
REFERENCE:	APPROVED BY:	CITY COUNCIL
REGULAR COUNCIL MINUTES SEPTEMBER 29, 2003	DATE:	September 11, 2017 (RES.R17-2582)
	HISTORY:	September 23, 2013 (RES.R13-2009)
		October 1, 2012 (RES.R12-2081)
		September 12, 2011 (RES.R11-1561)
		MAY 30, 2005 (RES.R05-1362)
		SEPTEMBER 27, 2004 (RES.R04-2574)
		SEPTEMBER 29, 2003 (RES.R03-2358)

TITLE: TAX EXEMPTION POLICY

PURPOSE

This policy is intended to provide guidance in the processing of applications for exemption from property taxes pursuant to Sections 220, 224 and 225 of the *Community Charter*.

Exemptions provided for in Sections 224(2), and Section 225 of the *Community Charter* are at the discretion of Council. This policy is intended to establish principles, which can serve as a guide in evaluation of applications for exemptions.

POLICY

General

1. Additional exemption under Sections 224 and 225 of the *Community Charter* are at the discretion of Council exercised in accordance with those sections and this policy. There is no obligation to give exemption. Exemptions cannot be granted if the owner does not qualify under the *Community Charter*.
2. To be considered for exemption, all applications must be consistent with municipal policies, plans, bylaws and regulations.

3. The exemptions can only be considered after the building is constructed, given final occupancy approval by the City, be occupied, operational and compliant with all licensing and permits.
4. Section 225 requires that the exemption be granted by bylaw, adopted by a 2/3 majority of Council, prior to October 31 of the year preceding the year of exemption.
5. All permissive exemptions are to be reviewed by staff each year to ensure that, based on the most current available information, they continue to qualify for an exemption.
6. Exemptions will only be considered for non-profit, charitable organizations or for-profit community care living facilities that are *licensed* under the *Community Care and Assisted Living Act*. In the case of for-profit organizations, only those beds that are publicly funded will be considered.
7. The City of Surrey may adjust a permissive property tax exemption for a property should factors important to the eligibility of the property for an exemption change at any time. This includes, but is not limited to, change of use, change of ownership and/or non-compliance with City bylaws, policies and regulations.
8. A property will not qualify for exemption if construction takes place on the property without all necessary licenses and permits having been first obtained for such construction.
9. With the exception of exemptions given under Section 225, portions of land or improvements, or both, that are used for commercial purposes, whether exclusively or non-exclusively, may not be considered for permissive exemption.
10. With the exception of exemptions granted under Section 224 (2)(g) [Leased churches], the person or organization carrying on the qualifying use must own the property for which the exemption is being sought.

Buildings for Public Worship

1. Lands Used or Occupied by a Church as Tenant or Licensee (Section 224(2)(g))

Council may exempt the land or improvements used or occupied by a church as tenant or licensee for the purpose of public worship or for the purposes of a church hall, which Council considers necessary to the church.

The provisions in Section 2, Buildings for Public Worship apply to applications under this section.

2. Buildings for Public Worship (Section 224 (2) (f))

These properties are receiving a statutory exemption under Section 220 (1)(h) for building(s) set aside for public worship along with the footprint of land on which they stand.

May be Exempted by Council

- a) any church hall considered by the Council to be necessary to the exempted building, and the land on which the church hall stands.
- b) any area of land surrounding the exempted building, an exempted hall, or both.
- c) applications for exemption under this section will be recommended to Council for inclusion in the by-law to exempt areas used by the religious facility for parking.
- d) any area of land necessary for the church to function, and required by the city to be dedicated for easements/rights-of-way/detention ponds to accommodate city services such as sewer, water, storm sewer may be exempted from taxation.

3. Not to be Considered for Exemption by Council

- a) any areas NOT used for public worship, including accommodation, care homes, retirement homes, hospitals, commercial activities
- b) any lands owned by the place of public worship that are surplus to the facility's needs.

Heritage Properties (Section 225)

Council may exempt those properties protected by Heritage Designation or Heritage Revitalization Bylaws, and which meet or exceed the minimum maintenance standards regulated by Bylaw No. 18931. In addition, the property must be in compliance with its associated Designation or Revitalization Bylaw.

Exemption will be considered for the original maintained heritage structure only. Added improvements or reconstructed structures are not eligible for permissive exemption under this Section.

Hospitals

1. **Exempted by the *Community Charter* (Sections 220(1)(j) and 224(2)(h))**

A building set apart and used solely as a hospital under the *Hospital Act*, except a private hospital under that Act.

2. **May be Exempted by Council**

Any area of land surrounding the building, not including land exempted under the *Hospital Act* or *Hospital District Act*.

Non Profit, Charitable or Philanthropic (Section 224(2)(a))

Council may exempt land or improvements not being operated for profit or gain and owned or held by a charitable, philanthropic organization or other not for profit corporation supported in whole or in part by public funds and used exclusively for charitable or philanthropic purposes.

To qualify for an exemption under this section, the applicant must demonstrate that the services of their organization are open to and used predominantly by Surrey residents.

Private (Independent) Schools (Sections 220(1)(l) and 224(2)(h.1))

A building owned by an incorporated institution of learning that is regularly giving children instruction accepted as equivalent to that given in a public school, in actual occupation by the institution, Licensed by the Ministry of Education and wholly in use for the purpose of giving instruction and statutorily exempted by the Province, either in part or in whole

Permissive exemptions will only be considered for independent schools who share campus lands with a place of worship. Exemption may be granted for the lands surrounding the church and deemed by the BC Assessment Authority to be used primarily for church purposes, and as such, do not receive a statutory exemption in conjunction with the independent school.

Parks, Recreation & Athletic (Section 224(2)(i))

Council may exempt the land or improvements for certain parks, recreation and athletic purposes, provided the application meets the criteria set out in Section 224(2) (i) of the *Community Charter*.

To qualify for exemption under this section, the applicant must demonstrate that their facility is open to and used by Surrey residents.

Private Hospitals/Institutions Licensed Under the *Community Care and Assisted Living Act* (Section 224(2)(j))

1. May be Exempted by Council

- a) Land or improvements owned or held by a person or organization and operated as a private hospital licensed under the *Hospital Act*;
- b) Land or improvements owned or held by a non-profit organization and operated as a non-profit care facility licensed under the *Community Care and Assisted Living Act*, and
- c) That portion of the land or improvements owned or held by a for-profit organization and operated as a care facility licensed under the *Community Care and Assisted Living Act* and receiving publicly funded care.
 - i) In the case of for-profit care facilities, the term "publicly funded" means those beds that are funded by the Fraser Health Authority (FHA) or other public body on a full-time, 365-day-per-year basis and does not include temporary beds that are funded by the FHA or other public body from time to time as needed.