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TAX REBATE FOR LEGIONS AND VETERANS ASSOCIATIONS UPDATE

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, August 6, 2004, from the Commissioner of Finance:

1. RECOMMENDATIONS

It is recommended that:

1. The current policy to provide property tax relief to certain named legions and veterans associations be amended to include any legion or veterans association that would otherwise be eligible under Section 325 of the *Municipal Act* (the "Act") as determined by a local municipality.

2. The Regional Solicitor be authorized to prepare the necessary by-laws to give effect to the above noted recommendation.

2. PURPOSE

The purpose of this report is to respond to a communication from the Polish Army Veterans Association received by the Finance and Administration Committee at its meeting of June 3, 2004 requesting that its properties (the "properties") be eligible to receive a rebate of 100% of total property taxes payable.

3. BACKGROUND

Prior to 2002, all local municipalities in York Region which had a Royal Canadian Legion property provided an exemption of the municipal portion of their property taxes as permitted under Section 325 of the Act. This section gives local councils the authority to pass a by-law to exempt the municipal portion of the property tax for those premises used and occupied as a memorial home, clubhouse or athletic grounds by persons who served in the armed forces of Her Majesty or an ally in any war. However, under Section 325 of the Act, the education portion of the property tax bill would remain payable.

In March 2002, at the request of certain local municipalities, Council used the tax rebate tool it had available for organizations "similar" to registered charities (Section 361 of the Act) to provide Royal Canadian Legions and veterans associations with a 100% property tax rebate. Under Section 361, the amount of rebate and the definition of what constitutes an organization as being similar to a registered charity is at the discretion of the Region. Furthermore, the rebate must be cost-shared by the Region, the local municipality, and the school boards according to their share of property tax revenue. As a pre-condition to receiving a rebate, Regional Council also directed that any exemption made under Subsection 325(1) must be rescinded prior to the Regional by-law taking effect in those local municipalities to ensure that there will not be benefits received from both exemptions and rebates.

4. ANALYSIS AND OPTIONS

4.1 Currently Exempted Legions and Veterans Associations

The Region's by-law currently identifies eight Royal Canadian Legions and two veterans associations as being eligible to receive a 100% tax rebate in York Region. (There were nine Royal Canadian Legions listed under the by-law when the policy first took effect in 2002. The Royal Canadian Legion Branch 556 in the Town of Georgina was closed and sold in 2002.) The properties of all these associations include clubhouse facilities.

Table 1
Listed Royal Canadian Legions and Veterans Associations in Current Policy

	Organization
Royal Canadian Legions	Royal Canadian Legion Branch 385
	Mount Albert and District Branch 382
	Royal Canadian Legion Branch 356
	Royal Canadian Legion Branch 556*
	Royal Canadian Legion Branch 426
	Royal Canadian Legion Branch 375
	Royal Canadian Legion Branch 414
	Royal Canadian Legion Branch 459
	Royal Canadian Ontario Provincial Command
Veterans Associations	Markham District Veterans Association
	Newmarket Veterans Association

* Closed and sold in 2002

4.2 The Polish Army Veterans Association

When the tax rebate program was first introduced in 2002 the Polish Army Veterans Association had not previously applied for an exemption under Section 325 of the Act which was used to identify eligible associations.

Its properties are located off Highway 27, and include athletic grounds that are currently used as a soccer field. The City of Vaughan has verified that the properties are occupied by the Polish Army Veterans Association and that they would qualify for an exemption under Section 325 of the Act.

It is therefore recommended that the property be treated the same as those owned by other veteran's associations and be eligible for a 100% rebate.

4.3 Eligibility Criteria

The Region's current policy has been to explicitly identify in its by-law those legions and veterans associations that were eligible to receive a tax rebate. Since the qualification of a property under Section 325 of the Act has been the only criteria used to determine the eligibility for the Region's policy, it is recommended that the by-law be amended accordingly. Therefore, it is proposed that a property owned in York Region would be eligible for a 100% tax rebate if they are a premise defined under Section 325 "used and occupied as a memorial home, clubhouse or athletic grounds by persons who served in the armed forces of Her Majesty or an ally in any war" as determined by a local municipality. This revision would simplify the administration of this policy.

5. FINANCIAL IMPLICATIONS

In 2003, the total cost of property tax rebate was approximately $70,366 of which the Region's portion was $29,671.

The cost of expanding the rebate to include the Polish Army Veterans would be approximately $8,332 of which the Regional portion would be about $4,000. Staff are not aware of any other organizations which would potentially qualify for a rebate at this time.

Table 2
Property Tax Rebates to Legions and Veterans Associations
in York Region based on 2003 Taxes

Organization	Regional Taxes $	Local Municipal Taxes $	Education Taxes $	Total Taxes $
Previously approved:				
Royal Canadian Legions	25,871	18,229	17,661	61,761
Veterans Association	3,800	2,383	2,422	8,605
Subtotal	29,671	20,612	20,083	70,366
Add: Polish Army Veterans Assoc.	3,953	1,860	2,519	8,332
Estimated New Total	33,624	22,472	22,602	78,698

6. LOCAL MUNICIPAL IMPACT

The additional cost to the City of Vaughan to include the properties under the Regional policy will be about $1,900, which was the municipal portion of taxes paid by the association for the properties in 2003.

7. CONCLUSION

This report recommends that property owned by the Polish Veterans Association be eligible for a 100% property tax rebate. It further recommends that the by-law A 0303-2002-020 be amended to use the qualifying criteria of Section 325 of the Act to determine the eligibility of organizations.

The Senior Management Group has reviewed this report.