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**Section:** Finance

**Title:** Permissive Tax Exemption Policy

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## **POLICY STATEMENT**

A permissive tax exemption is a means for Council to support organizations within the community which further Council's objectives of enhancing quality of life (economic social, cultural) and delivering services economically. A permissive tax exemption is strictly at the discretion of the Town of Oliver Council. After careful consideration of all applications Council may approve a full, a partial or no exemption for each applicant. This policy outlines the criteria organizations must meet to be eligible for an exemption.

### **1.0 Purpose**

The purpose of this policy is to describe the Town of Oliver Permissive Tax Exemption Policy and to prescribe the parameters within which Council will consider applications for permissive exemptions from property taxes from organizations which are eligible for such exemptions under the *Community Charter* Sections 224, 225 and 226. The parameters will provide fair, consistent treatment and consideration for all applicants providing charitable and not-for-profit services for the benefit of Town of Oliver residents.

### **2.0 Responsibilities**

- 2.1 Town Council shall approve any amendments to this policy.
- 2.2 The Chief Administrative Officer will support the implementation of this policy and recommend any amendments. The Chief Financial Officer will ensure compliance with this policy.
- 2.3 The Finance Department will administer the Permissive Tax Exemption Policy to ensure the policy is consistently applied.

### **3.0 Process**

Council will consider applications for permissive tax exemptions annually. The opportunity to apply will be advertised two (2) times in the local newspaper and by letters mailed to existing tax exemption recipients in the last year of their exemption. In addition, application packages will be available at any time from the Town Office or on our website at [www.oliver.ca](http://www.oliver.ca).

Applications must be submitted to the Chief Financial Officer or designate, using the prescribed application form before July 31<sup>st</sup> of each year. The Chief Financial Officer or designate will review the applications for completeness, and arrange contact with the applicants for additional information if necessary.

Application submissions must include:

- Copies of audited financial statements for the last three (3) years;
- Copy of state of title certificate or lease agreement, as applicable;
- Description of programs/services/benefits delivered from the subject lands/improvements including participant numbers, volunteer hours, benefiting groups/individuals/special needs populations, fees charged for participation;
- Description of any 3<sup>rd</sup> party use of the subject land/improvements including user group names, fees charged conditions of use;
- Financial information on how the tax exemption amount is put back into the community through charitable means or reduced fees paid by the general population of the Town of Oliver;
- Confirmation that the organization's activities do not compete with any other duly licensed business in the Municipality.

The Chief Financial Officer will summarize the applications relative to the eligibility criteria to Council. Delegations to Council will be arranged by the Corporate Services Department as necessary.

### **4.0 Criteria**

Council will only consider applications for permissive tax exemptions from charitable and not-for-profit organizations which are in good standing with their respective establishing and governing bodies.

4.1 Subject Property must be one of:

- Land and/or improvements owned by the applicant
- Land and/or improvements leased under an agreement
- Land and/or improvements ancillary to a statutory exemption under Section 220 of the *Community Charter (Statutory Exemptions)*

4.2 Nature of Organization must be:

- Non-profit organization
- Charitable/philanthropic organization
- Athletic or Service Club/Associations
- Care facility/licensed private hospital
- Partner of the municipality by agreement under Section 225 of the *Community Charter*
- Other local authority
- Organization eligible under Section 220 statutory exemption (e.g. place of public worship, cemetery, library, Indian land, senior's homes, hospital, ect.)

4.3 The applicant organization's use of the land/improvements must benefit the community in one or more of the following ways:

- Provides recreational facilities for public use
- Provides recreation programs to the public
- Provides programs to and/or facilities used by youth, seniors or other special needs groups
- Preserves heritage important to the community character
- Preserves an environmentally, ecologically significant area of the community
- Offers cultural or educational programs to the public which promote community spirit, cohesiveness and/or tolerance
- Offers services to the public in formal partnership with the municipality

4.4 All accounts for fees and charges levied by the Town of Oliver to the applicant must be current.

## **5.0 Duration of Exemption**

Eligible organizations may be considered for tax exemptions exceeding one year (to a maximum of four years) where it is demonstrated that the services/benefits they offer to the community are of a durations exceeding one year (ie: for the period of the tax exemption).

## **6.0 Extent, Conditions and Penalties**

6.1 Council may designate only a portion of the land/improvements as exempted where the following circumstances exist:

- A portion of the land/improvements is used by the private sector and/or organizations not meeting Council's exemption criteria
- The applicant already receives grant-in-aid from the municipality and/or other sources
- A portion of the land/improvements is used to generate income for the organization

6.2 Council may impose **conditions** on the exempted land/improvements with the applicant organization, including but not limited to:

- registration of a covenant restricting use of the property
- an agreement committing the organization to continue a specific service/program
- an agreement committing the organization to have field/facilities open for public use for certain times or a total amount of time
- an agreement committing the organization to offer use of the field/facility to certain groups free of charge or at reduced rates
- an agreement committing the organization to immediately disclose any substantial increase in the organization's revenue or anticipated revenue or any change in the status of the property

6.3 Council may impose penalties on an exempted organization for knowing breach of conditions of exemption, including but not limited to:

- Revoking exemption with notice
- Disqualifying any future application for exemption for specific time period
- Requiring repayment of monies equal to the foregone tax revenue

#### **NOTES:**

Please provide **copies of audited financial statements for last three (3) years** and a **copy of state of title certificate or lease agreement**, as applicable.

1. Exemptions may be claimed for a place of public worship, a church hall and the land upon which they are sited, and for adjacent land used for off-street parking, walks and landscaping associated with the principal use. A separate exemption may be provided for where a manse or similar residence is associated with the place of public worship.
2. The Town Office at 6150 Main Street, Oliver, B.C. has Commissioners for Taking Affidavits available for signing documents.

**Applications for Permissive Tax Exemption must be received by 31<sup>st</sup> of July in the year prior to the taxation year for which exemption is requested in order to be included on the applicable annual Permissive Tax Exemption Bylaw.**

Permissive Tax Exemption Applications are to be submitted to:

Attention: Chief Financial Officer  
6150 Main Street  
Town of Oliver



# Permissive Tax Exemption APPLICATION

6150 Main Street / PO Box 638  
Oliver, BC V0H 1T0  
Ph: 250-485-6200 Fax: 250-485-4466

CANADA ) IN THE MATTER OF THE TAXATION EXEMPTION BYLAW  
PROVINCE OF ) PURSUANT TO SECTION 224 OF THE *COMMUNITY*  
BRITISH COLUMBIA ) *CHARTER* IN THE TOWN OF OLIVER  
) (exemption from taxation under Annual Rates Bylaw)

Pursuant to Section 224 of the *Community Charter* (see attached for your convenience)

I, \_\_\_\_\_ of \_\_\_\_\_  
**Name** **Street Address**  
\_\_\_\_\_  
**City/Town** Phone No. \_\_\_\_\_ Fax \_\_\_\_\_

Email \_\_\_\_\_

In the Province of British Columbia, do solemnly declare THAT:

1. I am the \_\_\_\_\_ of the  
**Position Currently Held Within the Organization**

\_\_\_\_\_  
**Name of Corporation, Association, Society or Organization**

and have knowledge of the facts as stated with respect to the following property for which a tax exemption is being applied for:

\_\_\_\_\_  
**Property Address**

\_\_\_\_\_  
**Property Zoning**

\_\_\_\_\_  
**Roll/Folio No.**

\_\_\_\_\_  
**Legal Description of Property**

**I am applying for a Permissive Tax Exemption for the following year(s): (maximum of four years)** \_\_\_\_\_

2. Full name or title of organization: \_\_\_\_\_  
\_\_\_\_\_

3. Mailing address of the organization (including postal code): \_\_\_\_\_  
\_\_\_\_\_

4. Name and phone number of two other officials in organization (i.e. Pastor, President, Manager, etc.)

Name \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

Day Phone # \_\_\_\_\_

Day Phone # \_\_\_\_\_

Alternate Phone # \_\_\_\_\_

Alternate Phone # \_\_\_\_\_

5. The lands and buildings are registered in the name of: \_\_\_\_\_

\_\_\_\_\_  
*(in the case of a Society, Corporation, Association, you must include a copy of the Certificate of Title)*

6. The exemption is claimed under the *Community Charter*, Section 224, pursuant to Sub-section 2. Clause \_\_\_\_\_ Please supply the relevant clause designation from Section 224 (copy of section attached for your convenience)

7. The gross floor area of the building: \_\_\_\_\_

8. Size of land area: \_\_\_\_\_

9. **We require a current site plan of the property** indicating the grounds and buildings and their uses. This would include buildings, storage buildings, walkways, parking lot, playgrounds, bush areas, etc. Show all dimensions.

10. What is the principal use of the property? \_\_\_\_\_  
\_\_\_\_\_

11. Is any part of the building or of the property used or rented by commercial or private operators or by any group other than your organization? \_\_\_\_\_

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12. Please provide details of other activities on your property; such as daycare centres, catering and hall rental, thrift shop. The following information is required for each activity:

- Hourly per day and/or days per week of operation
- Fee or charge
- Approximate number of participants
- Is the activity operated by a church or by an outside organization?

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13. (a) How is your organization consistent with Town policies, plans, bylaws, codes and regulations?

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(b) How is your organization non-profit?

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(c) How is your organization a complementary extension to Town services and programs?

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(d) How is your organization accessible to the public?

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(e) How is your organization used primarily by Town of Oliver residents?

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14. Other activities which may be pertinent to your application:

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15. Does anyone live in the buildings? If yes, how many people?

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16. Square footage of living area: \_\_\_\_\_

17. Has there been any change in the status or use of the buildings or property in the last 12 months? If yes, please explain briefly.

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18. **CHURCHES ONLY** complete the following additional questions:

(a) What is the seating capacity of the church?

Permanent: \_\_\_\_\_

Portable: \_\_\_\_\_



(b) What is the gross floor area of the

(i) Church: \_\_\_\_\_

(ii) Hall: \_\_\_\_\_

(iii) Other Buildings: \_\_\_\_\_

**Total Gross Floor Area:** \_\_\_\_\_

(c) Is every building on the lands in use and continues to be set aside for public worship or for a Church Hall? Please explain.

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(d) A manse or a building of similar kind

\_\_\_\_\_ is not used in association with the place of public worship

\_\_\_\_\_ is used for public worship; and an exemption is claimed for the land and improvement.

If the manse or a building is used for public worship, specify what area of the building and square footage.

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**Note: Manses may be considered if they are used for Sunday School, Bible Class, etc., but not for office, elders meetings, and storage.**

The personal information on this form is collected for the purpose of an operating program of the Town of Oliver as noted in Section 26(c) of the *Freedom of Information and Privacy Act*.

AND I make this solemn declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath, and by virtue of the *CANADA EVIDENCE ACT*.

DECLARED before me at the )  
Town of Oliver in the Province )  
of British Columbia this \_\_\_\_\_ )  
day of \_\_\_\_\_, 20\_\_\_\_ )

\_\_\_\_\_  
A Commissioner for taking Affidavits  
Within British Columbia or a Notary  
Public in and for the Province of  
British Columbia

\_\_\_\_\_  
Signature

Signature of Registered Owner (if different than applicant):

\_\_\_\_\_

## Division 7 — Permissive Exemptions

### General authority for permissive exemptions

**224** (1) A council may, by bylaw in accordance with this section, exempt land or improvements, or both, referred to in subsection (2) or (3) from taxation under section 197 (1) (a) [*municipal property taxes*], to the extent, for the period and subject to the conditions provided in the bylaw.

(2) Tax exemptions may be provided under this section for the following:

(a) land or improvements that

(i) are owned or held by a charitable, philanthropic or other not for profit corporation, and

(ii) the council considers are used for a purpose that is directly related to the purposes of the corporation;

(b) land or improvements that

(i) are owned or held by a municipality, regional district or other local authority, and

(ii) the council considers are used for a purpose of the local authority;

(c) land or improvements that the council considers would otherwise qualify for exemption under section 220 [*general statutory exemptions*] were it not for a secondary use;

(d) the interest of a public authority, local authority or any other corporation or organization in land or improvements that are used or occupied by the corporation or organization if

(i) the land or improvements are owned by a public authority or local authority, and

(ii) the land or improvements are used by the corporation or organization for a purpose in relation to which an exemption under this Division or Division 6 of this Part would apply or could be provided if the land or improvements were owned by that corporation or organization;

(e) the interest of a public authority, local authority or any other corporation or organization in land or improvements that are used or occupied by the corporation or organization if

(i) the land or improvements are owned by a person, who is providing a municipal service under a partnering agreement,

(ii) an exemption under section 225 [*partnering and other special tax exemption authority*] would be available for the land or improvements in relation to the partnering agreement if they were used in relation to the service,

(iii) the partnering agreement expressly contemplates that the council may provide an exemption under this provision, and

(iv) the land or improvements are used by the corporation or organization for a purpose in relation to which an exemption under this Division or Division 6 of this Part would apply or could be provided if the land or improvements were owned by that corporation or organization;

(f) in relation to property that is exempt under section 220 (1) (h) [*buildings for public worship*],

(i) an area of land surrounding the exempt building,

(ii) a hall that the council considers is necessary to the exempt building and the land on which the hall stands, and

(iii) an area of land surrounding a hall that is exempt under subparagraph (ii);

(g) land or improvements used or occupied by a religious organization, as tenant or licensee, for the purpose of public worship or for the purposes of a hall that the council considers is necessary to land or improvements so used or occupied;

(h) in relation to property that is exempt under section 220 (1) (i) [*seniors' homes*], (j) [*hospitals*] or (l) [*private schools*], any area of land surrounding the exempt building;

(i) land 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;

(j) land or improvements 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*;

(k) land or improvements for which a grant has been made, after March 31, 1974, under the *Housing Construction (Elderly Citizens) Act* before its repeal.

(3) The authority under subsection (2) (e) and (g) to (j) is not subject to section 25 (1) [*prohibition against assistance to business*].

(4) Subject to subsection (5), a bylaw under this section

(a) must establish the term of the exemption, which may not be longer than 10 years,

(b) may only be adopted after notice of the proposed bylaw has been given in accordance with section 227 [*notice of permissive tax exemptions*], and

(c) does not apply to taxation in a calendar year unless it comes into force on or before October 31 in the preceding year.

(5) Subsection (4) (a) and (b) does not apply in relation to exemptions under subsection (2) (f) and (h).

(6) If only a portion of a parcel of land is exempt under this section, the bylaw under this section must include a description of the land that is satisfactory to the assessment commissioner.

(7) A bylaw under this section ceases to apply to property, the use or ownership of which no longer conforms to the conditions necessary to qualify for exemption and, after this, the property is liable to taxation.