

District of Barriere
REPORT TO COUNCIL
Request for Decision

Date: September 23, 2024	File: 530.20/Rpts
To: Council	From: T. Buchanan, Corporate Officer
Re: 2023 – 2026 Permissive Tax Exemption Bylaw	

Background: The District of Barriere recently received notice from the BC Assessment Authority that all municipally owned buildings that are not occupied by the municipality, are not automatically exempt from property tax collection:

“Land and improvements owned by a municipality are exempt from taxation under the relevant tax statute such as the Community Charter, the Taxation (Rural Area) Act or the Vancouver Charter. If such exempt property is occupied on behalf of the exempt owner (e.g. a caretaker of a provincial park), the property will remain exempt. However, if the exempt property is occupied, but not on behalf of the exempt owner, the property is assessable in that person's name. If there is no separate exemption for the occupier, then the land is also taxable in the occupier's name.

The assessment is based on the full market value of the property as if it were privately owned, not just on the value of the lease (or other tenure document) that allows the property to be occupied.”

Attached to this report is additional information regarding [BC Assessment's Occupiers Policy](#).

Specifically, this results in both the **Barriere & Area Chamber of Commerce (BCOC)** and **Barriere Search & Rescue Association (BSAR)**, needing to be added to the *District's Permissive Tax Exemption Bylaw No. 222* by October 31st of this year in order to receive a tax exemption for the years 2025 and 2026 which are the remaining years applicable in Bylaw No. 222 (*attached*).

It is provided by Section 224 of the *Community Charter* that on or before the 31st day of October in any year, Council may, by bylaw, exempt from taxation for up to ten years. District of Barriere Bylaw No. 222, currently in force, is applicable for the years of 2023, 2024, 2025 and 2026. Each year, all permissive tax exempted societies/organizations/ places of worship and their exempted annual amounts, are publicly published in the District's Annual Report.

Staff notified both the BCOC and BASR that property taxes would be applicable starting in 2025 unless they applied and were successful in obtaining a Permissive Tax Exemption from the District of Barriere.

In response, applications from both the BCOC and BASR for a permissive tax exemption have been received by staff and the District has placed the legislated public notice in the local paper for two consecutive weeks as required by Section 94 of the *Community Charter*. The associated draft Bylaw has been prepared and is on tonight's agenda for consideration by Council.

Discussion:

Barriere & Area Chamber of Commerce -

The BCOC recently relocated to the municipally owned, "Barriere Business Centre (BBC)" located at Unit #1 - 4609 Barriere Town Rd. Prior to this, they occupied what we now refer to as the "Old Chamber Building" which has now been acquired by the District of Barriere. In previous years, the BCOC has opted to pay property tax on this property. However, due to the low value of the building, the resulting figure was deemed manageable by the organization. Now that the organization has relocated to the BBC and is occupying 23.12% of the 8,953sq ft of the building (2,070 sq ft) which has an estimated value of \$2,000,000, the taxable value of their occupied space would roughly equal \$462,400.00. As this figure is significantly higher than their previous assessments, the BCOC has chosen to submit an application for a permissive tax exemption for the years 2025 & 2026. Due to the Economic impact of local Chamber of Commerce organizations, many municipal Council's choose to approve the permissive tax exemption.

As the 2025 assessed values have not yet been determined by BC Assessment, determining a tax exemption amount can only be estimated. Staff estimate this value (including all taxing authorities i.e. municipal, regional, police, hospital, etc.) to be: \$2,625.60.

Barriere Search & Rescue Association -

The Barriere Search & Rescue Association is a non-profit organization within our District that provides essential first response service to Barriere and the North Thompson Valley. The building that they currently occupy was funded and built by BSAR with the District of Barriere providing the use of its land for its location. Under the current agreement, should the BSAR ever choose to vacate the building and/or choose to sell the structure, the District of Barriere is to be granted first right of refusal as the building is located on municipal land. BSAR has not been issued a property tax notice to date; an oversight that BC Assessment is choosing to remedy starting in the next taxation year (2025), unless they apply, and are granted, a permissive tax exemption by the District of Barriere.

Once again, the 2025 assessed values have not been determined for this building (historical or for 2025). Therefore an estimated tax value for this exemption is: \$1,659.86.

Term -

These particular exemptions will only apply to the 2025 and 2026 calendar years as all organizations that receive a permissive tax exemption are required to reapply in 2026 to be considered for the 2027-2031 Bylaw.

Recommendation: THAT Council proceed with the consideration of Permissive Tax Exemption Bylaw No. 222, Amendment Bylaw No. 246.

Prepared by: T. Buchanan, Corporate Officer
Reviewed by: Daniel Drexler, CAO

DISTRICT OF BARRIERE

DRAFT - BYLAW NO. 246

A BYLAW TO AMEND DISTRICT OF BARRIERE COMMUNITY USE PROPERTY TAX EXEMPTION BYLAW NO. 222

WHEREAS it is provided by Section 224 of the *Community Charter* that on or before the 31st day of October in any year, Council may, by bylaw, exempt from taxation for up to ten years, land and improvements, or both, and the exemption may apply to the whole or a part of the taxable assessed value of land or improvements, or both.

NOW THEREFORE, the Council of the District of Barriere in open meeting assembled, hereby enacts as follows:

1. This Bylaw may be cited as "*District of Barriere Community Use Property Tax Exemption Bylaw No. 222, Amendment Bylaw No. 246.*"
2. *Community Use Property Tax Exemption Bylaw No. 222* is hereby amended by adding the following corporations to Section 1 of Bylaw No. 222 which shall be exempt from taxation for the years 2025 and 2026:
 - (i) Barriere and Area Chamber of Commerce
Lot 1, Plan KAP52101, District Lot 1445 – PID #018-718-990
Unit #1 – 4609 Barriere Town Road
Roll Number: 1390510
 - (ii) Barriere Search & Rescue Association
Lot 1, Plan KAP52101, District Lot 1445 – PID #018-718-990
4601 Barriere Town Road
Roll Number: 1390510

READ A FIRST TIME this day of **September, 2024**

READ A SECOND TIME this day of **September, 2024**

READ A THIRD TIME this day of **September, 2024**

ADOPTED this day of day of October, 2024

Acting Mayor Rob Kerslake

Tasha Buchanan, Corporate Officer

Certified Copy
Tasha Buchanan, Corporate Officer

DISTRICT OF BARRIERE

BYLAW NO. 222

A BYLAW TO EXEMPT FROM TAXATION FOR THE YEAR 2023-2026 CERTAIN LANDS AND IMPROVEMENTS IN THE DISTRICT OF BARRIERE

WHEREAS it is provided by Section 224 of the Community Charter that on or before the 31st day of October in any year, Council may, by bylaw, exempt from taxation for up to ten years, land and improvements, or both, and the exemption may apply to the whole or a part of the taxable assessed value of land or improvements, or both.

NOW THEREFORE, the Council of the District of Barriere hereby enacts that the following shall be exempt from taxation for 2023-2026:

1. Pursuant to Section 224 (2)(a) of the Community Charter, all land and improvements that are owned or held by a charitable, philanthropic, or other not-for-profit corporation, and the Council considers are used for a purpose that is directly related to the purposes of the corporation, as follows:
 - (a) Barriere and District Heritage Society
Lot B, District Lot 1325, Plan 36416
343 Lilley Road
Roll Number: 1245.667
 - (b) Barriere and District Seniors Society
Lot 37, District Lot 1634, Plan 1746
4431 Barriere Town Road
Roll Number: 1245.408
 - (c) Provincial Rental Housing Corp.
Yellowhead Residence
Lot A, District Lot 1445, Plan 28157
4557 Barriere Town Road
Roll Number: 1390.370
 - (d) North Thompson Fall Fair Association
Lot A, District Lot 1482, Plan 20165
677 Barriere Lakes Road
Roll Number: 1465.058

Lot 3, District Lot 1482, Plan 20565
Dunn Lake Road
Roll Number: 1465.080

- (e) Barriere Curling Club
 Lot A, District Lot 1482, Plan 29896
 4856 Dunn Lake Road
 Roll Number: 1465.200

- (f) Interior Community Services
 Parcel A, District Lot 1634, Plan 1746
 485 Carlstrom Road
 Roll Number: 1245.420

- (g) Barriere and District Food Bank
 Lot 2, District Lot 1483, Plan 29023
 4748 Gilbert Drive
 Roll Number 1470.362

- (h) North Thompson Legion #242
 Lot 4, District Lot 1354, Plan 3295
 4673 Shaver Road
 Roll Number 1270.085

- (i) Lower North Thompson Community Forest Society
 Lot 1, District Lot 1483, Plan 68661
 4737 Gilbert Drive
 Roll Number 1470.007

2. This Bylaw may be cited as “*District of Barriere Exemption Bylaw No. 222 2023-2026 Community Use Property Tax*”.

READ A FIRST TIME this 3rd day of **October, 2022**

READ A SECOND TIME this 3rd day of **October, 2022**

READ A THIRD TIME this 3rd day of **October, 2022**

ADOPTED this 17th day of October, 2022

Original Signed by,

 Mayor Ward Stamer

Original signed by,

 Tasha Buchanan, Corporate Officer

This policy is made available to the public for informational purposes only. The policy is not binding on BC Assessment. It does not constitute legal advice. If there is a conflict between this policy and the relevant legislation (or case law), the legislation (or case law) prevails.



BC ASSESSMENT

Occupiers Policy

Table of Contents

- Purpose2
- Occupiers Importance.....2
- Policy Statements.....3
- Occupiers Requirements.....4
 - Occupier Assessability Requirements4
 - Occupier General Requirements4
 - Change in Occupation Status Requirements5
- Resources6
 - Definitions.....6
 - Related Policies.....6
 - References6
- Appendices.....7
 - Appendix 1: Forms of Tenure or Prescribed Documents.....7



This policy is made available to the public for informational purposes only. The policy is not binding on BC Assessment. It does not constitute legal advice. If there is a conflict between this policy and the relevant legislation (or case law), the legislation (or case law) prevails.

Purpose

This Assessment Policy ensures that BC Assessment (BCA) consistently and correctly assesses property owned by an exempt entity (e.g., Crown or municipality) that is occupied by one or more third parties.

Occupiers Importance

An occupier is defined under the [Assessment Act, sec. 1\(1\)](#). This policy specifically addresses occupiers of land assessed under the *Assessment Act*, sec. 26-28, namely those occupying Crown, municipal, or otherwise exempt land. It is important that BCA adhere to this policy to ensure:

A person is an occupier of exempt property under the *Assessment Act*, sec. 1 if the person:

- is entitled to maintain an action for trespass if a trespass occurs;
- is in possession of Crown, municipal or otherwise exempt land under some form of tenure or other record, see [Appendix 1: Forms of Tenure or Prescribed Documents](#)
- in respect of land ordinarily covered by non-tidal water or occasionally covered by tidal water, is entitled, under a license or lease, to possess or occupy land, water covering the land or the surface of the water covering the land (whether they actually possess it or not); or if the tenure is not a license or lease, if they actually do possess the water lot; or
- simply occupies the Crown, municipal or otherwise exempt land, water covering land or the surface of the water covering the land (i.e., squatters).



Policy Statements

1. Properties owned by the Crown, a municipality, or other exempt entity but held or occupied by one or more third parties must be assessed as per [Occupier Assessability Requirements](#).
2. Where an occupier is assessed for a property (or portion of a property) and the fee simple owner has imposed a restriction on use, the potential value impact of the restriction must be considered in valuing the occupied portion.
3. Where exempt property becomes or ceases to be occupied part way through the tax year, the change must be reflected as per [Change in Occupation Status Requirements](#).



Occupiers Requirements

Occupier Assessability Requirements

1. Where a property is owned by the Crown, a municipality, or other exempt entity, but held or occupied by one or more third parties (not by or on behalf of the exempt owner), the occupied portion of the property must be assessed in the name of the occupier, unless:
 - o the interest is otherwise exempted from assessment by section 2 of the *Exempt Interests Regulation*; or
 - o the property is owned by a municipality and was exempted from tax by the municipality under the terms of a lease agreement entered into before July 1, 1957.

Notes:

The area occupied is assessable even if it does not have its own registered title (e.g., it is only identified as a sub-lot).

This also applies to exempt property held in trust for a First Nations tribe or band and occupied by a person who is not a member of the First Nation.

2. Occupiers of foreshore land and improvements (i.e., docks and wharves) must be assessed on a separate property record in the name of the occupier and the fee simple owner (typically the Crown) as per *Assessment Act*, sec. 26.
3. Where there is more than one occupier and one of them is the paramount occupier, the occupied portion of the property must be assessed to the paramount occupier.
4. Where there is more than one occupier but there is no paramount occupier, the occupied portion of the property must be assessed jointly in the names of all occupiers.
5. Where the occupier is an exempt entity, the property must be assessed to the occupier but treated as exempt. Refer to applicable Assessment Policy based on occupier's exempt status.
6. Where the improvements occupied are government-owned property located in a park or recreation area (e.g., cabins within a provincial park), the land and improvements occupied should be assessed to the occupier, but the improvements are exempt from taxation.
7. University land that is occupied by third party occupiers under a service agreement is taxable under the *Assessment Act*, sec. 27 and the exemption under the *University Act*, sec. 54 does not apply.
8. Where the area held or occupied by a third party is *de minimis*, the occupier must not be assessed.

Occupier General Requirements

1. Where an occupier is assessed for a property (or portion of a property) and the fee simple owner has imposed a restriction on use, the potential value impact of the restriction must be considered in valuing the occupied portion.



Note: The term (duration) of a lease is not a restriction on use.

2. Where a lease expires and a property is reverted to the Crown, municipality or other exempt entity and there are stipulations as to the condition of the property (e.g., reclamation for gravel pits), an occupier may still be occupying the property after the lease and must be assessed.

Note: Unless BC Assessment is advised that occupation is continuing past the expiration of the lease, the occupier should be removed. The Assessor may continue to assess the property in the name of the occupier, if the Assessor determines the property remains occupied.

Change in Occupation Status Requirements

Following the *Assessment Act*, sec. 26:

1. Where Crown land located within a municipality, including the City of Vancouver, becomes or ceases to be occupied part way through the tax year, a supplementary assessment must be issued to reflect the period when the Crown land began or ceased to be taxably occupied.

Note: For this provision to apply, the Crown must continue to be the owner of the property. This provision does not apply to other exempt properties under Section 27 or 28 of the *Assessment Act*

2. Where Crown land located in a rural area becomes or ceases to be occupied part way through the tax year, the change must be reflected on the next roll.
3. Where land owned by a municipality or other exempt entity becomes or ceases to be occupied part way through the tax year, the change must be reflected on the next roll.



This policy is made available to the public for informational purposes only. The policy is not binding on BC Assessment. It does not constitute legal advice. If there is a conflict between this policy and the relevant legislation (or case law), the legislation (or case law) prevails.

Resources

Definitions

- Refer to the [BC Assessment Glossary page](#) for term definitions.

Related Policies

- [Leases, Permits, and Other Tenures Policy](#)

References

- [Exempt Interests Regulation, B.C. Reg. 302/90](#)
- [Local Government Act, R.S.B.C. 1996, c. 323](#)
- [Taxation \(Rural Area\) Act, R.S.B.C. 1996, c. 448](#)



Appendices

Appendix 1: Forms of Tenure or Prescribed Documents

Most of us think of leases and licenses when considering occupation. These are the most typical indicators of occupation. Although one may simply "occupy" land with no documentation, BC Assessment is often unaware of this and there are very few occurrences of this situation.

Below is a list of possible prescribed documents that may assist in determining occupation (i.e., "Legal right to possess"):

- For Section 26 (Crown): homestead entry, pre-emption record, lease, licence, agreement for sale, accepted application to purchase, easement or other record from the Crown;
- For Section 27 (Municipality): lease, license, agreement for sale, accepted application to purchase, easement, or other record from the person exempted from taxation;
- For Section 28 (Other Exempt Entity): lease, license, agreement for sale, accepted application to purchase, easement or other record from the municipality.

In addition, consult the [Leases, Permits, and Other Tenures Policy](#) for more detail on the different tenure types that you may come across.

If you are unsure of the documentation and/or legal right to possess, contact [Assessment Legal](#) prior to adding a taxable occupier to the roll.

