



Permissive Property Tax Exemption Policy

C008-05

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Policy Statement

- 1 The [City](#) recognizes the significant value that volunteers, volunteer groups and agencies contribute to the spiritual, educational, social, cultural, and physical well-being of the community.

Purposes of this policy

- 2 (1) Provides clarity, consistency and certainty to the [City](#), the Public and [Applicants](#).
- (2) A permissive property tax exemption is a means for [Council](#) to support organizations within the community that align with [Council's](#) strategic goals and objectives.

Application

- 3 Applicable to organizations applying for an [Exemption](#).

Interpretation

- 4 (1) Unless otherwise provided in this Policy, words and phrases used herein have the same meanings as in the [Community Charter, S.B.C. 2003, c. 26](#), [Local Government Act \[RSBC 2015\] c. 1](#), [R.S.B.C. 2015, c. 1](#), and [Interpretation Act, R.S.B.C. 1996, c. 238](#), or as the context and circumstances may require.
- (2) A reference to a statute refers to a statute of the Province of British Columbia, and a reference to any statute, regulation or Bylaw refers to that enactment, as amended or replaced from time to time.
- (3) Words in the singular include the plural and gender specific terms include both genders and corporations.
- (4) Headings in this Policy are for convenience only and must not be construed as defining, or in any way limiting the scope or intent of this Policy.

- (5) If any part of this Policy is held to be invalid by a court of competent jurisdiction, the invalid part is severed and the remainder continues to be valid.

Definitions

5 In this Policy, unless the context otherwise requires:

“**Applicant**” means the corporation or organization applying for an [Exemption](#).

“**Application**” means a [Comprehensive Exemption Application](#) or a [Renewal Application](#).

“**Application Cycle**” means the multi-year timeline [Applicants](#) must adhere to when submitting an [Application](#).

“**City**” means the City of Abbotsford.

“**Comprehensive Exemption Application**” means the following:

(a) Comprehensive Permissive Tax Exemption Application Places of Worship or Independent Schools; or

(b) Comprehensive Permissive Tax Exemption Application Charity or Not-for-Profit.

“**Community Care Facility**” means long-term care facilities for people having difficulty coping with activities of daily living because of health-related problems, disability or a life-threatening illness.

“**Council**” means the Council of the [City](#).

“**Exemption**” means a Permissive property tax Exemption.

“**Exemption Year**” means the year the [Exemption](#) applies.

“**Finance Department**” means the [City's](#) Finance Division of the Finance and Procurement Services Department.

“**Gifted**” means given willingly as a donation or bequest; an exchange without payment.

“**Not-for-Profit Organization**” means a charitable, philanthropic or other society engaged in not-for-profit activities.

“**Registered Charity**” means charitable organizations that use their resources for charitable activities; and have charitable purposes that relieve poverty, advance education, advance religion, or other purposes that benefit the community.

“**Renewal Application**” means an [Application](#) to renew a [Comprehensive Exemption Application](#).

“**Thrift Store**” means a store selling donated, secondhand clothes and other household goods to raise funds for a [Not-for-Profit Organization](#).

Extent and conditions

6 (1) The extent of [Exemptions](#) approved is dependent on the annual budget set by [Council](#). [Council](#), at its discretion, may:

(a) cancel any or all [Exemptions](#) within a given year; or

(b) place a cap on the dollar value and/or pro-rate [Exemptions](#) granted on individual properties, in any one (1) category, or all categories.

(2) [Council](#) may designate only a portion or none of the land/improvements as exempted, where the following circumstances exist:

(a) a portion of the land/improvements is used by a for-profit entity and/or the [Applicant](#) does not meet [Council's Exemption](#) criteria; or

(b) the [Applicant](#) already receives grant-in-kind/aid from the [City](#).

- (3) **Council** may impose conditions on the exempted land/improvement with the **Applicant**, including but not limited to:
 - (a) registration of a covenant restricting use of the property;
 - (b) an agreement committing the **Applicant** to continue a specific service or program;
 - (c) an agreement committing the **Applicant** to have fields or facilities open for public use for certain times or a total amount of time;
 - (d) an agreement committing the **Applicant** to offer use of the fields or facilities to certain groups free of charge or at reduced rates; or
 - (e) an agreement committing the **Applicant** to immediately disclose any substantial increase in the organization’s revenue or anticipated revenue (e.g. receives large operating grant from senior government).
- (4) **Council** may impose penalties on an exempted **Applicant** for knowingly breaching the conditions of the **Exemption**, including but not limited to:
 - (a) revoking the **Exemption**, with notice;
 - (b) disqualifying any future **Application** for an **Exemption** for a specific time period; or
 - (c) requiring repayment of monies equal to the foregone tax revenue.

Process

7 (1) Administration

- (a) **Council** will consider **Comprehensive Exemption Application** from:
 - (i) Places of Worship and Independent Schools, for a period of up to ten (10) years and subject to an annual **Renewal Application**; and
 - (ii) **Not-for-Profit Organizations, Community Care Facilities** and Athletic or Service Clubs for a period of up to four (4) years and subject to an annual **Renewal Application**.
- (b) **Council** will consider **Renewal Applications** annually. The opportunity to apply for renewal of an **Exemption** will be advertised in the local newspaper twice in the month of June annually. The **Renewal Application** is confirmation that ownership and use of property has not changed, and will be reviewed and approved before an **Exemption** is granted.
- (c) Late **Applications** will not be accepted. It is the **Applicant's** responsibility to monitor the **City's** website for **Application** due dates and any changes to this Policy.
- (d) The **Finance Department** will process only complete **Applications**; and will contact the **Applicant** where additional information is required. An inter-departmental review may be conducted to determine eligibility, after which the **Finance Department** will prepare a report and bylaw for presentation to **Council** for approval and adoption on or before October 31st annually.
- (e) Public notice, in accordance with the **Community Charter**, will be placed in the local newspaper of the proposed bylaw.

(2) Annual timeline

June 30	Applications due
July - August	Internal review of Applications
September - October	Council review & public notice
October 31 or earlier	Bylaw adoption

(3) Application Cycle

Those **Applicants** approved for an **Exemption**, based on completion of a **Comprehensive Exemption Application**, will be exempt for one (1) year. To be considered for future years, a **Renewal Application** must be submitted on or before June 30th of the preceding year for each year remaining in the **Application Cycle**. Following completion of an **Application Cycle**, the **Applicant** will again be required to submit a **Comprehensive Exemption Application**.

- (i) **Application Cycle** length
 - (A) Places of Worship and Independent Schools: ten (10) years; and
 - (B) **Not-for-Profit Organizations, Community Care Facilities** and Athletic or Service Clubs: four (4) years.
- (ii) **New Applications**: a **Comprehensive Exemption Application** must be submitted on or before June 30th in the year preceding the **Exemption Year**.
- (iii) **Renewal Applications**: a **Renewal Application** must be submitted annually on or before June 30th for each subsequent year following an approved **Comprehensive Exemption Application**, and within the window of the **Application Cycle**.

Example - Application Cycle

Tax Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Places of Worship and Independent Schools	C*	R**	R**	R**	R**	R**	R**	R**	R**	R**	C*
Not-for- Profit Organizations, Community Care Facilities and Athletic or Service Clubs	C*	R**	R**	R**	C*	R**	R**	R**	C*	R**	R**

***Comprehensive Exemption Application**

****Renewal Application**

- (4) Additional information
 - (a) **Council** may request a presentation from the **Applicant**
 - (b) The **City** may request additional information, as deemed necessary
 - (c) The **City** reserves the right to review records and/or property to verify information provided in support of the **Application**, and to share this information with BC Assessment for the purposes of assigning an **Exemption** to the property’s assessed value
 - (d) Successful **Applicants** will be asked to publicly acknowledge the **Exemption**
 - (e) For successful **Applicants** that lease the subject property, and the lease requires payment of property taxes, the **City** will deliver a letter to the **Applicant** to inform them of the value of the **Exemption** granted on the subject property.

Automatic Exemptions

8The following organizations will be granted an automatic **Exemption**. No **Application** is required.

- (a) Veteran services property

- (i) **Exemptions** are granted on those properties used, or occupied, primarily as a clubhouse by persons who served in the armed forces of His Majesty or a branch thereof (i.e. cadets) or an ally in any war as determined by the **City**.
- (b) Local Authorities
 - (i) **Exemptions** will be considered at the time the **City** enters into an agreement with a third party to provide services, on **City** owned property, that the **City** might otherwise provide itself.
- (c) **City** owned golf courses will receive a full **Exemption**, except under circumstances where the Province of British Columbia exercises its rights under the **Community Charter**.
- (d) **Gifted** property

Under circumstances where land or improvements on **City** owned property have been **Gifted** to the **City**, the **Applicant** will receive a full **Exemption** in perpetuity for the **Gifted** land or improvements. Improvements **Gifted** in the context of a land lease will not be exempted under this Section.

General eligibility criteria

- 9**
- (1) To be eligible for an **Exemption**, the **Applicant** must comply with the eligibility criteria as set out in **Subsection (4)**. The **Application** and supporting documentation are an integral part of this process.
 - (2) This section does not apply to **Applicants** receiving an Automatic **Exemption** as outlined in **Section 8**.
 - (3) There is no obligation on the part of **Council** to grant **Exemptions** in any given year.
 - (4) General:
 - (a) The **Applicant** must qualify under the **Community Charter**, as a:
 - (i) Local authority;
 - (ii) Independent school;
 - (iii) Place of Worship;
 - (iv) Charitable, philanthropic or other not for profit organization;
 - (v) Athletic or service club or association;
 - (vi) Community Care Facility;
 - (b) The **Applicant's** objective must align with **Council's** strategic goals and objectives.
 - (c) The **Applicant** and registered owner of the subject property, where applicable, must be in compliance with **City** policies, plans, bylaws, and regulations (e.g. business licensing, zoning).
 - (d) The **Applicant** must own or lease the subject property; and, in the case of a lease, the lease requires payment of property taxes by the **Applicant**.
 - (e) Improvements, or portions thereof, leased and used exclusively by a separate for-profit entity do not qualify for an **Exemption**.

Category specific eligibility criteria and limitations

- 10**
- (1) An organization may apply for an **Exemption** under one (1) of the following categories:
 - (a) Independent School
 - (i) **Council** may exempt from taxation land owned by an incorporated institution of learning where the property was partially exempted under the **Community Charter, Section 220 (1), (l)** [incorporated institution of learning]. This Policy

recognizes that land surrounding an institution of learning is also used in support of the organization's operations.

(ii) Eligibility criteria

(A) The property must receive a statutory exemption (independent schools) for a portion of the land and/or improvements; and

(B) The property is zoned either P2 (Parks, Open Space and Schools), or P3 (Assembly) as set out in the [City's Zoning Bylaw, 2014](#).

(iii) Limitations

(A) The total [Exemption](#), including the statutory exemption, is limited to a maximum of 7.0 acres for institutions offering elementary school education, and 15.0 acres for institutions offering secondary school (includes middle school) education.

(b) Place of Worship

(i) [Council](#) may exempt from taxation land or improvements where the property was partially exempted under the [Community Charter, Section 220 \(1\) \(h\)](#) [buildings for public worship].

(ii) Eligibility criteria

(A) The property must receive a statutory exemption (buildings for public worship) for a portion of the land and/or improvements; and

(B) The [Applicant](#) must be either a [Registered Charity](#) or Society, and provide proof of good standing.

(iii) Limitations

(A) The land surrounding a building receiving a statutory exemption may be exempted, up to the greater of 5.0 acres or the area used for the purpose of parking;

(B) A hall may be exempted to the extent that [Council](#) considers the hall necessary to the exempt building; and

(C) A residence (manse) located on the same property as the building used for public worship, and the land upon which the residence (manse) stands, is not exempt and will be assessed and taxed as a residential property.

(c) [Not-for-Profit Organization](#)

(i) Section 224(2)(a) of the Community Charter, permits Council, by Bylaw, to exempt from taxation, land and/or improvements that are owned or held by a charitable, philanthropic organization or other Not-for-Profit organization and the Council considers, they are used for a purpose that is directly related to the purposes of the organization.

(ii) Eligibility Criteria

(A) The [Applicant](#) must either be a [Registered Charity](#) or Society, and provide proof of good standing; and

(B) The [Applicant's](#) services or programs must be equally available to all residents of the [City](#). Any restrictions thereto must be within the framework of the [Constitution Act](#), Canadian Charter of Rights and Freedoms (Canada).

(C) The Applicant's services or programs must not be in competition with other local businesses, with the exception of Thrift Stores. Only the portion of the property used for Not-for-Profit activities will be considered for an [Exemption](#).

(B) The Applicant's services or programs must benefit the residents of the City. In the Application, Applicants will be asked to identify the percentage of total services and programs offered at the subject property that are used or received by residents of the City. The Finance Department may validate submissions by reviewing an itemized listing of services, programs and/or donations dedicated to activities that build community for the greater good of all residents in the City, as provided by the Registered Charity or society. This review may include reference to the Not-for-Profit Organization's most recent fiscal year financial statements and/or charity return published prior to June 30th each year. The maximum Exemption amount is determined based on the following ranges:

Percentage of total services or programs benefiting residents of the City:	Greater than or equal to 75%	100% Exemption
	Greater than or equal to 25% and less than 75%	50% Exemption
	Less than 25%	No Exemption

(iii) Not-for-Profit organizations that provide housing services, in addition to the above, must meet the criteria in one of the categories below:

(A) Provide short-term housing with length of stay up to a maximum of three years

• Eligible housing types include:

First Stage Housing: Emergency Shelters, Extreme Weather Emergency Shelters, Youth Safe Houses, First Stage Transition Housing; or

Second Stage Housing: Transitional Housing, Recovery Homes, Supportive Housing (Homelessness).

- For First Stage Housing rent is not collected on the residence.

- For Second Stage Housing rent is collected as a program fee, supported by income assistance.

(B) Provide multi-unit housing intended for youth who are under the care of Ministry of Children and Family Development (MCFD) or Xyolhemeylh, or on a Youth Agreement with MCFD.

(C) Group homes housing providing supportive services to persons with mental/physical/ developmental disabilities.

(iv) Long-term Affordable Housing will not be eligible for exemption, except as otherwise stated under this Policy.

(d) **Community Care Facility**

(i) Section 224(2)(j) of the Community Charter, permits Council, by Bylaw, to exempt from taxation, land and/or improvements that are owned or held by a person or organization and operated as a private hospital licensed under the Hospital Act or as a licensed community care facility, or registered assisted living residence, under the Community Care and Assisted Living Act.

(ii) Eligibility Criteria

(A) The property is owned or held and operated by a registered Not-for-Profit society, and

(B) Assistance with daily living is provided, and

- (C) Eligible housing types include: Community Residential Care Facilities for Persons with Disabilities, Group Homes for Adults with Mental/Physical Challenges or Developmental Disabilities, Hospice Care.
- (iii) Residential Care and Assisted Living Facilities for Seniors that do not otherwise meet criteria above, will be not eligible for exemption under this Policy.
- (e) Athletic or Service Club Associations
 - (i) Section 224(2)(i) of the Community Charter, permits Council, by Bylaw, to exempt from taxation, land and/or improvements owned or held by an athletic or service club or association and used as a public park or recreation ground or for public athletic or recreational purposes.
 - (ii) Eligibility Criteria
 - (A) The **Applicant** must be either a **Registered Charity** or Society, and provide proof of good standing; and
 - (B) The **Applicant's** services or programs must be equally available to all residents of the **City**. Any restrictions thereto must be within the framework of the Constitution Act, 1982, Canadian Charter of Rights and Freedoms (Canada); and
 - (C) For Athletic Clubs or Associations, the services or programs offered by the Applicant must not be widely available within the City.
 - (iii) Without limiting Council's authority in other categories, Council at their discretion may cap Exemptions granted on this category at 50% of assessed property value.

Exclusions

- 13 This Policy does not apply to exemptions for partnering, heritage, riparian, and other special exemption authority, or revitalization tax exemptions.

Prohibitions

- 14 [N/A]

Related procedures, guidelines and publications

- 15 [N/A]

ADOPTED on September 28, 2015

LAST REVISED on May 29, 2023