

STAFF REPORT

TO: Warden and Members of Shelburne Municipal Council

FROM: Val Kean, Director of Economic & Community Development

APPROVED BY: Warren MacLeod, Chief Administrative Officer

DATE: February 11, 2026

SUBJECT: **Tax Exemption for Community Organizations Policy - Revision**

PURPOSE

The purpose of this report is to provide Council with an overview of the revised Policy 10 – Tax Exemptions for Community Organizations. This policy provides a consistent approach for granting municipal tax exemptions to eligible charitable and non-profit organizations that own property and provide services that benefit the community

RECOMMENDATION

It is recommended that:

The Municipality of the District of Shelburne approve and adopt the revised Policy 10 – Tax Exemptions for Community Organizations, effective April 1, 2026, as presented.

BACKGROUND

The Municipality has historically provided municipal tax exemptions to non-profit community organizations. The existing Tax Exemption Policy was originally adopted in 2015 and has been amended several times, primarily to update Schedule “A” as eligible properties were added or removed.

Through internal review, staff identified that the existing policy required strengthening to ensure it clearly reflects the requirements of the Municipal Government Act (MGA) and provides better guidance around eligibility, ownership, and accountability. In particular, the previous policy did not include detailed provisions related to verification, notification of changes, or recovery of taxes if an organization’s eligibility changes during the year.

As a result, staff have prepared the attached updated version of Policy 10 to improve clarity and strengthen administrative measures. The revised policy will repeal and replace the former 2015 policy upon Council approval.

DISCUSSION

The revised policy strengthens the Municipality's process for granting community tax exemptions. Under the MGA, tax exemptions can only be granted when the property is owned by a registered charitable or non-profit organization and when the organization offers a benefit that might otherwise be the responsibility of the Municipality. This ensures tax exemption is provided only when there is a clear community purpose. The following are details of the substantial changes to the policy:

- Definitions that provide clear meaning for important terms that are used throughout the policy. Including these definitions helps improve clarity and ensures the policy is applied consistently and fairly.
- The property must be owned by the Registered Organization. The MGA is clear that the Council can exempt, by policy, property of a Registered Organization (as defined in this policy).
- Requirements to stay in good standing with the Nova Scotia Registry of Joint Stock Companies and have no outstanding taxes or fees owed to the Municipality.
- Stronger measures to protect the Municipality if an organization's eligibility changes. Organizations are required to notify the Municipality immediately if there are changes such as the sale of the property, loss of non-profit status, or a change in how the property is used.
- Ability for the Municipality to cancel an exemption and invoice the organization for a pro-rated reimbursement of the taxes that would otherwise have been payable. This ensures the Municipality can recover taxes if the exemption no longer applies.
- One property "Camp Jordan Trustees", has been removed from Schedule "A." This change reflects that the property has been sold and is no longer eligible for exemption under the policy, as it is no longer owned by a qualifying non-profit organization.

The revised policy also updates the application process through a new Schedule "B." Organizations will still need to apply each year, but Schedule "B" now includes a requirement for a Councillor to sign the form. This signature confirms that the Councillor supports the organization's request and agrees that the organization provides a service consistent with the purpose of the policy.

BUDGET IMPLICATIONS

If approved, the updated Schedule “A” represents \$31,376, in exempt tax revenue – using current tax rates. As detailed above, the updated policy does include a reimbursement mechanism to reduce any financial risk to the Municipality if eligibility changes during the year.

ATTACHMENTS

1. DRAFT Policy 10 – Tax Exemption for Community Organizations, revised
2. Policy 10 – Tax Exemption for Community Organizations, adopted 2015



TAX EXEMPTIONS FOR COMMUNITY ORGANIZATIONS

POLICY PURPOSE

It shall be the policy of the Municipality of the District of Shelburne ("Municipality") to provide a standard policy for tax exemptions for properties owned by a named registered Canadian charitable organization or non-profit community, charitable, fraternal, educational, recreational, religious, cultural, or sporting organizations, where Council determines that the organization provides a service that might otherwise be a responsibility of Council.

DEFINITIONS

For the purposes of this Policy:

- a) "Registered Organization" means an organization that is a verifiable named registered Canadian charitable organization or a non-profit organization that is a verifiable legal entity in good standing with the Nova Scotia Registry of Joint Stock Companies.
- b) "Eligible Property" means the property listed in Schedule "A" (by assessment account number) that is owned and used in accordance with this Policy.
- c) "Owner" means the person(s) or entity shown on the property title/deed.
- d) "Reimbursement Amount" is the portion of municipal taxes (including area rates) that would have been payable to the Municipality if not for the Tax Exemption calculated on a daily pro-rated basis from the date the exemption ended to the end of the applicable taxation period (March 31st).
- e) "Tax Exemption" means the exemption from municipal taxation described in this Policy, subject to compliance with all terms and conditions.

TAX EXEMPTION SCOPE

The property of the organizations listed in Schedule "A" that would otherwise be classified as commercial, residential, or resource property shall be totally exempt from taxation, including area rates, in the Municipality, subject to ongoing compliance with this Policy.

ELIGIBILITY REQUIREMENTS (OWNERSHIP, REGISTRATION, USE)

To qualify for, and continue to receive, a Tax Exemption under this Policy the Registered Organization must:

- a) provide a Canadian Charitable registration number or Nova Scotia Registry of Joint Stock Companies registration number and proof of good standing; and

- b) not have any outstanding fees, reports or taxes owed to the Municipality of the District of Shelburne

USE

The Eligible Property must be occupied and used for the purposes described in Schedule “B” and in accordance with this Policy.

DUTY TO NOTIFY CHANGES

The organization must notify the Municipality in writing, without delay, of any change that could affect eligibility, including:

- a) change in legal name;
- b) loss of good standing, dissolution, revocation, or wind-up;
- c) sale, transfer, or other disposition of the Eligible Property;
- d) change in use away from the exempt purpose, as described in Schedule “B”.

Failure to notify may result in cancellation of the Tax Exemption and recovery of taxes as set out in next section. All recovery and adjustments of taxes will be effective the earliest date of which any above noted changes occurred.

RECOVERY OF TAX EXEMPTION/PRO-RATED REIMBURSEMENT

Where a Tax Exemption has been granted for a taxation year and eligibility ends for any reason during that year, the Municipality may:

- a) pro-rate the exemption to the last day the organization remained eligible; and
- b) issue an invoice to the Registered Organization for the Reimbursement Amount.

RESPONSIBILITY FOR PAYMENT

The Reimbursement Amount is payable upon issuance of an invoice and due in accordance with the Municipality’s standard payment terms.

REVIEW

This Policy shall be reviewed annually to examine the tax-exempt status of the properties exempted by this Policy.

APPLICATION DEADLINE

A completed Schedule “B” must be submitted to the Municipality by January 31st annually for each organization seeking exemption under this Policy.

VERIFICATION

The Municipality may request additional documentation at any time to verify eligibility, including proof of:

- a) legal existence and good standing;
- b) ownership; and

c) continued qualifying use.

Failure to provide requested documentation may result in suspension or cancellation of the Tax Exemption for that year.

REPEAL

Tax Exemption Policy adopted by the Council of the Municipality of the District of Shelburne on the 27th day of July, 2015, is hereby repealed.

THIS IS TO CERTIFY that the Council of the Municipality of the District of Shelburne duly passed the policy respecting Tax Exemptions for Community Organizations on the _____th day of 2026.

SIGNED this _____ day of _____, 2026.

WARDEN

CHIEF ADMINISTRATIVE OFFICER

Approved by Council:

Effective Date:

Schedule "A"

<u>Assessment District</u>	<u>Organization</u>	<u>Assessment Account No.</u>
1	Ingomar/Roseway Fire Department	01854143
1	Northeast Harbour Community Hall	01855646
1	The Leisure Hour Club	04561929
1	Clyde River Society & Cemetery	00759627
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2	Birchtown Community Centre	03401669
2	Black Loyalist Heritage Society	04438442
2	Black Loyalist Heritage Society	10486610
2	Roseway Community Hall	04048342
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3	3086659 Nova Scotia Limited	09717846
3	Jordan Bay Community Club	02268841
3	Jordan Bay Community Club	08413983
3	Sandy Point Community Recreation Group	01190466
3	Sandy Point Community Recreation Group	02601761
3	Sandy Point Community Recreation Group	09717803
3	Sandy Point Community Recreation Group	02578549
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4	Ohio Recreation Centre	02614693
4	Ohio Recreation Centre	03606945
4	Upper Clyde Social Club	00760331
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5	Jordan Lodge IOOF	02270161
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6	West Green Harbour Recreation Association	03401774
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7	East Sable River Community Centre	01354477
7	Louis Head Historical Society	00758191
7	Sable River Community Hall	01500791
7	Sable River Community Hall	04108698

Schedule "B"

To be submitted by January 31st, annually.

Registered Organization

Municipal District _____

Name _____ Phone: _____

Email: _____

Service Provided to the Community:

Registry of Joint Stocks Number: _____

Canadian Charitable Registration Number: _____

Eligible Property

Legal Ownership Name _____

Phone: _____

Email: _____

Name (Printed)

Name (Signed)

Date

For Internal Use Only:

- ___ Registration Number and Proof of Good Standing
- ___ No Outstanding Reports, Fees or Taxes

Councillor

Date



Policy 10

TAX EXEMPTIONS FOR COMMUNITY ORGANIZATIONS

POLICY PURPOSE

10.1 It shall be the policy of the Municipality of the District of Shelburne to have a standard policy for tax exemptions for properties of registered Canadian charitable organizations or non-profit community, charitable, fraternal, educational, recreational, religious, cultural, or sporting organizations, when council determines that the organizations is providing a service that might otherwise be a responsibility of council.

POLICY DETAILS

10.2 The property of the organizations listed in Schedule "A" that would otherwise be classified as commercial, residential or resource property shall be totally exempt from taxation, including area rates, in the Municipality of the District of Shelburne.

10.3 Where a property or part thereof, listed in Schedule "A" ceases to be occupied by the organization or for the purposes set out in the Schedule, total exemption from taxation shall cease and the owner of the property shall immediately be liable for the real property tax on such property or part thereof for the portion of the year then unexpired.

10.4 This bylaw shall be reviewed on an annual basis, to examine the tax-exempt status of the properties exempted by this bylaw.

REPEAL

10.5 Tax Exemption Policy adopted by the Council of the Municipality of the District of Shelburne on the 27th day of July, 2015, is hereby repealed.

THIS IS TO CERTIFY that the Council of the Municipality of the District of Shelburne duly passed the policy respecting Tax Exemptions for Community Organizations on the 27th day of February, 2017.

SIGNED this _____ day of _____, 2022

WARDEN

CHIEF ADMINISTRATIVE OFFICER

Approved by Council:	February 27, 2017
Effective Date:	April 1, 2017
Amended:	January 28, 2019, change to Schedule "A"
Amended:	April 14, 2020, change to Schedule "A"
Amended:	June 15, 2020, 2020, change to Schedule "A"
Amended:	September 14, 2020, change to Schedule "A"
Amended:	November 23, 2020, change to Schedule "A"
Amended:	March 23, 2022, change to Schedule "A"

Schedule "A"

<u>Assessment District</u>	<u>Organization</u>	<u>Assessment Account No.</u>
1	Ingomar/Roseway Fire Department	01854143
1	Northeast Harbour Community Hall	01855646
1	The Leisure Hour Club	04561929
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2	Birchtown Community Centre	03401669
2	Black Loyalist Heritage Museum	04438442
2	Black Loyalist Heritage Museum	10486610
2	Roseway Community Association	04048342
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3	3086659 Nova Scotia Limited	09717846
3	Jordan Bay Community Club	02268841
3	Jordan Bay Community Club	08413983
3	Sandy Point Community Recreation Group	01190466
3	Sandy Point Community Recreation Group	02601761
3	Sandy Point Community Recreation Group	09717803
3	Sandy Point Community Recreation Group	02578549
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4	Ohio Recreation Centre	02614693
4	Ohio Recreation Centre	03606945
4	Upper Clyde Social Club	00760331
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5	Camp Jordan Trustees	00615226
5	Jordan Lodge IOOF	02270161
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6	West Green Harbour Recreation Association	03401774
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7	East Sable River Community Centre	01354477
7	Sable River Community Hall	01500791
7	Sable River Community Hall	04108698