of the Halifax region are typically not approved for the program. For this reason, vacant land that does not provide a service or a vacant building without programming would not normally be eligible for HRM tax relief. Regional Council has asked staff to consider whether tax relief could be provided to non-profit organizations that are in the process of building a facility, or renovating a building, that will provide services, before services are being provided.

As indicated to the Budget Committee on November 23, 2021 at [Fiscal Framework](#) and in the [Fiscal Services Budget presentation](#) on March 4, 2022, staff intend to bring forward a redesign of the Non-Profit Tax Exemption program. As part of this change, the Administrative Order will be amended to provide greater clarity of program eligibility and greater transparency of levels of exemption. In the redesign, it will be proposed that properties under construction (that would meet eligibility criteria after construction) would be provided temporary tax relief while construction/renovations are taking place.

Grants staff are currently in the process of redesigning the Community Grants program, which will be completed and brought to the Grants Committee in mid-fiscal 2022/2023. The Non-Profit Tax Exemption Program redesign is expected to follow, later in fiscal 2022/2023.

FINANCIAL IMPLICATIONS

There are no financial implications of this report. The Non-Profit Tax Exemption Program redesign will be carried out within approved 2022/23 resources.

COMMUNITY ENGAGEMENT

No community engagement was required.

ATTACHMENTS

No attachments.

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

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