



## THE CORPORATION OF THE CITY OF VERNON

3400 – 30<sup>th</sup> Street, Vernon, B.C. V1T 5E6  
Telephone: (250) 545-1361 Fax: (250) 545-4048

website: [www.vernon.ca](http://www.vernon.ca)

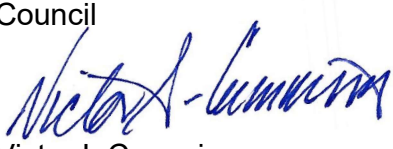
### Corporate Policy Manual

Section:	Corporate Services	
Sub-Section:		
Title:	Permissive Tax Exemption	

#### RELATED POLICIES

Number	Title

#### APPROVALS

POLICY APPROVED BY:	AMENDMENT APPROVAL:	SECTION AMENDED
Approved by: Mayor & Council  Victor I. Cumming Mayor Date: May 13, 2024		<i>Original Policy</i>

## 1. PURPOSE

- 1.1. The City of Vernon recognizes the significant value of volunteers and volunteer groups and agencies to the social, spiritual, cultural, educational and physical well-being of the community. A permissive tax exemption is a means for Council to support organizations within the community where Council deems it appropriate that the organization be assisted through reduction in property taxation.
  - 1.2. Once granted, property tax exemptions exempt properties from municipal taxes and all other taxing authority levels (provincial school taxes, Okanagan Regional Library, North Okanagan / Columbia-Shuswap Regional Hospital District, Regional District of North Okanagan, BC Assessment and Municipal Finance Authority levies). Tax exemptions are not applied to charges for local service areas.
  - 1.3. The Permissive Tax Exemption Policy is intended to provide clarity, consistency and certainty to the municipality, the public and prospective applicants in the requirements and evaluations of applications for exemption from property taxes pursuant to Section 224 of the *Community Charter*.
  - 1.4. Council must adopt the permissive tax exemption bylaw for the following year by October 31<sup>st</sup> of the current year.
- 

## 2. POLICY:

### 2.1 PROCESS

- 2.1.1 Council will consider permissive tax exemption applications from places of worship, private schools and hospital ancillary properties for a period of up to 5 years. Other non-profit organizations will be considered annually.
- 2.1.2 The opportunity to apply for a permissive tax exemption will be advertised annually, and applications will only be accepted during the annual advertised application period and using the prescribed application method and form in order to ensure reasonable consideration and opportunity for all applicants.
- 2.1.3 Application Forms  
Places of worship, private schools and hospital ancillary properties are required to complete the place of worship, private school and hospital ancillary properties application form. The City of Vernon will administer these applications on a 5-year bylaw cycle. If the application is approved the organization will be exempt for the number of years remaining in the 5-year cycle, dependent on an annual attestation. The organization will be required to provide an annual attestation that the use of the property has not changed from the original application. If

there is a change in use for the property, a new application will be required. At the end of the 5-year bylaw cycle all organizations must complete an application for the next 5-year bylaw. It is the organization's responsibility to notify the City of Vernon of any changes in the property ownership and/or use of the property.

- 2.1.4 Other non-profit organizations will be required to complete a comprehensive non-profit application. If the application is approved for the next tax year, the organization will be required to submit a short renewal application every year for the remaining years in the current 5-year bylaw cycle. A renewal application is confirmation that the ownership and use of property has not changed and will be reviewed and approved before a permissive tax exemption is granted. At the end of the 5-year bylaw cycle all organizations must complete a new comprehensive non-profit application.
- 2.1.5 The application forms and supporting documentation are an integral part of this policy.
- 2.1.6 The place of worship, private schools and hospital ancillary property application and the comprehensive non-profit application must have the following information attached before consideration of a permissive tax exemption:
  - Financial statements including a balance sheet, statement of revenue and expenditures for the most recent fiscal year end, and detailed information of other funding sources.
  - Budget for the year for which the tax exemption is requested, or for the first year of the 5-year cycle if the application is for a place of worship, private school or hospital ancillary property.
  - Appropriate-scale drawing as specified on the individual application forms that includes buildings, parking lots, landscaping, playgrounds, fields, etc.
  - If the property is rented or leased from the owner, a copy of the lease or rental agreement.
- 2.1.7 Applications with the required supporting information must be submitted prior to the end of the advertised deadline to be considered for the next permissive tax exemption year or cycle. Incomplete applications and/or annual renewal forms will not be considered.
- 2.1.8 All properties granted an exemption under this bylaw shall be exempted from property taxation to the extent granted in the bylaw unless not permitted by legislation.

## **2.2 ELIGIBILITY CRITERIA**

- 2.2.1 To be eligible for a permissive tax exemption an organization must comply with all of the eligibility criteria outlined below.
  - Is the registered owner of the property, or a tenant under a lease requiring organization to pay property taxes directly to the City of Vernon.

- Is a British Columbia registered non-profit society.
- Uses the property primarily for a purpose covered by Section 224 of the Community Charter (other incidental uses would not disqualify the applicant, but if substantial, will reduce the percentage of exemption).
- Primarily serves the residents of the City of Vernon.
- Has its membership to the society open to any resident of the City of Vernon.
- Provides a service supporting the social, spiritual, cultural, educational or physical well-being of the community.
- The property is in compliance with City bylaws, policies and regulations.

**2.2.2** Exemptions are based on the principal use of the property, not on the charitable service of the organization as a whole.

**2.2.3** Exemptions can only be granted to the portion of a property that meets all the requirements of this policy. The exemption may apply to the whole or part of the taxable assessed value of land, improvements, or both.

**2.2.4** There is no obligation on the part of Council to grant permissive tax exemptions in any given year.

**2.2.5** Place of Worship and Private Schools

Applications will NOT be considered for:

- Vacant land that a church organization is holding for future use and/or investment purposes: or
- Property that is used exclusively for parking, unless it is in direct relationship to the place of worship

**2.2.6** New Applicants

A property under construction will NOT be considered for permissive tax exemption until construction is complete and an occupancy permit is issued. Occupancy must be issued by the City of Vernon prior to the end of the permissive tax exemption application intake period to be considered for a permissive tax exemption in the next calendar year.

**2.3 EVALUATION CATEGORIES**

**2.3.1** All applications must meet the description of at least one of the categories below, and self-declare their primary category as part of the application:

- Places of Worship, Private Schools and Hospital Ancillary Properties: must be recognized by BC Assessment as operating in one of these capacities and receiving partial statutory exemption, with remaining taxable values.
- Social Services Facility: Properties used by eligible societies primarily for the provision of support services to members of the community with a range of needs; and for administrative and fund-raising activities in support of those services. Exemptions can be granted up to 100%.

- Cultural and Educational Facility: Properties used by eligible societies primarily for the preparation and delivery of cultural and educational programs and events available to the public; and for fund-raising in support of those activities. Exemptions can be granted up to 75%.
- Recreation and Sports Facilities: Properties used by eligible societies primarily for the provision of space and equipment for the physical and mental enjoyment of the participants, with or without spectators. Exemptions can be granted up to 50%.

### **3 ADDITIONAL INFORMATION**

**3.1** Council may request a presentation from an applying organization.

**3.2** The City of Vernon may request additional information.

**3.3** The City of Vernon reserves the right to review records and/or property to verify information provided in support of the application.

**3.4** Successful applicants may be asked to publicly acknowledge the exemption.

**3.5** Council may, at its discretion, reject any or all applications brought forward for consideration in any given year.