



# REPORT TO COUNCIL

To: **Mayor and Councillors**

Subject: **Proposed 2019 UBCM Resolutions**

File #: 4200.00

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From: Kelly Kenney  
Corporate Officer

Date: March 4, 2019

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## RECOMMENDATION:

THAT City Council endorse the following resolutions for submission to the 2019 Lower Mainland Local Government Association (LMLGA) for consideration of endorsement and subsequent submission to the 2019 Union of BC Municipalities (UBCM) Convention for consideration of endorsement:

### **Tax Credit for Local Government Election Candidate Campaign Contributions**

WHEREAS tax credits are available for campaign contributions made to candidates in provincial and federal elections but are not available for campaign contributions made to candidates in local government elections;

AND WHEREAS there is not the same incentive for individuals to contribute to local government election campaigns as there is for provincial and federal election campaigns:

THEREFORE BE IT RESOLVED that the *Income Tax Act [RSBC 1996] Chapter 215* be amended to provide for the issuance of tax credits for campaign contributions made to candidates in local government elections.

### **Removing Cap on Candidate Contribution to Their Own Campaign**

WHEREAS under the Local Elections Campaign Financing Act (LECFA), candidate contribution limits have been established which now put a cap on how much a candidate may contribute to his or her own campaign;

AND WHEREAS candidates who wish to fund their own campaigns without seeking external campaign contributions are now extremely limited in how much they can spend on their campaigns:

THEREFORE BE IT RESOLVED that the province amend the Local Elections Campaign Financing Act to eliminate the cap on how much a candidate may contribute to his or her own campaign so that candidates may, if they so desire, contribute their own funds up to the allowable campaign expense limit.

### **Broaden the Allowable Uses of Parkland Development Cost Charges**

WHEREAS the BC government has determined that Parkland Development Cost Charges (“DCCs”) cannot be used to fund sport-related park infrastructure such as synthetic turf fields, tennis or basketball courts, water spray parks, swimming pools and arenas;

AND WHEREAS municipalities can use Parkland DCCs to provide fencing, landscaping, drainage and irrigation, trails, rest-rooms, changing rooms and playground and playing field equipment;

AND WHEREAS there is tangible evidence that new development directly impacts the demand for sport-related park infrastructure through increased attendance at municipal recreation facilities and increased demand for playing time on municipal sports fields:

THEREFORE BE IT RESOLVED that the BC government be requested to approve an amendment to Section 935(3)(b)(ii) of the Local Government Act to include sport-related park infrastructure as an applicable Parkland DCC capital cost.

### **Varied Tax Rate for the Residential Class**

WHEREAS the Province of British Columbia through the BC Assessment Act – Prescribed Classes of Property Regulation B.C. Reg. 438/81 specifies that there is one assessment class for all types of residential properties and the Community Charter outlines that a municipal bylaw to establish the property value taxes each year under section 197(3) specifies there is a single rate for each property class;

AND WHEREAS the assessed value of multi-family housing and single family housing appreciates at vastly different rates, leading to large fluctuations and tax rates swings year-to-year between these housing types:

THEREFORE BE IT RESOLVED that the Province of British Columbia amend the BC Assessment Act and the Community Charter to allow the residential class to be split into two distinct residential classes so that a different rate may be applied to each

type of residential property to allow for better tax planning, and a more consistent application of property tax changes, for all residents no matter their housing type.

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## **PURPOSE:**

The purpose of the report is to seek endorsement from Council to forward four local government election-related resolutions to the 2019 Lower Mainland Local Government Association for consideration of endorsement and subsequent submission to the 2019 Union of BC Municipalities Convention for consideration of endorsement.

## **POLICY:**

The UBCM requests that any resolutions which Council wishes to submit to the UBCM for consideration at its annual convention first be forwarded to the appropriate Area Association for consideration. Resolutions endorsed at Area Association annual meetings are submitted automatically to UBCM for consideration and do not need to be re-submitted to UBCM.

## **COMMENTS/ANALYSIS:**

The rationale for each of the proposed resolutions is as follows:

### **Tax Credit for Local Government Election Candidate Campaign Contributions**

Contributions made to candidates in provincial or federal election campaigns are tax deductible; however, contributions made to candidates in local government elections are not. The province made changes to the Local Elections Campaign Financing Act with respect to campaign contributions that came into effect for the 2018 local government elections in BC. One of the significant changes was that campaign contributions could no longer be made by organizations (such as unions and corporations) and could only be made by individuals who were residents of BC and a Canadian citizen or permanent resident.

In order to provide incentive for eligible individuals to make campaign contributions to local government candidates it is proposed that the *Income Tax Act [RSBC 1996] Chapter 215* be amended to provide for the issuance of tax credits for campaign contributions made to candidates in local government elections.

### **Removing Cap on Candidate Contribution to Their Own Campaign**

The province made changes to the Local Elections Campaign Financing Act with respect to campaign contributions that came into effect for the 2018 local government

elections in BC. One of the significant changes was that a cap was placed on the amount a candidate could contribute to their own campaign. In smaller municipalities it is often a point of pride for a candidate to be able to state that they funded their campaign on their own and did not seek or receive campaign contributions. The cap on campaign contributions now makes it difficult, if not impossible for a candidate to fund their campaign entirely on their own.

Accordingly, it is proposed that the cap on how much a candidate may contribute to his or her own campaign be eliminated so that candidates may, if they so desire, fund their campaigns entirely themselves.

### **Broaden the Allowable Uses of Parkland Development Cost Charges**

The Province the BC government has determined that Parkland Development Cost Charges (“DCCs”) cannot be used to fund sport-related park infrastructure such as synthetic turf fields, tennis or basketball courts, baseball diamonds, dug-outs, field houses, lighting, water spray parks, swimming pools and arenas. (Attachment 1)

The Province has restricted Parkland DCCs to provide fencing, landscaping, drainage and irrigation, trails, rest-rooms, changing rooms and playground and playing field equipment.

New development directly impacts the demand for sport-related park infrastructure through increased attendance at municipal recreation facilities and increased demand for playing time on municipal sports fields.

It is proposed that the Province broaden the types of park infrastructure that can be funded by Parkland DCC’s.

### **Varied Tax Rate for the Residential Class**

The City of Langley’s residential property class is comprised of 64% multi-family residential strata units compared to 36% of the housing stock categorized as single family residential properties. In the last two years, the assessed value of multi-family strata units have increased at a faster pace than single family home assessments.

<b>Average Single Family Residential</b>						
Assessed Value					Tax Rate \$	Tax Rate %
		Increase	% Increase			
2019	\$ 886,095	\$ 58,510	7.07%	\$ 2.05	0.10%	
2018	\$ 827,585	\$ 98,731	13.55%	-\$ 8.40	-0.41%	
2017	\$ 728,855	\$ 185,056	34.03%	\$ 106.08	5.41%	
2016	\$ 543,799	\$ 56,980	11.70%	\$ 70.63	3.74%	
2015	\$ 486,818	\$ 24,395	5.28%	\$ 91.73	5.10%	
2014	\$ 462,423	\$ 3,381	0.74%	\$ 49.68	2.84%	
<b>Average Multi-Family Residential</b>						
Assessed Value					Tax Rate \$	Tax Rate %
		Increase	% Increase			
2019	\$ 407,053	\$ 81,437	25.01%	\$ 136.54	16.87%	
2018	\$ 325,616	\$ 75,767	30.33%	\$ 101.32	14.31%	
2017	\$ 249,849	\$ 44,687	21.78%	-\$ 31.18	-4.22%	
2016	\$ 205,161	\$ 4,505	2.25%	-\$ 39.27	-5.04%	
2015	\$ 200,656	-\$ 5,372	-2.61%	-\$ 22.14	-2.77%	
2014	\$ 206,029	-\$ 4,274	-2.03%	\$ 0.13	0.02%	

The Province of British Columbia specifies in both the BC Assessment Act and the Community Charter that there is only one residential class and that there is only one rate that municipalities can apply to the residential class. In 2019, this has resulted in multi-family strata unit property value taxes, increasing on average (\$137) or (16.87%) however, for single family residential properties, property value taxes are increasing on average \$2 or 0.10%. In the last two years, the average single family residential properties has seen a decrease in taxation of \$6 but the average strata dwelling increased \$238 over the same period.

If the residential property class was split into two separate classes the municipality could adjust the rate for the single family properties to ensure these properties contribute their proportional share of the tax increase required in any given year.

## **BUDGET IMPLICATIONS:**

None.

## **ALTERNATIVES:**

Council could alter the motions or choose to not support any of the motions.

Respectfully Submitted,



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Kelly Kenney  
Corporate Officer

Concurrence:



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Darrin Leite, CPA, CA  
Director of Corporate Services

Attachment(s):

1. Circular issued by Inspector of Municipalities February 25, 1997 re Parkland Development Cost Charges

**CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:**

I support the recommendation.



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Francis Cheung, P. Eng.  
Chief Administrative Officer