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BC ASSESSMENT

# Places of Public Worship Policy

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## Purpose

This Assessment Policy ensures that BC Assessment (BCA) consistently exempts and classifies all property that is used or set aside for public worship in municipalities or rural areas.

This document does not deal with the application of the more general exemptions for properties used for charitable purposes, although churches may be charitable organizations.

If a church-owned property is to be exempt due to its charitable nature (e.g., some Salvation Army owned properties might fall under this category), then the exemption will likely be pursuant to a provision different from the provisions applicable for “places of public worship”.

This document also does not address the specific exemptions for Bible Colleges under specific pieces of legislation that relate to the particular college.

This document does not address classification of properties owned or used by religious organizations for purposes other than public worship. Those properties will be classified according to their use, just as any other property.

## Places of Public Worship Property Importance

A place of public worship must be recognizable as a place having its principle use as a place where people come together as a congregation or assembly to do reverence to God and include an openness without discrimination to the general public. It is important that BCA adhere to this policy to:

- adhere to the relevant legislation and related legal direction;
- produce an accurate and consistent assessment roll and other property information products;
- ensure that public worship properties are accurately classified and exempt; and
- provide public worship property owners, local governments, and regional districts with an accurate and uniform property assessment.



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## Policy Statements

1. Properties, or a portion thereof, that are primarily used, or set aside for use, as places of public worship and meet the requirements for exemption set out by the applicable legislation must receive a mandatory exemption as per this policy.
2. Places of public worship properties must be classified based on their use.



## Places of Public Worship Requirements

### General Requirements

1. Properties, or a portion thereof, that are primarily used, or set aside for use, as places of public worship must receive a mandatory exemption as per the [Place of Public Worship Exemption Requirements](#).
2. Portions of a building set aside for public worship, and which is primarily used for public worship, still qualify for an exemption under the *Community Charter* (municipality except Vancouver) and *Taxation (Rural Area) Act* if the building is used for a non-religious activity that is non-commercial in nature (e.g., daycare, Sunday School, and other social or recreation uses).
3. Property subject to the *Community Charter* leased out to an entity and not used solely for public worship must not be exempt.

### Classification Requirements

Properties, or a portion thereof, that are primarily used, or set aside for use, as places of public worship must be classified based on their use, refer to [Appendix 1: Places of Public Worship Decision Tree](#) to help determine classification and exemption:

1. A property, or portion of, used or set aside for use as a place of public worship will be Class 08 – Recreational Property/Non-Profit Organization if it meets the following requirements:
  - land and improvements are used or set aside for the purpose of public worship at least 150 days of the year ending June 30;
  - the 150 days must not include any days where the land and improvements are also used for:
    - any purpose by an organization that is neither a religious organization nor a non-profit fraternal organization;
    - the property is used for entertainment with an admission charge; or
    - there is the sale or consumption of alcohol on the property.
2. Property that will be or has been under construction or renovation and there is clear intention that for at least 150 days prior to June 30 the property has been set aside for public worship (e.g., through a building permit), and if there are no reasons to place the property in a different property class (e.g., alternate use), the property must be placed in Class 08 – Recreational Property
3. A property, or a portion of, used or set aside for use as a place of public worship that does not meet the requirements for Class 08 must be classed based on its use.



## Place of Public Worship Exemption Requirements

### Exemption – City of Vancouver

Legislation	Exemption Type & Extent	Criteria	Special Considerations
<p><b>Vancouver Charter, sec. 396(1)(c)(iv) and sec. 397(1)</b></p>	<p><b>Type:</b> Mandatory</p> <p><b>Extent:</b> Full; or Partial</p>	<p>Exemption for “churches”</p> <p>“Real property”,</p> <ul style="list-style-type: none"> <li>includes “land and improvements thereon”;</li> <li>exemption applies to any “public worship of God” and to “improvements” on property even if improvements are not a building</li> </ul> <p>Must be both “set apart” and “in use” as place of public worship</p> <ul style="list-style-type: none"> <li>cannot apply if improvements not “in use”, so cannot apply to improvements that are under construction or that are being renovated</li> <li>use as place of public worship not required to be “exclusive use”, so other uses permitted provided public worship is the primary use (<i>Young Life</i>)</li> </ul> <p>Must be owned directly by the religious organization using it, or by trustees for that religious organization Ownership can be either registered ownership or ownership under agreement</p>	<p>Apply to worship building of any religious organization</p> <p>Exemption not lost if bylaw of City of Vancouver approves use of part of building for/by:</p> <ul style="list-style-type: none"> <li>government, even if fee paid for use (e.g., polling place for election)</li> <li>Care or instruction of children under school age by charitable or non-profit organization (e.g., pre-school or daycare)</li> <li>teaching of organ or choral music, even if fee paid for use</li> <li>organ recitals, even if recitalist receives fee for recital</li> </ul> <p>Section 397(1) limits the exemption to “so much real property as is reasonably necessary for the ... religious organization”, which is up to the Assessor to determine</p>



## Exemption – Municipalities Other than Vancouver

Legislation	Exemption Type & Extent	Criteria	Special Considerations
<p><b>Community Charter, sec. 220(1)(h) 224(2)(f); or sec. 224(2)(g)</b></p>	<p><b>Type:</b> Mandatory; Permissive; or Both</p> <p><b>Extent:</b> Full; or Partial</p>	<p><b>Section 220(1)(h)</b> Mandatory exemption for “building set apart for public worship and land on which the building stands” “Building”</p> <ul style="list-style-type: none"> <li>“building” narrower than “improvements”; exemption applies only to buildings</li> </ul> <p>“Set apart for public worship”</p> <ul style="list-style-type: none"> <li>can apply to buildings under construction or being renovated<sup>1</sup></li> </ul> <p>Title to land (i.e., ownership) must be registered in one of the following:</p> <ul style="list-style-type: none"> <li>the religious organization using the building;</li> <li>the trustees for the use of that organization; or</li> <li>a religious organization granting a lease of the building and land to be used solely for public worship</li> </ul> <p><b>Section 224(2)(f)</b> Permissive exemption bylaw by municipality required to exempt:</p> <ul style="list-style-type: none"> <li>area of land surrounding the exempted building (i.e., the building exempt under section 220(1)(h))</li> </ul>	<p>Land on which the building stands is the footprint of land under the exempt worship building.</p> <p>No requirement that the land and improvements be used exclusively for public worship, so secondary uses of space permissible without exemption being lost. However, public worship should be the primary use, (or intended use if the building is under construction/being renovated) (<i>Young Life</i>)</p> <p>A company that enters into a legally binding trust agreement with a religious organization, that provides the property is held in trust for the exclusive use by the religious organization as a place of worship, should meet the ownership criterion under section 220(1)(h).</p> <p>It is a prerequisite to the application of section 224(2)(f) that there be an exempt worship building under section 220(1)(h); if the building isn’t exempt under section 220(1)(h), then the municipality has no authority under section 224(2)(f) to pass a permissive exemption.</p> <p>If Council chooses not to pass a permissive exemption bylaw for:</p> <ul style="list-style-type: none"> <li>the land surrounding the exempt building;</li> <li>the hall and the land under the hall; or</li> <li>the land surrounding the exempt hall,</li> </ul> <p>neither the PARP nor the PAAB can change that.<sup>2</sup></p>

<sup>1</sup> In *Roman Catholic Archbishop v. Assessor of Area 23 – Kamloops* (1982, Stated Case 164, BCSC), the Court decided that an exemption for a building set apart and in use for the public worship of God could not apply to a building under construction. Subsequent to that decision, the words “and in use for” were removed from the exempting provision, so which now enables places of public worship to be exempted while under construction (as soon as construction of a building has commenced on site).

<sup>2</sup> See *Assessor of Area 14 – Surrey/White Rock v. Iglesia Ni Cristo Church of Christ and Roman Catholic Archbishop of Vancouver* (2003, PAAB – refer to as 2003 PAABBC 20030824); *Assessor of Area 14 – Surrey/White Rock v. Roman Catholic Archbishop of Vancouver* (2003, PAAB – refer to as 2004 PAABBC 20031755)



Legislation	Exemption Type & Extent	Criteria	Special Considerations
		<ul style="list-style-type: none"> <li>• a hall that council considers is necessary to the exempt building, and the land on which the hall stands</li> <li>• any area of land surrounding the exempt hall and the land on which it stands</li> </ul> <p><b>Section 224(2)(g)</b>                      Permissive exemption bylaw required to exempt religious organization that, under lease or license, uses/occupies land or improvements for:</p> <ul style="list-style-type: none"> <li>• public worship; or</li> </ul> for purposes of a hall council considers necessary to land and improvements used for public worship	<p>If Council does not pass a permissive exemption, or passes a permissive exemption for only part of the:</p> <ul style="list-style-type: none"> <li>• the land surrounding the exempt building;</li> <li>• the hall and the land under the hall; or</li> <li>• the land surrounding the exempt hall</li> </ul> the property will be partially exempt and partially taxable.



## Exemption – Regional District

This may apply to urban or rural areas. Given the exemptions under the *Community Charter* and *Vancouver Charter*, it will most likely apply to rural properties.

Legislation	Exemption Type & Extent	Criteria	Special Considerations
<p><b>Local Government Act, sec. 391(4)(b)</b></p>	<p><b>Type:</b> Permissive</p> <p><b>Extent:</b> Full; or Partial</p>	<p>Permissive exemption bylaw to exempt property in an electoral area that a church does not own but which it rents or occupies for</p> <ul style="list-style-type: none"> <li>• public worship; or</li> <li>• land and improvements used for purposes of a church hall that council considers necessary to the church</li> </ul>	<p>Apply to worship building of any religious organization</p> <p>This provision specifically refers to the religious organization being the tenant or licensee of the property, therefore the property can be owned by anyone (i.e., including a private, taxable owner) and still be eligible for the permissive exemption, provided it is used or occupied by a religious organization as tenant or licensee.</p> <p>If the regional district board chooses not to pass a permissive exemption bylaw for land or improvements leased by a religious organization, neither the PARP nor the PAAB can change that (see footnote #7). However, if the property is in the rural area, check to see if it qualifies for exemption under the <i>Taxation (Rural Area) Act</i>.</p> <p>If the regional district board chooses to pass a permissive exemption for only a portion of the property, the property will be partially exempt and partially taxable.</p>





## Exemption – Taxation (Rural Area) Act

Legislation	Exemption Type & Extent	Criteria	Special Considerations
<p><b>Taxation (Rural Area) Act, sec. 15(1)(d)</b></p>	<p><b>Type:</b> Mandatory</p> <p><b>Extent:</b> Full</p>	<p>Property must be a “place of public worship” (see definitions section)</p> <ul style="list-style-type: none"> <li>• primary use of the property must be for public worship</li> <li>• worship must be public</li> </ul>	<p>“Place” can be land only if the land meets the definition of a “place of public worship”</p> <p>No ownership criteria for place of public worship, so place of public worship need not be owned by the religious organization using it.</p> <p>No limitation to the extent (i.e., size in area) of the exemption. However, if only a portion of a property meets the definition of a “place of public worship”, then the exemption should be applied only to that extent. Any area on the same property that is reasonably ancillary to the public worship use of the property should be exempted which, depending on the size of the parcel, may be all of it or only some of it.</p> <p>Where parking or other improvements associated with the church are located on an adjacent site, these folios should generally be taxable. The wording of s. 15(1)(d) does not extend beyond a place of public worship.</p> <p>Any site or portion of a site associated with a church that does not meet the criteria outlined above to qualify for an exemption under s. 15(1)(d), may be eligible for a different mandatory exemption under s. 15 and should be reviewed to ensure all applicable mandatory exemptions are applied. A permissive exemption for church halls or leased churches may also be passed under s. 391 (4)(b) of the Local Government Act at the discretion of the Regional District board. S. 391(3) requires that the Board pass a bylaw by October 31st.</p>



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## Resources

### Definitions

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

### Related Policies

- [Occupiers Policy](#)
- [Recreational Properties \(Class 08\) Policy](#)
- [Taxation \(Rural Area\) Act, sec. 15\(1\)\(q\) Policy](#)



## Appendices

### Appendix 1: Places of Public Worship Decision Tree

Exemptions for places of public worship are generally based on the use of the property and may also be based on the ownership. Exemptions for places of public worship may be:

- mandatory only;
- permissive only; or
- both mandatory and permissive (i.e., a hybrid exemption);
- sometimes based on ownership criteria.
- complete or partial, depending on the circumstances.

**Note:** Attention should be paid to the wording of the applicable legislation as each has specific language with regards to an exemption for a place of public worship.

#### 1. Where is the property located?

- City of Vancouver: apply the [Vancouver Charter, sec. 396\(1\)\(c\)\(iv\)](#)
- Municipality (other than Vancouver): apply [Community Charter, sec. 220\(1\)\(h\), 224\(2\)\(f\), or 224\(2\)\(g\)](#)
- Rural Areas (i.e., outside a municipality): apply either:
  - [Taxation Rural Area Act, sec. 15\(1\)\(d\)](#); or
  - [Local Government Act, sec. 391\(4\)\(b\)](#)

#### 2. Does worship occur at the property?

- Establish what evidence there is that worship occurs, or will occur if the property has improvements under construction/renovation.

#### 3. Is the worship public?

- Establish what evidence there is of who participates, or will participate, in the worship.

#### 4. How often does this activity occur?

- This evidence will go toward a finding of what the principal use of the property is.

#### 5. If the property is used for public worship, is that its principal use?

- Determine whether there are any other uses of the property. There is no need for worship to be the only use of the property, if worship is its principal use. Areas that are used for more than one purpose should be looked at to see if there is a need to apportion the exemption to the portions of the property that have as a principal use public worship.

#### 6. Is the whole of the property used for public worship, or only a portion of it?

- If only a portion of the building is set apart and/or used for public worship (including areas that are necessarily incidental to the worship, such as



hallways, foyers, washrooms), then that is the area that should be exempted under the exemption for places of public worship.

**Note:** If there are other areas of the building that could be exempt under a different exemption (e.g., such as a permissive exemption), then consider what else may apply.

- If the whole of the building is set apart and/or used for public worship then the whole of the building should be exempted under the exemption for places of public worship.

## 7. Who owns the property?

- This is relevant for the exemption under the *Vancouver Charter*, and for some of the exemption provisions under the *Community Charter*.

