



# Permissive Tax Exemption Guidelines

Date Sept 9, 2019  
File No: 1970-04

## 1. Purpose

- 1.1 Permissive Exemption from Property Taxation Policy sets the parameters under which Council will consider applications for permissive exemptions from property taxes for organizations which are eligible for such exemptions under 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.
- 1.2 The purpose of this Guideline is to provide further details on the application of Council's policy on Permissive Exemptions in accordance with the respective Community Charter sections.
- 1.3 The objective of this Guideline is to:
  - 1.3.1 Provide consistent and equal treatment and consideration for all applicants,
  - 1.3.2 Facilitate the provision of charitable and not for profit services for the benefit of Township of Langley residents,
  - 1.3.3 Allow for consideration of a wide diversity of organizations and evaluation of each application on its own merits.

## 2. General Eligibility for Permissive Exemptions

- 2.1 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.
- 2.2 The exemptions can only be considered after buildings are constructed and have received final inspection and occupancy permit. The applicants also need to be occupying the building and operationally compliant with municipal regulations and policies.
- 2.3 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.
- 2.4 The Township may adjust a permissive property tax exemption for a property should factors important to the eligibility of the property for an exemption change. These changes include, but not limited to, change of use, change of ownership and/or non-compliance with Township of Langley bylaws, policies and regulations.

- 2.5 Effective 2021 Council has instituted a limit of \$75,000 (escalated annually) on permissive property tax exemptions for Not-for-Profit organizations.
- 2.6 Council may designate only a portion of land/improvements as exempted where the following circumstances exist:
  - 2.6.1 A portion of the land/improvements is used by private sector and/or organization not meeting Council's exemption criteria.
  - 2.6.2 The applicant already receives a grant from the municipality, provincial or federal government.
  - 2.6.3 The applicant meets all eligibility criteria, however Council may, at its discretion, grant only a partial exemption.
  - 2.6.4 Effective 2021 Council has instituted a limit of \$75,000 (escalated annually) on permissive property tax exemptions for Not-for-Profit organizations.
- 2.7 Council may impose conditions on the exempted land/improvements with the applicant organization, including but not limited to:
  - 2.7.1 Registration of a covenant restricting use of the property.
  - 2.7.2 An agreement committing the organization to immediately disclose any substantial increase in the organizations' revenue or anticipated revenue.
  - 2.7.3 Requiring repayment of monies equal to the foregone tax revenue.

### **3. Application for Permissive Exemption**

- 3.1 Applicants will complete Township application forms and provide supporting documents for their request for permissive exemptions.
- 3.2 All applications and supporting documents for permissive exemptions must be received at the Township by June 15 each year.
- 3.3 Applications must comply with all guidelines as set out in this document. Council may, at its discretion, reject any or all applicants in any given year.

### **4. Guidelines**

- 4.1 Consistency with municipal policies, plans, bylaws and regulations
  - 4.1.1 The use of the property must be consistent with and in support of all municipal legislation,
  - 4.1.2 Organizations receiving a permissive tax exemption must be in compliance with all municipal policies, plans, and bylaws and with any other applicable regulations,
  - 4.1.3 Township will not support an organization whose charter or practices encourage discrimination on the basis of age, sex, ethnic origin or religion.
- 4.2 Nature of services provided by applicants
  - 4.2.1 Services provided by applicant organizations should be complementary extensions to municipal services and programs and should fulfill some basic need, or otherwise improve the quality of life of Township of Langley residents.

- 4.2.2 Community Halls should provide services to the residents within the community and fill a need that would otherwise be borne by the Township.
  - 4.2.3 It is the responsibility of the applicant to demonstrate how the service will complement Municipal services.
  - 4.2.4 Input may be requested by Municipal departments to determine if the service being offered will complement Municipal services
  - 4.2.5 Services provided need not be for the sole benefit of Township of Langley residents, but Township of Langley residents should be the majority users of the service. Township of Langley residents should not become overtaxed by an increasing number of regional and broader organizations locating to the Township of Langley and receiving exemption from taxation.
  - 4.2.6 Permissive tax exemptions will be based on the principal use of the property. Council may consider partial exemptions at its discretion where the property has multiple uses, some of which may not be eligible for exemption.
  - 4.2.7 Township of Langley residents must be the primary recipients of the organization’s services and the services must be accessible to the public at large. The Township of Langley wants to ensure that residents generally will not be restricted from accessing the services of the organization.
- 4.3 Places of Worship
- 4.3.1 Places of worship are recommended for permissive tax exemption for terms of 5 years with an annual certificate signed by approving officers that no changes have occurred.
  - 4.3.2 For administrative purposes, Permissive Tax Exemptions for Places of Worship will run on a five year cycle. If a new application(s) is approved within the current 5 (five) year Permissive Exemption Bylaw term, the newly approved exemption will be in effect for the number of years remaining in the cycle. An example for a five year cycle for 2019-2023 is as follows:

Application Due Date	Number of Years of Exemption	Permissive Application Year
July 15, 2018	5 years	2019
July 15, 2019	4 years	2020
June 15, 2020	3 years	2021
June 15, 2021	2 years	2022
June 15, 2022	1 year	2023

4.3.3 Properties under construction will not be considered for permissive exemption until *Accepted Final Inspections* have been completed and are in use as a place of worship or private school

4.3.4 Caretaker's residence, church manse or other occupied dwellings on the lands will not receive permissive tax exemption.

#### 4.4 Not-for-Profit Organizations

4.4.1 Only not-for-profit organizations will be considered for permissive tax exemptions.

4.4.2 Applicants can demonstrate non-profit status by being a registered charitable institution or society. Registered organizations must be able to demonstrate compliance with the Society Act and provide evidence to corroborate compliance at a minimum through Canada Revenue Agency filing or other documentation as requested.

4.4.3 Council may require evidence of financial need including demonstration that the lack of tax exemption would impair the provision of services to the community or impose significant hardship on users. This is to make certain that municipal support is not used to further the activities of an individual or organization that, but for the not-for-profit status, would otherwise be considered a business. In addition, the property receiving a permissive tax exemption would not ordinarily be used for this purpose by an organization having equivalent operations in the business community.

#### 4.5 Heritage and Revitalization Tax Agreements

4.5.1 These exemptions will be reviewed on a case by case basis as each one is unique and subject to other regulations.