



City of Richmond

Report to Committee

To: Finance Select Committee

Date: April 15, 2003

From: Bill McNulty
Councillor

File: 0925-01

Re: **COUNCIL CONTINGENCY ACCOUNT**

That Council provide a grant through an internal accounting transfer from the Council Contingency Account for the municipal portion of the 2003 tax requisition for the following taxable properties:

- Royal Canadian Legion, 11131 Bridgeport Road, roll # 080-123-0006
- Army and Navy Air Force Veterans, 11900 No. 1 Road, roll # 086-911-003

Bill McNulty
Councillor
Att. 1

Staff Report

Origin

The Royal Canadian Legion Branch 209 and the Army & Navy Air Force Vets are two local service groups located in Richmond that depend on membership fees and operational profits to maintain financial stability and operational existence.

Analysis

The two private service organizations have, over the years, been experiencing a decline in membership. Coupled with this loss in membership are increases in operating costs. One of the components of these operating costs are the property taxes on their facilities. The property taxes have been increasing annually and payment places a financial burden on the very continued existence of both organizations.

There is no legal authority that would allow each of these organizations to receive a Council authorized permissive tax exemption. If such an opportunity was available, the organizations would pay very little or no property tax.

As there is no authority for exemption, Council may want to consider some other form of tax relief. This relief should only be extended to cover the municipal portion of the taxes payable. The most effective way to assist in this tax relief would be for an internal funding transfer.

Financial Impact

There is no opportunity for a tax relief for these properties through the permissive tax exemption system. Table A. details the municipal tax portion of both organizations taxes.

Covering the cost of these taxes could be accommodated through an internal funding transfer. This transfer would approximate \$25,000 and the appropriate funding source would be Council Contingency.

Conclusion

There is no tax relief allowable under the permissive tax exemption legislation. A tax relief could be granted for the municipal portion with the appropriate charge back levied against the Council Contingency Account.

Bill McNulty
Councillor