



# MacBride Museum

## Tax Question and Answer Sheet

### What is a museum?

A museum is a ***non-profit, permanent institution*** in the service of society and its development, open to the public, which acquires, conserves, researches, communicates and exhibits the tangible and intangible heritage of humanity and its environment for the purposes of education, study and enjoyment.”

International Council of Museums ICOM definition.

### What is MacBride looking for?

MacBride would like our municipality to support us with 100% tax abatement as they have done since 1951. MacBride has never paid taxes.

We are a permanent, non-profit institution. We are trustees of the land and the objects for future generations.

100% abatement allows MacBride to use all our resources to be open to the public, protect Yukon's objects and illustrate our collective stories.

Tax abatement has been a key part of our growth and our ability to operate with modest core funding.

### Has MacBride ever paid taxes?

No. The City has always given MacBride a 100% tax abatement / exemption.

MacBride has expanded our facility from the Telegraph Office in 1951 to the Centennial Building in 1967 to the Cowan Wing in 1972 to the Gold Rush Gallery in 2007. At each of these stages, taxes increased and the City provided a corresponding 100% abatement / exemption.

### Why does MacBride think the City supported your project in 2016?

The City wrote a letter of support for the project to the funders indicating that they supported the expansion (attached).

## Why is the City trying to tax MacBride now?

We don't know.

## Why does MacBride think you are still exempt from Taxes?

In 2014 the City changed the Municipal Grant policies and they put a cap on how much support an organization can receive from the City. Eligibility is calculated by a combination of earnings and assets. MacBride is a museum and we cannot sell our assets. We need the money we raise from funders and our earnings to operate.

The Mayor and Council recognized that MacBride was already at the cap of this new policy and would be harmed by the changes.

They assigned the City Manager and the Director of Finance to work with YG Tax Branch and MacBride to find a long-term solution that did not harm MacBride. *This was a directive at a City Council meeting.* There were a series of meetings and options were put to Council in 2015.

Council chose to exempt MacBride from all the Municipal Charges and Grant policies and to give any museum that owns their own land a 100% exemption by way of a grant equal to the full amount of property tax owed (this is the abatement in principle and a grant is the legal mechanism of delivery).

Here is the resolution:

**“2015-12-07 as amended by 2015-12-08 (June 15) COMMUNITY SERVICE GRANTS**

It was duly moved and seconded

THAT museums that hold title to their own property be exempted from the provisions of the Municipal Charges and Community Services Grant Policy and the City Grant-making Policy and be provided with a tax grant equal to the full amount of property tax owed;”

Mayor Curtis voted for the resolution and he gave a speech supporting MacBride. Councillor Curteanu also voted for it. Current YG Minister of Community Services, John Streicker was also on that Council and he voted for it as well.

This resolution was passed and to our knowledge it has not been revoked, amended or replaced. It is a piece of City legislation that is alive and in force.

In 2016 during planning for the expansion, MacBride met with the Mayor and the City Manager and asked for the City's support. We also wanted to be certain that the tax exemption would continue given we were constructing a larger space. Both the Mayor and the City Manager said that MacBride was exempt based on 2015-12-08 and that

the intention was it would continue. They described it as a 'permanent exemption.' The City provided a letter of support for the application package to funders as well as a copy of the resolution.

In 2017, MacBride was in the midst of construction and we again checked with the City Manager who advised us that 2015-12-08 was in force and that Council had no plans to change it.

MacBride believes that 2015-12-08 is still in force and thus MacBride is exempt from the policies and from paying taxes.

MacBride cannot be taxed based on a policy from which we are specifically exempted.

### **Did MacBride pay development fees to the City?**

Yes, MacBride raised capital money from governments and we put earned revenues toward the expansion.

The City made MacBride use some of those funds to pay development costs and fees as well as building permit and services fees of approximately \$150,000. The City Council has the authority to waive or refund those fees because MacBride is a non-profit society.

The City Council has not waived or refunded those fees.

### **Do businesses want MacBride to pay taxes?**

Some Council members have said that local businesses want MacBride to pay taxes. We have provided several letters of support from businesses to City Council and they chose not to put them on the record at Council on August 10<sup>th</sup>, 2020.

We will be posting those letters and others to our website and Facebook.

### **What about other public support?**

One of the MacBride members, Evelyn Church, started a petition to support MacBride. It has over 600 signatures (old school actual signatures!).

The petition was given to the City Council and they chose not to put it on the record at Council on August 10<sup>th</sup>, 2020.

If you would like to sign it (and we hope you do), please drop by and sign in person at the front desk at MacBride.

## **What about what the City says and what we hear in the media?**

### **Abatement**

City staff have said in the media that the City does not have an abatement policy. What is abatement?

In broad terms, an abatement is any reduction of an individual, society or corporation's tax liability.

It commonly refers to tax incentives that attempt to promote investments that boost economic growth or provide other social benefits. For instance, local governments may offer abatements to cover the cost of building new infrastructure to incentivize development or they may offer abatements to charitable organizations to encourage social goods.

Abatement is a policy that is delivered by legal mechanisms in municipalities.

In Whitehorse, it is implemented by discretion of Council, by tax forgiveness for non-profits through the Grant policies and to for-profit businesses through the Development Incentive policy. The Development Incentive policy also has a component that waives development fees.

We noted in the media in August of 2020 that City Council voted to provide a development incentive of tax abatement to three private developers equal to \$1,500,000 plus development fees.

It is puzzling to see our municipality offer incentives to private companies and waive their development fees while not rebating the development fees back to MacBride, an entity that solely exists for the benefit of preserving history and showcasing it to visitors.

### **The Cap**

The City said in the media that MacBride is over "the cap".

"The cap" is not material as MacBride is exempt from the policy and provided a tax grant equal to the full amount of the property tax owed.

The cap cannot be applied to MacBride since we are excluded from the policies.

### **2015-12-07 as amended by 2015-12-08 (June 15) COMMUNITY SERVICE GRANTS**

It was duly moved and seconded

THAT museums that hold title to their own property be exempted from the provisions of the Municipal Charges and Community Services Grant Policy and the City Grant-

making Policy and be provided with a tax grant equal to the full amount of property tax owed;

**The City says that you could just operate like other museums in a YG building and then YG would pay your taxes.**

Being an independent society in our own buildings gives us flexibility, efficiency and the timely decision-making needed to operate and to access funding.

MacBride is a member-based society. These members voted for the MacBride Board and staff to work with the City and get 100% abatement back as a policy. That is the mandate that the board and staff operate under.

The offer did not afford the autonomy that the members mandated us to preserve.

MacBride also cannot sell for legal and contractual reasons.

**The City says MacBride is subject to the Grant policy**

MacBride is clearly exempted from the Grant Policy.

**2015-12-07 as amended by 2015-12-08 (June 15) COMMUNITY SERVICE GRANTS**

It was duly moved and seconded

THAT museums that hold title to their own property be exempted from the provisions of the Municipal Charges and Community Services Grant Policy and the City Grant-making Policy and be provided with a tax grant equal to the full amount of property tax owed;

2020 is the first year that the City has requested MacBride apply to the grant process. We did so under duress in the interest of trying to resolve this impasse.

**The City says that the resolution of exemption is just for 2015.**

The minutes of the City Council show that the original motion included a time limit on the exemption for 2015 only (2015-12-07).

This motion was amended and brought back as 2015-12-08 with the time limit removed. The notes indicate that "Administration confirmed that the City Grant-making Policy includes a cap on the amount of grant funds payable to an organization annually. To permit the grant of the full amount of taxes owed, the exemption has to apply to both grant policies".

It was clearly the intention of Council to exclude MacBride from the Grant policies and that the exemption was long-term and ongoing as they specifically removed the time limitation.

In a discussion on this issue the previous month, the following was documented as part of the minutes: 2015-11-05.

“Council members discussed the value of museums to the community and the potential effect on museum operations if their programming is impacted by the burden of taxes and other municipal charges. It was noted that the MacBride Museum could be deemed a special case by virtue of the fact that they hold title to their property.”

The minutes of the City Council are available online.

### **So what, MacBride? The City has changed their position.**

We respect the City’s authority with regard to taxing and their authority to change their policy.

However, they have not changed their policy. MacBride is exempted.

The City need to revoke or amend 2015-12-08 before they can include MacBride in a tax policy which we are specifically excluded from.

### **What is MacBride’s solution?**

MacBride and our members do not believe that museums should be taxed. Tax abatement for museums is common across Canada. We are trustees of material history and MacBride is a permanent community good serving our residents and visitors.

All of the money we raise and the money we earn should be spent on providing value to citizens and taxpayers by delivering operational services and protecting Yukon’s history for future generations.

We believe the City should give 100% exemption to MacBride and any museum that owns its own land generally, and specifically per their resolution passed in 2015.

We encourage the City to revert to 100% abatement for MacBride and to make this a permanent solution so that we can all focus on our shared goals of showcasing our amazing community and protecting our heritage and our stories.