

Permissive Tax Exemptions

Effective Date: September 15, 2009
Last Revised: April 12, 2022

1. Policy Statement

Permissive Tax Exemptions as permitted under *Community Charter Section 220 (General Statutory Exemptions)* and provide a means of supporting Charitable Organizations, Philanthropic Organizations and Not-For-Profit Organizations that provide spiritual, educational, social, cultural and physical well-being within the community.

Council will consider requests for Permissive Tax Exemptions for certain categories of land and/or improvements that are permitted under *Section 224 (General Authority for Permissive Tax Exemptions)* of the *Community Charter*, subject to the provisions as outlined in this policy.

2. Purpose

The purpose of this policy is to set the parameters under which Council will consider applications for permissive tax exemptions from organizations which qualify under the Community Charter. The purpose of these parameters are to ensure that charitable and not-for-profit community organizations providing services for the benefit of Pitt Meadows residents who may apply for permissive tax exemption are dealt with consistently and receive equal and fair treatment and consideration.

3. Scope

a. Statutory Permissive Tax Exemptions

- i. Statutory property tax exemptions are provided under *Community Charter Section 220* for a range of properties including those being held or used by the Province, municipalities, regional districts, libraries, schools, public hospitals, cemeteries and buildings set apart for public worship. Statutory exemptions are administered through BC Assessment.

b. Council Provisions for Permissive Tax Exemptions

- i. Council Provisions for Permissive Tax Exemptions are provided under *Community Charter Section 224* for not-for-profit and charitable organizations. This section provides Council the discretionary authority to provide permissive exemptions for some properties which are additional to statutory exemptions under Section 220, such as church halls or land surrounding places for public worship and privately run schools used for parking lots, playgrounds, etc.

4. Exclusions

Applications will not be considered for the following:

- a) For-profit organizations engaged in retail/commercial activities;
- b) Not-for-profit organizations or the proportionate area where the organization is conducting retail and/or commercial business activity and charging rates or fees at market value. Such businesses will be considered as competing with for-profit businesses and will not be eligible for an exemption;
- c) Private or non-profit Social Housing/Health Care Facilities – With the exception of *Community Charter Section 220 (1)(i)*, a permissive tax exemption will not be considered for:
 - (i) Residential facilities such as seniors' housing;
 - (ii) Community care facilities;
 - (iii) Licensed group homes;
 - (iv) Private hospitals; and
 - (v) Assisted family housing.
- d) Properties Under Construction – until construction is complete and an occupancy permit is issued. Occupancy must be issued by the City prior to April 30th to be considered for an exemption in the next calendar year.
- e) Tax Account Standing – Applicants in arrears on property taxes and utilities payable to the City.

5. Policy

5.1. Definitions

In this policy,

- a) ***Charitable Organizations*** – are those defined in the Income Tax Act as

for:

- Relief of poverty;
 - Advancement of religion;
 - Advancement of education; and,
 - Other purposes of a charitable nature beneficial to the community as a whole.
- b) ***Philanthropic Organizations*** – are those defined in the Collins English Dictionary as those showing concern for humanity, especially by performing charitable actions, donating money, etc.
- c) ***Not-for-Profit Organizations*** – are those defined by the Institute of Chartered Accountants as: Entities, normally without transferable ownership interests, organized and operated exclusively for social, education, professional, religious, health, charitable or other not-for-profit purposes. A not-for-profit organization's members, contributors and other resource providers do not, in such capacity, receive any financial return directly from the organization. Not-for-profit organizations can be registered charities or societies who fall under the Society Act which have similar 'charitable' criteria as that defined by the Institute of Charter Accountants.

5.2. Eligibility Criteria

To be eligible for a permissive tax exemption, the organization must meet all of the following criteria:

- a) Compliance with the *Community Charter* – The organization must qualify for an exemption under the provisions of the *Community Charter (Part 7, Division 7, Section 224)*;
- b) Charitable Status – The organization must be a registered charity, philanthropic, or not-for-profit organization;
- c) Compliance with municipal policies, plans, bylaws, codes and regulations;
- d) Nature of the service:
 - (i) Complementary extension to municipal services and programs;
 - (ii) Services and activities must be equally available to the public at large; and,
 - (iii) Pitt Meadows residents must be the primary beneficiaries of the

service.

- e) Principle Use – Eligibility for exemption will be based on ownership and principle use of the property by the organization rather than just the charitable service of the organization; and,
- f) Area in Use – Only that part of the property used for not-for-profit activities will be considered.

5.3. Procedures and Guidelines

Application Process:

- a) **Application Deadline** - The deadline for applications and supporting documents in any year will be on or before August 31 of the year preceding the year of the tax exemption request. Organizations failing to submit a completed application by August 31 will be deemed to have not renewed, and will be sent a denied notification.
- b) **Application Review** - The Taxation Services co-ordinator will review the applications for completeness and arrange contact with applications for additional information as necessary. The Director of Financial Services will present a summary report of the applications, relative to the eligibility criteria, to Council and arrange for delegations to Council if requested by Council.
- c) **Exemption Term** – Council will consider new applications for permissive tax exemptions annually. Permissive tax exemptions are for the lessor of five years and the expiration date of the current bylaw. As such, when a new permissive exemption is granted, while the normal term will be for a five year period, for example, if only two years remain on the current bylaw, then a bylaw amendment will be recommended for inclusion of the new property for just a two year period.
- d) **Annual Declaration Process** – In place of requiring renewal applications on an annual basis, existing recipients of a permissive tax exemption will be sent an annual declaration, on which they must confirm that there are no material changes to ownership or operation of the property that would require a change in exemption status. Every five years existing recipients will be sent a full application, requiring provision of all supporting

information that would otherwise be required on a new application. Exemptions are not automatically renewed, therefore failure to return an annual declaration may result in cancellation of the permissive tax exemption.

- e) **Notice of Permissive Tax Exemptions and Adoption of Bylaw** – Pursuant to Section 227 of the *Community Charter*, prior to adoption of a proposed Permissive Tax Exemption Bylaw, by no later than October 31, Council is required to give notice of the bylaw. The notice must:
- (i) Identify the property that would be subject to the bylaw
 - (ii) Describe the proposed exemption
 - (iii) State the number of years that the exemption may be provided, and
 - (iv) Provide an estimate of the amount of taxes that would be imposed on the property if it were not exempt, for the year in which the proposed bylaw is to take effect.

6. Related Legislation

Community Charter Division 7 Permissive Exemptions Section 224.

**Application for Permissive Tax Exemption Under
Section 224 of the Community Charter**

Section 1: General Information

1. Folio Number (xxxx-xxx):

2. Name of Applicant
Organization:

3. Application term

Note-the default term for permissive tax exemptions for 2023 is for five (5) years.

4. Name of Registered Owner: (if different from above)

5. Property Address:

6. Mailing Address for application: (if different from property address)



7. Contact person who can provide additional information about this application: ***(All correspondence will be sent to this contact. You must inform the city if this contact changes)***

8. Telephone:

9. Email address:

10. Organization Executives - name, contact telephone, email address:

11. What is the purpose of your Organization? ***(provide a brief description of the major programs/services/benefits delivered by your organization and the main user groups)***

12. Is the organization a registered charitable institution or society? ***In order to verify your answer, please provide a copy of your Certificate of Incorporation***

13. Society Registration Number:

14. Charitable Organization Number: (if applicable):

15. Number of years in operation at this location:

Section 2: How your Organization conforms to Council Permissive Tax Exemption Policy

1. Please answer the following questions to confirm if you qualify for an exemption under provincial legislation (CC sec 224). Answer each question, selecting N/A if not applicable.

The land / improvement is owned or held by the organization in question and are used for the purpose of the organization.

The land / improvement is owned or held by the City of Pitt Meadows, regional district or other local authority and are used for the purpose of the local authority.

The land / improvement are owned by a person who is providing a municipal service under a partnering agreement. **Note - additional information will be requested for any partnering agreements.**

Places of worship **only**

The land or improvement is used or occupied by a religious organization, **as tenant or licensee**, for the purpose of public worship, or for the purpose of a hall that the council considers necessary for the operation of the organization.

In relation to a property that is statutory exempt under CC sec 220(1) (h), permissive tax exemption is being sought for:

An area of land surrounding the exempt building

A hall that is necessary for operation of the exempt building

An area of land surrounding a hall that is exempt

What is the seating capacity of the church?

Permanent:

Portable:

Athletic or service club **only**

The land or improvements owned or held by an athletic or service club or association and used as public park or recreation ground or for public athletic or recreational purposes.

2. Is any part of the land / improvement under construction or due to undergo construction during the taxation year of 2023 which would render the property or part thereof unusable for a period of time? If yes, please provide details:

Details:

3. Nature of Service - How is your organization a complementary extension to Pitt Meadows services and program?

4. How is your organization equally accessible to the public? Does your organization require any type of membership?

5. How is your organization operated primarily for the benefit of Pitt Meadows residents? How do your services improve the quality of life for Pitt Meadows residents and how do they complement what is provided by the City of Pitt Meadows?

6. How many members/users did your organization have during the most recent fiscal year?

7. Of those members/users, specify the percentage of those who are residents of Pitt Meadows. *Note - Pitt Meadows residents must be the primary beneficiaries of the service.*

8. Please provide details of how this information is tracked. *Note - a copy of the members list may be requested.*

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

Section 3: Property Use

1. What is the principal use of the property?



2. Is any space on the property used for another purpose?
If yes, please provide details

3. Is any part of the property used or rented by commercial or private operators or by any group other than your organization?
If yes provide details - *include square footage of rented area*

4. Floor area - How many floors are on the property and what is the gross floor area of the entire site? *Please clearly identify any area used for commercial purposes. If the City does not have a current site plan, you will be contacted to have an inspection booked by the City, during which a new site plan will be drafted.*

Number of floors:

Gross floor area in square feet - entire site

Gross floor area of permissive exemption being sought

5. Is any part of the site used for commercial purposes, or for a purpose other than the main purpose of the organization?
6. Does anyone live on the premises?
If yes, please provide details below:



How many people:

Square footage of living area:

Capacity / reason:

7. Parking - How many parking spaces are there?

8. Are you applying to rezone, redevelop or make any other changes to the property in the next 12 months?

If yes, please provide details

9. Are you planning to sell, lease out or vacate the property in the next 12 months?

If yes, please provide details

Section 4: Financial Information

1. Please provide the following documentation (**applications will NOT be processed if documentation is not received by due date**):

☐ Most recent registered charity information return (T3010) or non-profit society returns (T2 and 1044)

☐ Approved or Audited Financial Statements for the most recent fiscal year

☐ Budget for current taxation year

2. Please indicate all current funding sources for your organization. These include grants or tax exemptions received from the City of Pitt Meadows, another municipality, other government or non-government organizations (for example, the Provincial Government or Federal Government), please provide the following information:

Year / Period	Funding Agency	Type of Grant / Funding	Amount

3. Does any of the above funding include provision for property taxes?

If yes, please provide details

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4. Please provide information on any pending application for grants with municipalities, other government institutions and non-government organizations

Funding Agency	Type of Grant requested	Amount	Status

5. Please provide information for any income received for space in the building or grounds that is used, shared or rented by another organization / individual. This applies to meeting rooms, parking stalls, etc., or to a congregation sharing church space and contributing to operating expenses:

Area and location of space	Organization using space	Income received per use	Annual Income from this source

Certification:

I certify that I represent this organization and that the information provided in this application, together with supporting information is true and accurate to the best of my knowledge. I authorize the City of Pitt Meadows to check if this property is in compliance with all municipal policies, plans, bylaws, codes and regulations, and by failing to comply with any of those I understand this application may be denied.

Name (please print):

Signature:

Position:

Telephone/Email:

Date:

Please note - under section 224 (7) of the community charter, the City may seek to recover an amount equal to the value of property taxes that should be payable for any period within the exemption year when there has been a change in use or ownership that results in the organization no longer conforming to the conditions necessary to qualify for an exemption.

If you require further information please contact us at:

pmtaxes@pittmeadows.ca

Section 5: Office use only (City of Pitt Meadows)

1. Does the organization comply with municipal policies, plans, bylaws, codes and regulations?

Zoning correct?

Business Licence in place?

Building has occupancy permit?

Permits obtained for building alterations changes?

Tax and Utility accounts in good standing?

Contact Details:

Planning Dept	604-465-5454 (For Zoning enquiries)
Building Dept	604-465-2428 (For Permit enquiries)
Licence Office	604-465-5454 (For Business Licence enquiries)
Tax Office	604-465-2418 (For Tax and Utility enquiries)