



The Corporation of the City of Cornwall
Regular Meeting of Council
Report

Department: Financial Services
Division: Finance
Report Number: 2020-241-Financial Services
Prepared By: Tracey Bailey, General Manager
Meeting Date: February 10, 2020
Subject: Municipal Tax Exemption – War Veterans’ Organizations

Purpose

To provide Council with background information with respect to a municipal tax exemption for three war veterans’ organizations.

Recommendation

Option 1

That Council provide a municipal tax exemption of 100% to the following three war veterans’ organizations for the years 2020 – 2029.

- Army, Navy and Air Force Association,
- Navy Veterans Association, and
- Royal Canadian Air Force Association.

Option 2

That Council provide direction to Administration.

Financial Implications

Since 2002, the City of Cornwall has provided a 50% exemption of municipal taxes to war veterans’ organizations. The amount of the municipal property taxes forgiven over the past 5 years is illustrated in the following table.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Army Navy & Air Force Association	\$3,595.48	\$3,607.01	\$3,445.27	\$3,530.27	\$3,579.10
Navy Veterans Association	\$3,541.88	\$3,506.50	\$3,302.28	\$3,383.89	\$3,430.80
Royal Canadian Air Force Association	\$2,056.61	\$2,043.03	\$2,252.13	\$2,517.49	\$2,765.00
Royal Canadian Legion Branch 297	\$5,306.92	\$5,283.71	\$3,727.67	\$3,819.64	\$7,744.94

The impact of a 100% municipal tax exemption is approximately \$19,600 annually for the first three war veterans' organizations listed above.

Starting in 2019, through Bill 57, the Provincial Government amended the *Assessment Act* Section 3(1) 15.1 to provide a full exemption of property and education taxes for all lands used and occupied as a memorial home, clubhouse or athletic grounds by an Ontario Branch of the Royal Canadian Legion.

Background / Discussion

The Corporation has received a request from the Army, Navy and Air Force Veterans in Canada Unit #342 requesting a 100% exemption from municipal taxes (letter is attached).

Since 2002, the 4 properties noted above have been granted an exemption of 50% of the taxes levied for municipal purposes (Royal Canadian Legion, 100% in 2019).

Section 6.1 (1) of the *Assessment Act* provides that a municipality may, by bylaw, exempt from taxation land that is used and occupied by veterans as a memorial home, clubhouse or athletic grounds. Veterans include persons who served in the armed forces of His or Her Majesty or an ally of His or Her Majesty in any war. The exemption must not exceed 10 years but may be renewed at any time during the last year of the previous exemption.

An exemption under this section does not affect the obligation to pay fees or charges that have priority lien status (i.e. other municipal taxes, education taxes, local improvement levies, etc.).

No exemption is provided with respect to education taxes. Council does not have the authority to exempt war veterans' organizations properties from paying education taxes.

A number of municipalities in Eastern Ontario (Ottawa, Elizabethtown-Kitley, Perth, Smith Falls, Belleville, Peterborough, and Kingston; as well as, North Bay) have provided a 100% tax exemption to war veterans' organizations properties in their communities.

Pending Council direction, Administration would bring a bylaw to the next Council meeting for approval. Administration will notify the war veterans' organizations of Council's decision.

Document Title:	Municipal Tax Exemption – War Veterans’ Organizations - 2020-241-Financial Services.docx
Attachments:	- Army, Navy and Air Force request letter.pdf
Final Approval Date:	Jan 31, 2020

This report and all of its attachments were approved and signed as outlined below:

Tracey Bailey - Jan 30, 2020 - 5:03 PM

Maureen Adams - Jan 31, 2020 - 10:44 AM