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Light Industry (Class 05) vs Business and Other (Class 06) Policy

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Purpose

This Assessment Policy ensures that BC Assessment (BCA) correctly distinguishes between, and applies, Property Classes 05 – Light Industry and 06 – Business and Other for industrial properties.

Light Industry versus Business & Other Importance

Property classes are defined and qualifying criteria are provided under the *Prescribed Classes of Property Regulation*, B.C. Reg. 438/81 (the Regulation). Where property may have both a Class 05 – Light Industry and a Class 06 – Business and Other use, BCA must consistently and accurately discern between the uses and apply the applicable property classification. BCA reviews the classification of light industry properties to:

- Adhere to legislative requirement to assign property classes according to a property's use;
- Produce the annual assessment roll and property information products;
- Ensure light industry property classification is accurate and consistent;
- Property data is accurate and current; and
- Provide light industry property owners and local governments with a consistent and uniform assessments.



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Policy Statements

1. Properties that fall under one of the [qualifying Class 05 uses](#), at least in part, as of October 31 prior to roll closure, must be classified as Class 05 – Light Industry.
2. Properties with only a definable portion that qualifies for Class 05 – Light Industry must have classification split according to the area used for each purpose.
3. Properties where there are no definable areas attributed to a [qualifying Class 05 use](#) and another use must have their classification based on the predominant use of the property and applied to the entirety of the property.



Light Industry (Class 05) vs Business and Other (Class 06) Requirements

Class 05 Qualifying Use Requirements

1. Properties that are used for a gathering pipeline as of October 31 prior to roll closure must be placed, at least in part, in Class 05 – Light Industry.
2. Properties that are used or held for extracting, processing, manufacturing or transporting products, or for storage ancillary to one of those purposes as of October 31 prior to roll closure must be placed, at least in part, in Class 05 – Light Industry unless one of the following exclusions from Class 05 applies:
 - The property is in Class 02 – Utilities or Class 04 – Major Industry;
 - The property is used or held for the purposes of, or purposes ancillary to, the business of transportation by railway;
 - The property is used principally as a retail outlet for finished products to end users and not for resale in either the form in which it was purchased or any other form; or
 - The property is used for extracting, processing, manufacturing or storing of food, non-alcoholic beverages or water (only transporting these types of products applies).

Refer to [Appendix 1: Determination of Class 5 Decision Tree](#) to help determine if the property meets a qualifying Class 05 use.

Note:

A property used solely for storage does not qualify for Class 05. For Class 05 to apply to storage areas, the storage must be ancillary to, or in conjunction with, extracting, processing, manufacturing or transporting products.
In this context, storage occurs if the product remains at the property for at least 72 hours.

Light Industry (Class 05) vs Business and Other (Class 06) General Requirements

1. If only a definable portion of a property qualifies for Class 05, classification must be split (typically between Class 05 and Class 06) according to the area used for each purpose.
2. If there are not definable areas attributed to a qualifying Class 05 use and another use (e.g., Class 06 or other) on a property, classification must not be split; instead, the predominant use of the property must be determined and the entirety of the property must be classified in accordance.



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Resources

Definitions

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

Related Policies

- [Industrial, Commercial and Investment \(ICI\) Land Policy](#)
- [Industrial Properties Policy](#)

References

- [Prescribed Classes of Property Regulation](#), B.C. Reg. 438/81, sections 5, 6 and 10



Appendices

Appendix 1: Determination of Class 5 Decision Tree

1. Are the land, improvements or both used as a gathering pipeline?

- If yes, this property qualifies as Class 5.
- If no, go to question 2.

2. Are the land, improvements or both used or held for the purpose of Class 5 activities, which are:

- Extracting;
- Processing;
- Manufacturing; or
- Transporting products?

Answer

- If yes, go to question 4.
- If no, go to question 3.

3. Are the land, improvements or both used for storage that is ancillary to, or in conjunction with Class 5 activities?

- If yes, go to question 4.
- If no, this property does not qualify as Class 5.

4. Do any of the exclusions apply?

- Class 2 – utilities
- Class 4 – major industry
- Railway business
- Retail sales
- Food or water extracting/processing/manufacturing/storage

Answer

- If yes, this property does not qualify as Class 5.
- If no, this property qualifies as Class 5.

