

<b>TITLE:</b>	<b>PERMISSIVE TAX EXEMPTION POLICY</b>	
<b>SECTION:</b>	<b>Council Policy</b>	
<b>ADOPTED:</b>	<b>December 8, 2026</b>	<b>Resolution No. 291-2025</b>
<b>AMENDED:</b>		<b>Resolution No.</b>

## 1. PURPOSE

To guide the evaluation of permissive property tax exemption applications under the *Community Charter* by recognizing the contributions of not-for-profit, charitable, and philanthropic organizations to the District's well-being, and to establish a transparent process for granting exemptions to eligible groups that enhance community services, environmental stewardship, and heritage preservation.

## 2. SCOPE

This policy applies to all applications for permissive tax exemptions for land and/or improvements within the District of Highlands.

## 3. LEGISLATIVE AUTHORITY

Permissive tax exemptions are granted at Council's discretion, by bylaw, under Sections 224-227 of the *Community Charter*. There is no obligation to grant an exemption, and Council may set conditions and limits, or revoke exemptions.

## 4. ELIGIBILITY CRITERIA

To be eligible, the applicant should:

- Be the registered owner of the property or the tenant under a lease required to pay taxes directly to the District .
- Be a registered charity or non-profit society.
- Ensure services and activities are inclusive and available to all Highlands residents.
- Use the property primarily for activities that benefit Highlands residents, such as:
  - Public or recreation facilities
  - Social, cultural, or arts programs
  - Services for youth, seniors, or special needs groups
  - Environmental stewardship or heritage preservation
  - Programs delivered in partnership with the District
- Comply with all applicable municipal policies, plans, bylaws, and regulations (e.g., business licencing, zoning, etc.).
- Be in good standing with the Canada Revenue Agency or BC Registry Services (where applicable).

Special consideration or priority may be given to organizations that:

- Advance environmental stewardship (e.g., ecological restoration, conservation, education)
- Preserve and promote heritage (e.g., historic sites, cultural programs)
- Deliver services in partnership with the District

## 5. APPLICATION REQUIREMENTS

Applicants must submit a completed application form (prescribed by the District) which includes a full description of the organization, its purpose, programs, and community benefit and if applicable:

- Documentation highlighting the portion of land/improvements used for eligible services
- Proof of ownership or lease agreement
- Evidence of good standing as a charity or society
- Audited financial statements or equivalent
- Evidence of seeking funding from other sources
- Any other information requested by the District

Applications must be received by **May 31st** for consideration for the following tax year.

Incomplete applications will not be considered unless exceptional circumstances are demonstrated. Late applications may be considered only if eligibility criteria are met and before the bylaw is presented to Council.

## 6. APPLICATION PROCESS

- Existing recipients will be notified by email of their final exemption year.
- Applications must be submitted by **May 31<sup>st</sup>** of each year using the prescribed form.
- Finance staff will review applications for compliance and present a summary to Council for decision.
- Council will consider new applications annually.
- In accordance with the *Community Charter*, permissive tax exemption bylaws will be the subject of public notice and be adopted on or before **October 31<sup>st</sup>** of the effective year.

## 7. REVIEW PROCESS

- Public notice of the proposed bylaw will be provided as required by the *Community Charter*.
- Council will provide applicants with an opportunity to be heard and will communicate reasons for any refusal or discontinuation.
- Council will direct staff to draft the exemption bylaw, which must be adopted by **October 31<sup>st</sup>** for the following tax year.

## **8. CONDITIONS**

Council may:

- Impose conditions, such as covenants restricting use of the property, agreements to continue specific services or programs, or requirements related to public access.
- Limit the total value of exemptions granted in any year.
- Designate only a portion of the land and/or improvements as exempted where the applicant already receives a grant-in-aid from the municipality.
- Require, by agreement, an exempted organization to immediately notify the District of any substantial increases in the organization's revenue or anticipated revenue (e.g., due to a large operating grant from a senior government, and changes in eligibility, use, or legal description of the property).

## **9. EXTENT OF EXEMPTION**

- Exemptions are based on the principal use of the property, not the organization's overall activities.
- Only the portion of the property used for eligible service delivery will be exempted.
- Exemptions may apply to all or part of the taxable assessed value of land, improvements, or both.
- Exemptions cover municipal and other jurisdictional property taxes, but do not apply to parcel taxes or user fees.

## **10. DURATION OF EXEMPTION**

Exemptions may be granted for up to **10 years**, but typically align with Council's election term (e.g., four years) and are subject to periodic review. Council may reconsider or amend exemptions at any time, with changes taking effect the following tax year.

## **11. PENALTIES**

Council may impose penalties for knowingly breaching exemption conditions, including:

- Revoking the exemption without notice
- Disqualifying future applications for a specified time period
- Requiring repayment of monies equal to the foregone tax revenue