



# Health Authority Properties Policy

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## Table of Contents

Purpose .....2

Health Authority Properties Importance.....2

Policy Statements .....3

Health Authority Property Requirements .....4

    Health Authority Property Exemption Requirements.....4

Resources .....6

    Definitions.....6

    Related Policies.....6

    References .....6

Appendix 1: Frequently Asked Questions.....7

## Purpose

This Assessment Policy ensures that BC Assessment (BCA) consistently and accurately applies exemptions to properties owned by and used by, or on behalf of, a health authority for the purposes of the *Health Authorities Act*.

## Health Authority Properties Importance

There are five official regional health boards (i.e., health authorities) in BC:

- Northern Health Authority
- Interior Health Authority
- Vancouver Island Health Authority
- Vancouver Coastal Health Authority
- Fraser Health Authority

All health authorities are Crown agents and registered charities. BCA exempts health authority property from taxation to:

- adhere to applicable legislation regarding the application of exemptions from taxation under the *Health Authorities Act* and other supporting legal direction;
- produce an accurate and uniform assessment roll;
- ensure health authority properties are exempt from taxation;
- maintain accurate and uniform data quality for health authority properties; and
- provide local government and other data customers with accurate data advice and other property information products.

**Note:** The Provincial Health Services Authority (PHSA) is not a designated regional health board under the *Health Authorities Act* and the exemptions discussed in this policy do not apply to it.



## Policy Statements

1. Property (i.e., land and improvements) that meet the [Health Authority Properties Exemption Requirements](#) must be exempt under the *Health Authorities Act*.
2. Property that is either fully or partially exempt under the *Health Authorities Act* must be exempted as per the [Health Authority Properties Exempt Tax Coding Requirements](#).



## Health Authority Property Requirements

### Health Authority Property Exemption Requirements

1. Property that meet any of the following requirements as of December 31 of the year the working roll must be exempt under the *Health Authorities Act*:
  - Property owned by a health authority and used by or on behalf of the health authority for the purposes of the *Health Authority Act* (see [Health Authorities Act sec. 5](#) and [Board and Council Purposes Regulation](#));
  - Property owned by the Crown, or municipality, or other exempt entity and leased to a health authority and used by or on behalf of the health authority for the purposes of the *Health Authority Act*; or
  - Property owned by a health authority and:
    - is designated by the Minister of Health, by order, as being held or occupied for future hospital purposes; or
    - is part of a hospital or designated hospital facility and:
      - occupied and used by a non-profit corporation or organization for a purpose that would exempt the property under another Act if the property were owned by that non-profit corporation or organization;
      - occupied by a third party who, on behalf of the health authority provides services exclusively for the health authority;
      - occupied by a third party who provides prescribed services for the hospital or hospital facility; or
      - occupied by a medical practitioner who is a professor or member of the University of British Columbia (UBC) medical faculty teaching staff and designated staff only for the purposes of that person's teaching position (i.e., not for the person's own private medical practice).

**Note:** As a general rule, if property is owned by a health authority and used by or on behalf of the health authority for a health care purpose, it may be assumed that the property meets the requisite use test and the property should be shown as exempt.

2. Property that is owned by a health authority, but:
  - is not used for the purposes of the Health Authorities Act (e.g., rented residential properties or a strip mall with retail stores); or
  - is not used by or on behalf of the health authority (e.g., most vacant land),must be shown on the assessment roll as taxable in the name of the health authority or the occupier, as appropriate.



Be aware that the Minister of Health also has the power to designate property that is being held for future hospital purposes under:

- Note:**
- Vancouver Charter, sec. 396(1)(c)(iii);
  - *Taxation Rural Area Act*, sec. 15(1)(t); and
  - *Community Charter*, sec. 220(1)(k).



## Resources

### Definitions

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

### Related Policies

- [Occupiers Policy](#)

### References

- [\*Board and Council Purposes Regulation, B.C. Reg. 376/98\*](#)
- [\*Budget Measures Implementation Act, 2011, S.B.C. 2011, c. 9\*](#)
- [\*Community Charter, sec. 220\(1\)\(k\)\*](#)
- [\*Health Authorities Act\*](#)
- [\*Taxation \(Rural Area\) Act, sec. 15\(1\)\(t\)\*](#)
- [\*Vancouver Charter, sec. 396\(1\)\(c\)\(iii\)V\*](#)



## Appendix 1: Frequently Asked Questions

### 1. When is Property “Used for” the Purposes of the *Health Authorities Act*?

The purposes of a health authority are set out in section 5 of the *Health Authorities Act*, sec. 5 and include the broad object of developing and implementing a regional health plan and delivering regional health services. The *Board and Council Purposes Regulation*, B.C. Reg. 376/98, further extends a health authority’s purposes to include the construction, supply and operation of housing facilities for low and moderate income individuals and families, the aged and functionally handicapped persons.

If the property is being used by or on behalf of a health authority for purposes that come within the *Health Authorities Act*, sec. 5 (e.g., a health-related purpose) or the *Board and Council Purposes Regulation*, the property should be exempt. Keep in mind that buffer land is likely “used” for the purposes of the *Health Authorities Act* and should be treated as exempt.

If the property is being used but not for the purposes of the *Health Authorities Act* (e.g., it is rented residential property or a strip mall with retail stores), the property will not qualify for the exemption under section 15(1) the *Health Authorities Act*, sec. 15(1) but may still qualify under section 15.01(2). See Section 15.01 of the *Health Authorities Act*, sec. 15.01 section for further detail.

### 2. When is Property Used By or On Behalf of a Health Authority?

Section 15(1) of the *Health Authorities Act* was amended by the Budget Measures Implementation Act, 2011, S.B.C. 2011, c. 9 to make it clear that, to benefit from the exemption, the property must not only be vested in (i.e., owned by) a health authority but must also be used by or on behalf of the health authority for a health care purpose.

Under this new wording, it is not sufficient that the property be used by any person on their own behalf for some purpose related to health care. This amendment was retroactive to the extent necessary to apply for the purposes of the 2011 taxation year. However, the amending statute contained a “grandfathering” (Sec 31(3) of the Budget Implementation Measures Act 2011) provision to ensure that any property occupied by a third party and that was exempt on the 2010 roll under section 15(1) of the *Health Authorities Act* will continue to benefit from that exemption until the earlier of a change in occupier or December 31, 2015. The new rules applicable to third parties are aimed at occupiers newly seeking an exemption for 2011 or a subsequent tax year.

When the health authority occupies and uses the property, it is “used by” the health authority and the property qualifies for the exemption under section 15(1) of the *Health Authorities Act* as long as the ownership and purpose requirements are also met.

It is more difficult to determine whether the property qualifies for an exemption when it is occupied and used by a third party. Whether a third party uses the property on behalf of the health authority will depend on the specific contractual relationship between the third party and the health authority. For instance,



residences provided by a health authority for medical professionals at very preferential rental rates and/or as a term of employment may be used “on behalf of” the health authority. Generally, if a third party occupies space owned by a health authority, assume the third party occupies and uses the space on its own account and not on behalf of the health authority unless one of the two following condition is met:

The property and occupier meet the criteria set out in section 15.01(2)(b) to (e).

If the third party provides documentation that establishes it is operating on behalf of the health authority, we can reconsider our position. Please contact Assessment Legal if you have any questions about whether an occupier is using health authority property on its own behalf or on behalf of a health authority

### **3. Should properties designated for future hospital purposes be exempted?**

BCA can check with the Ministry of Health to determine whether the Minister of Health has made an order designating health authority property under section 15.01(2)(a) of the Health Authorities Act, sec. 15.01(2)(a). If the property has been designated under this provision it should be exempt from taxation regardless of whether the property is vacant or used for another purpose.

The Minister of Health also has the power to designate property that is being held for future hospital purposes under the *Vancouver Charter*, sec. 396(1)(c)(iii), the *Taxation (Rural Area) Act*, sec. 15(1)(t), or the *Community Charter*, sec. 220(1)(k).

### **4. What is the difference between Hospitals and Designated Hospital Facilities?**

The exemption under the *Health Authorities Act*, sec. 15.01(2)(b) to (e) applies only to health authority property in a hospital or designated hospital facility.

“Hospital” is defined in section 15.01(1) to have the same meaning as in the *Hospital Act*.

Section 15.01(1) defines “hospital facilities” to include labs, laundries and other premises used in conjunction with a hospital.

To attract the exemption, the property must first be designated by regulation for the purposes of a specific paragraph in section 15.01(2). To date, no hospital facilities have been designated. For the time being, therefore, the exemption set out in section 15.01(2)(b) to (e) can only apply to the occupiers of hospitals.

