POLICY

POLICY NAME: PERMISSIVE TAX EXEMPTION

CATEGORY:	City Government – Effective Governance
REVISED BY COUNCIL:	2026-07-06
APPROVED BY COUNCIL:	2016-04-15
DEPARTMENT RESPONSIBLE:	Finance & IT Services
EFFECTIVE DATE:	2028 Budget Year

Purpose:

Local governments have legislated authority under Section 224 of the *Community Charter* to permit tax exemptions for properties that are owned or held by a charitable, philanthropic or other not for profit corporation, and are used for a purpose that is directly related to the purposes of the municipality.

This policy provides the principles that the City of Prince George will apply to granting permissive tax exemptions. Exemptions cannot be granted if the organization does not first qualify under the *Community Charter*.

Policy:

To be considered eligible, applicants must meet the following conditions:

(a) Subject Property must be one of:

- Land and/or improvements owned by
- Land and/or improvements ancillary to a statutory exemption under s. 220 of the *Community Charter*
- Land and/or improvements otherwise exempt from taxation under s. 220 of the *Community Charter*

(b) Nature of Organization must be:

- Non-profit organization
- Charitable/philanthropic organization
- Athletic or Service Club/Associations
- Care facility/licensed private hospital
- Partner of the municipality by agreement under s. 225 of the *Community Charter*
- Other local authority
- Organization eligible to s. 220 statutory exemption (e.g. place of public worship, independent schools, cemetery, library, Indian land, seniors' homes, hospital, etc.)

(c) Comply with municipal policies, plans, bylaws, and regulations (i.e. business licensing, zoning)

(d) Applicant organization's use of the land/improvements must:

- Provide a program or service that meets a social, recreational or cultural community need, and of which Prince George residents are the primary beneficiaries of the organization's services

- be equally available to all residents of the City and accessible to the public. In the case of recovery or support provided specifically to men or women, this type of categorization will apply as being available to all residents
- provides housing with on-site support services for individuals with high needs related to physical, mental, or psychiatric disabilities. High needs indicate a high intensity of care, frequently involving 1:1 or 2:1 support ratios to support daily life, personal care, and safety
- provide shelters that offer temporary beds for emergency and support services for people who are homeless or at risk of becoming homeless. Also includes shelters for individuals leaving physically, psychologically or sexually abusive relationships; or immediate post-acute phase of recovery from drug and alcohol dependency or addiction

Exemptions are based on the principal use of the property, not on the charitable service of the organization as a whole. Society administration and parking are considered to be part of the non-profit's program delivery.

Applications will **<u>not</u>** be considered for organizations that:

- are in arrears with the City.
- operate on a property that is under construction until construction is complete and an occupancy permit is issued. Occupancy must be issued by the City prior to August 31 to be considered in the next calendar year.
- are for land held for future development.
- conduct any commercial activity undertaken on the exempt property that is in competition with for-profit businesses. Applicants conducting retail and/or commercial activity and charging rates or fees at market value are considered to be in competition with for-profit businesses. Daycares are considered to be in competition with for-profit businesses. Properties that are exempted for an eligible principal use are permitted to operate limited daycare services in conjunction with their program delivery.
- the annual value of the exemption exceeds the annual operating budget for the program or service.

Duration of Exemption:

Successful applicants will be considered for a period that coincides with the existing Council's term of office (maximum of 4 years), subject to an annual renewal declaration confirming there have been no changes in their not-for-profit status, ownership/lease terms, use of the property and/or any other information that relates to their permissive tax exemption.

Recognition and Acknowledgement:

All recipients of tax exemptions from the City of Prince George are required to publicly acknowledge the exemption.

Additional Information:

The City of Prince George may request additional information and reserves the right to review records and/or property to verify information provided in support of application.

Council may request a presentation from applying organizations.

There is no obligation on the part of Council to provide exemptions. Council may, at its discretion, provide partial exemptions or impose a 'cap' on the dollar value of exemptions to individual properties, a group of properties, or all properties.

Conditions and Penalties:

Applications for permissive tax exemptions will consider the range of supports provided to the applicant by the City of Prince George including municipal, provincial or federal grants, funding agreements, revitalization tax exemptions and/or low-cost leases. Applications may be denied or only receive partial exemptions after this has been considered.

Council may impose penalties on an organization that breaches the conditions of their exemption, including but not limited to:

- revoking exemption without notice
- disqualifying future applications for a specific time period
- requiring repayment of monies equal to the value of the exemption