



# Corporation of the City of Fernie

# POLICY

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Policy No. CP2025-02

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## Policy Title: Permissive Tax Exemption Policy

**Department:** Finance

Regular

**Approval Date:** 30-Oct-2025

**Approved By:**

Council

Meeting

**Effective Date:** 30-Oct-2025

**Repeals Policies:**

2015 Permissive Tax  
Exemption Policy

**Amendment**

**Date:**

**Amendment No.**

## POLICY PURPOSE

The purpose of this policy is to ensure that the organizations applying for permissive tax exemptions meet the criteria and that the application process is consistent.

## POLICY STATEMENT

The City of Fernie recognizes the significant value of volunteers and volunteer organizations to the spiritual, educational, social, cultural, and physical well-being of the community. A permissive tax exemption is a means for Council to support organizations within the community that further Council’s objective to enhance the quality of life while delivering services economically to the citizens of Fernie.

## SUMMARY

1. Council may designate only a portion of the land/improvements as exempted where the following circumstances exist:
  - i. A portion of the land/improvements is used by a private sector and/or organization not meeting statutory exemption criteria.
  - ii. The application already received a grant in aid from the municipality, province, or federal government.
  - iii. The applicant meets all eligibility criteria; however, Council may, at its discretion, grant a partial exemption, such as where an organization derives a profit from a portion of their land/improvements.
2. Council may impose conditions on the exempted land/improvements with the applicant organization, including but not limited to:
  - i. Registration of a covenant restricting use of the property.

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- ii. An agreement committing the organization to continue a specific service/program.
  - iii. An agreement committing the organization to have field/facilities open for public use for specific times or a total amount of time.
  - iv. An agreement committing the organization to offer use of the field/facility to certain groups free of charge or at reduced rates.
  - v. An agreement committing the organization to immediately disclose substantial increases in the organization's revenue or anticipated revenue (e.g., due to a large operating grant from a senior government).
3. Council may impose penalties on an exempted organization for knowingly breaching conditions of exemption, including but not limited to:
    - i. Revoking exemption without notice.
    - ii. Disqualifying any future application for exemption for a specific time period.
    - iii. Requiring repayment of monies equal to the foregone tax revenue.
  4. Council may impose a "funding cap" determined as an amount or a percentage of the budget.
  5. Eligible organizations may be considered for tax exemption exceeding one year (to a maximum of three years, where it is demonstrated that the services/benefits they provide to the community are of a duration exceeding the one-year exemption period).

## ELIGIBILITY CRITERIA

Eligibility for exemption should be based on the principal use of the property. To be eligible for permissive tax exemption, an organization must comply with all the eligibility criteria outlined below. There is no obligation on the part of Council to grant permissive tax exemption in any given year.

1. A property may be eligible for the exemption if the applicant meets all the following criteria:
  - i. It is the registered owner of the property, or a tenant under a lease requiring the lessor to pay taxes directly to the City.
  - ii. It is a British Columbia-registered charity or non-profit society.
  - iii. It qualifies for an exemption under the provisions of the *Community Charter* (Part 7, Division 7, Section 224) (other incidental uses would not disqualify the applicant but, if substantial, will reduce the percentage of exemption).
  - iv. Its principal use meets Council's objectives.

- v. It provides benefits and accessibility to the residents of the City of Fernie. Residents must be primary beneficiaries of the organization's services. Council may provide partial exemptions.
  - vi. It provides a service supporting the social, spiritual, cultural, educational, or physical well-being of the community.
  - vii. It follows municipal policies, plans, bylaws, and regulations (i.e., business licensing, zoning, etc.).
2. A Place of Worship must meet the following criteria to be eligible for the exemption:
- i. It qualifies for an exemption under the provisions of the *Community Charter* (Part 7, Division 7, Sections 220 and 224).
  - ii. The land surrounding the Place of Worship building will be exempt to the extent that the building is sitting on the lot. Empty lots in the proximity of the Place of Worship building will not be exempt.
  - iii. Vacant land held for future use and/or investment will not be exempt.
  - iv. Property used exclusively for parking unless in direct relationship to the Place of Worship will not be exempt.
  - v. Manses, rectories, and other buildings of a similar intent, including land equivalent to a normal sized City lot, are not exempt from taxation.
3. Applications will not be considered for the following:
- i. Organizations that provide retail or commercial business that can compete with privately owned businesses.
  - ii. Organizations that provide liquor and/or meal services as their primary function and/or source of revenue.

## **RESPONSIBILITIES/PROCEDURES**

1. Council will consider applications for permissive tax exemption annually.
2. The opportunity to apply for permissive tax exemption will be advertised once in the local newspaper and letters will be emailed to tax exemption recipients designated in the preceding tax year commencing June 15 of each year.
3. Applications must be submitted to the Finance Department, using the prescribed application form, before July 31 of each year. The Finance Department will review the

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applications for completeness and arrange contact with applicants for additional information as necessary.

4. Application submissions must include:
  - i. Completed application form.
  - ii. Copy of financial statements for the last three years.
  - iii. Copy of Registered Charity or Non-Profit Information return for the previous year.
  - iv. Copy of title certificate or lease agreement, as applicable.
  - v. Scale drawing of property (buildings, parking lots, landscaping, playgrounds, fields, etc.).
  - vi. Description of programs/services/benefits delivered from the subject lands/improvements, including participant numbers, volunteer hours, fees charged for participation, and benefits to the community.
  - vii. Description of any third-party use of the subject land/improvements, including user group names, fees charged, and terms of use.
5. It is the responsibility of the applicant to inform the City Finance department, in writing, of any changes in the use or ownership of a property that is a successful recipient of a permissive tax exemption. Failure to do so by the application date in any year (July 31<sup>st</sup>) may result in the permissive tax exemption being revoked by Council.
6. The Finance Department will prepare a summary report for presentation to Council by mid-September. This report shall include information regarding other support provided by the City, including but not limited to: receipts under the discretionary grant funding program, community partner funding agreements, and approximate value of staff time provided to the organization.
7. Staff will arrange for delegations to Council by applicants as necessary.
8. The Permissive Tax Exemption bylaw and public notice will be prepared by mid-September. Public Notice will be done in accordance with the *Community Charter*.
9. The Permissive Tax Exemption bylaw must be adopted prior to October 31 and notice given to BC Assessment for those properties receiving exemption.
10. Letters will be emailed to recipients notifying them of their exemption status for the following year.
11. Submissions received after July 31 will be held until the next review cycle.