



Provincial Cabinet Minister Meeting

Honourable Michael De Jong

Ministry of Finance

DATE: September

TIME:

LOCATION:

PURPOSE

Joint meeting with Honourable Michael De Jong, Minister of Finance and the District of Ucluelet to discuss

- 1) BC Assessment - please see attached UBCM Resolution

BACKGROUND

In 2007 BC assessment introduced a new classification methodology that permitted "strata" accommodation properties: to be split classified between class 6 - Commercial and class 1 – residential to reflect a dual use of these properties (i.e. commercial and personal residential use);

This re-assessment of certain properties, which continue to be municipality "zoned" commercial use only, while being afforded Residential taxation for significant portions of their taxable status, has significantly reduced the tax base for smaller tourist based communities who undertake their financial plans in accordance to the proposed uses and commercial land base within their OCPs, tax and budget forecast;

We feel that to afford a strata, with minimal profit, the ability to claim a portion of residential taxation, penalizes all other commercial operations, who have no way of avoiding the commercial mill-rate, even though they incur substantial annual losses – we do not believe that BC assessment is the body who should determine who gets a tax break because of their gain or loss on an annual basis.

The option we seek is that the BC Assessment categories be amended to allow for an additional BC Assessment code (outside of the category 1 residential or category 6 commercial).

This would allow municipalities to create a mill-rate for this new code at a rate conducive to the value the municipality places on the revised category. For example if a municipality wished to attract this type of strata accommodation it could determine a low mill-rate, to make the creation of this type of building attractive to investors; or if it was considered detrimental to the present perception that people were running a business while enjoying a residential property tax base, then they could amend the mill-rate accordingly.

CONCLUSION

The District of Ucluelet would request the minister to review the Government of BC methodology for split classification in cases where Municipal zoning precludes residential uses as a permitted use.

NEXT STEPS

The District of Ucluelet would like to see ministry staff made available to work with Ucluelet (and, if the motion of the floor is endorsed), the UBCM, to make an additional BC Assessment code for all municipalities.