



## COUNCIL POLICY

**Subject: PERMISSIVE EXEMPTIONS FROM  
PROPERTY TAXATION**

**Policy No:  
Approved by Council:  
Revised by Council:  
Revised by Council:**

**03-837  
2006-05-13  
2019-04-01  
2019-07-22  
2020-10-05**

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### 1. Purpose

- 1.1 The Community Charter Sections 224, 225 and 226 grants Council the discretion to provide permissive exemptions from property taxes for Charitable and Not-for-profit organizations in accordance with regulations set out in those sections and subject to the Township's budgetary constraints.
- 1.2 The purpose of this policy is to set the parameters under which Council will consider applications for permissive exemptions from property taxes for 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 Township of Langley residents.

### 2. Background

- 2.1 Statutory property tax exemptions are provided under *Community Charter* Section 220 for properties such as schools, public hospitals, buildings set apart for public worship and provincial and municipally owned public buildings and land. Council does not have any authority over these statutory exemptions.
- 2.2 Permissive property tax exemptions are provided under *Community Charter* Sections 224, 225 and 226 for not-for-profit and charitable organizations. These permissive exemptions are at the discretion of Council and are subject to the Township's budgetary constraints.
- 2.3 Council supports, through permissive property tax exemptions, organizations which provide services that fulfill some basic need, improve the life of Township residents and are compatible with or are complementary to services offered by the Township.
- 2.4 Due to budgetary constraints, Council has limited the Township's support to those organizations which meet the parameters set out in this policy. In addition, effective 2021, Council has instituted a limit of \$75,000<sup>1</sup> (escalated annually) on permissive property tax exemptions for Not-for-Profit organizations.

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<sup>1</sup> Permissive Tax Exemptions are a calculation based on assessed values provided by BC Assessment and property tax rates determined by the Township to apply to all property of a given class. For this reason, the actual exemption granted, that is limited, is unlikely to be exactly equal to \$75,000.

### 3. Policy

#### 3.1 **General Eligibility for Permissive Exemptions**

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.

Permissive tax exemptions previously granted by Council are subject to an annual review to ensure that they continue to qualify for an exemption based on the most current available information at the time of the review.

All applications must be consistent with the Township of Langley policies, plans, by-laws and regulations.

Churches and not-for-profit and charitable organization are responsible to apply annually and by June 1 through the Township of Langley online Permissive Tax Exemption application process. It is the responsibility of the applicant to ensure they complete the online permissive application every year. Applications are due June 1 annually, late applications may lose their exemption.

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

- a) A portion of the land/improvements is used by private sector and/or organization not meeting Council's exemption criteria.
- b) The applicant already receives a grant from the municipality, provincial or federal government.
- c) The applicant meets all eligibility criteria, however Council may at its discretion grant a partial exemption.

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

- a) Registration of a covenant restricting use of the property.
- b) An agreement committing the organization to immediately disclose any substantial increase in the organizations' revenue or anticipated revenue.
- c) Requiring repayment of monies equal to the foregone tax revenue.

#### 3.2 **Buildings for Public Worship**

##### **Lands Used or Occupied by a Church as Tenant or Licensee**

*Under Section 224(2)(g), Council may exempt the 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 church hall, which council considers necessary to land or improvements so used or occupied.*

Township will consider providing exemptions for the land, improvements and surrounding area used for parking for the church or church hall under this category with the following conditions:

- Lease agreement requiring direct payment of property taxes to the Township of Langley.
- Owner to complete Statutory Declaration agreeing to Council Policy and Guidelines.

No permissive tax exemptions will be considered for sub leasing of areas within the footprint and surrounding areas considered for exemption. Any areas used for caretaker's accommodation, church manse, care homes, retirement homes, commercial activities, will NOT be considered for permissive exemption.

### **Buildings for Public Worship**

*Buildings for public worship and the footprint of land on which they stand automatically receive a statutory exemption under Section 220.*

*Under Section 224(2)(f) in relation to property that is exempt under Section 220, Council may exempt an area of land surrounding the exempt building; a hall that Council considers is necessary to the exempt building and the land on which the hall stands; and an area of land surrounding a hall that has been exempted.*

Township will only consider exempting the surrounding area for the exempted Church or Place of Worship

- For Properties up to one (1) hectare in size, all such land shall be exempt
- For Properties that exceed one (1) hectare in size, the area of land shall be exempted up to one (1) hectare or eight (8) times the mandatory exempted footprint (area) of the Church or Place of Worship buildings and halls, whichever is greater
- A Property adjacent to and owned by the Church or Place of Worship that is developed as a parking lot for the Church or Place of Worship, may be considered for exemption up to one (1) hectare as long as the area is used for the sole purpose of parking for the Church or Place of Worship services
- Where there is a residence located on the same Property as a Church or Place of Worship in Schedule 'A' the residence and any ancillary buildings and the land upon which the residence and ancillary buildings actually stands, as well as any area of land deemed to be associated with the use and enjoyment of the residential and ancillary buildings, shall be assessed and taxes as residential property.

Any areas used for caretaker's accommodation, church manse, care homes, retirement homes, commercial activities, will NOT be considered for permissive tax exemption.

### **3.3 Not-For-Profit, Charitable Organizations and Community Halls**

*Under Section 224(2)(a)(i), Council may exempt land and/or improvements that are owned or held by a charitable, philanthropic organization or other not-for-profit organization and the Council considers are used for a purpose that is directly related to the purposes of the organization.*

The Township will only consider exempting land and/or improvements that are owned or held by not-for-profit organizations which are supported in whole or in part by public funds and used exclusively for charitable or philanthropic purposes. The permissive exemption has an upper limit of \$75,000 (escalated annually) beyond which, assessments would become taxable. To qualify for an exemption under this section, the applicants must demonstrate that the services of their organization are open to and used predominantly by Township of Langley residents.

**3.4 Care Homes, Private Hospitals/Institutions, Daycares**

*Under Section 224(2)(a & j), Council may exempt 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. Township will not consider providing any exemptions under these sections for the following reasons:*

- These services are the responsibility of senior government. There are Provincial and Federal programs in place to assist these organizations and the services that they provide are the responsibility of these senior governments.
- Council would like to ensure that Township of Langley residents are not overtaxed by the increasing number of regional and broader organizations located in the Township of Langley and receiving exemption from taxation.

**3.5 Heritage/ Partnering**

*Under Section 225(2)(a)(b), Council may provide a tax exemption for eligible partnering property, is owned by a person or public authority providing a municipal service under a partnering agreement; council considers will be used in relation to the service being provided under the partnering agreement; heritage property, being property that is protected heritage property; subject to a heritage revitalization agreement under section 966 of the Local Government Act; subject to a covenant under section 219 of the Land Title Act that relates to the conservation of heritage property; or if the exempted heritage property is a building or other improvement so affixed to the land as to constitute real property, an area of land surrounding that improvement.*

Township will consider providing property tax exemptions for the revitalization of eligible heritage properties as an incentive to encourage the preservation, rehabilitation or restoration of heritage resources in the Township.

Eligible heritage properties include protected heritage properties under section 967 of the Local Government Act, properties included on a schedule of protected heritage property in a heritage conservation area under section 970.1(3)(b) of the Local Government Act, property subject to a heritage revitalization agreement under Section 966 of the Local Government Act, or properties subject to a covenant under section 219 of the Land Title Act related to the conservation of heritage property.

**3.6 Revitalization Tax Agreements**

*Under Section 226, Council may consider revitalization tax exemptions to encourage revitalization in the Township. Such exemptions must be in accordance with a revitalization program bylaw which provides details of the program. There also must be an agreement with the property owner detailing any requirements and conditions Council stipulates. Finally, once all the revitalization program bylaw and owner agreement requirements and conditions are met a revitalization tax exemption certificate must be issued for the property.*

Township of Langley does not currently have any revitalization tax agreements in place but would consider providing revitalization tax exemptions on an individual basis.