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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:
 - the interest is otherwise exempted from assessment by section 2 of the *Exempt Interests Regulation*; or
 - 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.



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.

