Modernizing Kelowna's Permissive Tax Exemption Policy (#327)

A Practical Opportunity for the Next City Council

Kelowna's Permissive Tax Exemption (PTE) Policy #327 is a property tax exemption policy that has served the community for many years.

Council considers permissive tax exemption applications from Places of Worship, Private Schools, and Hospitals for a period of **up to 5 years.** Other Non-Profit organizations such as Recreational and Arts organizations, and Cultural groups are **considered annually.**

However, it has now been nearly 20 years since the last comprehensive review in 2006.

Kelowna has changed significantly in 20 years, with new community priorities, a housing shortage, growing childcare demands, affordability for the younger generation, and the adoption of the 2040 Official Community Plan.

The next Council has an opportunity to modernize Policy #327 so that it reflects today's community values and ensures public resources deliver the greatest public benefit.

Why Review Policy #327?

A community task force could provide Council with independent recommendations that:

- Align tax exemptions with the equity and inclusion principles in Kelowna's 2040 Official Community Plan. Tax payers **should not have to subsidize organizations that publicly discriminate and refuse full membership and participation based on gender or sexual orientation.**
- Ensure public subsidies are based on measurable community benefit.
- Increase transparency and accountability for all organizations receiving permissive tax exemptions.
- Ensure local tax relief primarily benefits Kelowna residents rather than furthering the organization's missions elsewhere.

Address Today's Community Priorities

Childcare

When Policy #327 was last substantially reviewed in 2006, independent daycares and those daycares in community/private spaces on religious properties, lost eligibility for permissive tax exemptions while private schools still receive tax payer subsidized properties. Since then, access to affordable childcare has become one of Kelowna's most pressing challenges.

Council should examine whether quality childcare providers that directly address a critical community need should once again be eligible for property tax relief. Kelowna gives property tax exemptions to privates schools, why not daycares?

Housing

Across British Columbia, many faith organizations are partnering with municipalities and housing providers to redevelop surplus land into affordable and supportive housing.

Council should promote a modernized equity based policy that recognizes measurable public benefits rather than relying solely on historical property classifications and historical entitlement.

Good Governance

A policy review is not about removing tax exemptions.

It is about asking:

- Are today's community property exemptions achieving Kelowna’s 2040 Official Community Plan’s objectives?
- Do they reflect Kelowna's current demographics and priorities?
- Are public funds being allocated fairly and transparently?
- Are taxpayers receiving the greatest possible community benefit?
- Is historic entitlement the best use of taxpayer subsidies?

The Province of British Columbia makes clear that permissive tax exemptions are discretionary tools that councils should use to support municipal objectives and community priorities—not automatic entitlements.

Debate Question: Accountability for Property Tax Exemptions

Explanation to Audience for Question:

Kelowna's Policy #327 is a property tax exemption policy. The policy provides clarity, consistency and certainty to the municipality, the public, and prospective applicants.

It 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 Kelowna.

Council considers permissive tax exemption applications from Places of Worship, Private Schools, and Hospitals for a period of **up to 5 years.** Other Non-Profit organizations such as Recreational and Arts organizations, and Cultural groups are **considered annually.**

For places of worship, the province automatically allows the sacred worship space to be property tax exempt. However, Council decides if the parking lots, event halls and other assets on the property are also exempt.

Kelowna's Permissive Tax Exemption Policy #327 has **NOT** had a comprehensive review since 2006. In the meantime, Kelowna has changed dramatically, and the City has adopted the 2040 Official Community Plan emphasizing equity and the equitable allocation of City resources.

Yet taxpayers have limited ability to assess whether organizations receiving these public property tax subsidies continue to meet today's community priorities. Council should address whether **it is appropriate for public tax relief to be provided to organizations that openly discriminate against people based on gender or sexual orientation.**

At the same time, organizations providing childcare have lost property tax-exempt eligibility in the 2006 review, while other properties continue to receive exemptions – including faith organizations – that are not in line with Kelowna’s 2040 Community Plan.

The policy was last reviewed and changed in 2006.

In 2025, tax paying Kelowna residents asked council to once again review Policy 327, council refused.

Kelowna taxpayers are paying for the property tax exemptions of the properties the Council exempts.

Question to Council Candidates:

Will you commit, if elected, to establishing a community task force to review Policy #327 which would:

1. Recommend a transparent, equitable approval system that requires organizations receiving property tax exemptions to demonstrate ongoing community benefit.

2. Support critical community priorities such as childcare and affordability when determining which organizations should receive property tax relief.

3. Demand meeting appropriate modern non-discrimination standards.

4. Ensure that the tax savings generated by the exemption are primarily benefiting Kelowna residents rather than furthering the organization's missions elsewhere.

If not, why should a policy that has not been comprehensively reviewed for nearly 20 years continue without such a review?

For present council member candidates – Why did you not voice concern for change when asked by the general public in 2025? Why did you stay with the status quo?