

**UBC NEIGHBOURHOODS
TAXATION WORKING GROUP
MEETING WITH MINISTER FASSBENDER
DISCUSSION NOTES**

- Property taxation in UBC neighbourhoods
 - General rural property tax
 - Services levy
- First rationale for fire service charge: UEL pays tax at a higher rate than UBC neighbourhoods.
 - “The province recovers a portion of fire protection service costs from UEL residents via a general ‘rural’ tax rate that is higher than that paid by UBC neighbourhood residents (e.g. in 2015, the Class 1 residential rural rate for UEL is 0.8682 per \$1,000 assessed value and for the UNA it is 0.5700 per \$1,000 assessed value).”
- Comments on first rationale:
 - UEL residents do not pay the general rural property tax; they pay tax at a UEL-specific rate determined pursuant to the University Endowment Land Act.
 - The UEL rate is determined based on costs to run their community, including an amount for fire protection service (\$500,000 for 2016), i.e., similar to the tax rate in a municipality.
 - *All* the tax collected from UEL residents and businesses is applied to run their community (UEL administration staff, services, maintenance, capital improvements, etc.).
 - The general rural property tax collected from UBC residents and businesses goes into the CRF; *none* is returned to fund community expenses. For 2016, the amount was nearly \$2 million.
 - For 2016, the UEL residential tax rate was 0.7980; the UBC neighbourhoods rate (general rural property tax plus services levy) was 1.455470.
- Second rationale for fire service charge: other unincorporated areas that have fire protection services pay a fire levy, which is in addition to the general rural property tax.
- Issues regarding the second rationale:
 - What are the purposes for which the general rural property tax is paid?
 - Are those purposes applicable to the UBC neighbourhoods?
- Rural secondary roads
 - The general rural property tax funds part of the cost to maintain rural secondary roads.

- In the UBC/UEL area, the provincial roads are Chancellor Boulevard, University Boulevard, 16th Ave., and Marine Drive, as well as the roads in the UBC and UEL neighbourhoods (including parts of some adjacent roads)
- Our services levy funds the maintenance of the UBC neighbourhoods roads
- UEL taxes fund the maintenance of the UEL neighbourhood roads
- UEL taxpayers do not pay to maintain other provincial roads.
- Chancellor Boulevard, University Boulevard, 16th Ave., and Marine Drive are used primarily by residents of surrounding municipalities to access UBC. Residents of those municipalities do not pay a tax to maintain provincial roads.
- There is no good reason to require residents of the UBC neighbourhoods to fund the maintenance of these access roads
- A difference between the UBC neighbourhoods and other rural areas is that we contribute towards the maintenance, upgrade, and expansion of Metro Vancouver’s Major Road Network through the TransLink taxes: property tax, tax on hydro bills, fuel tax, parking tax.
- Policing
 - It is occasionally stated that the general rural property tax is also to cover part of the cost of police services for rural areas.
 - While this was true before the introduction of the police tax, it cannot now be correct. It would conflict with the rationale for the introduction of the police tax. The police tax is intended to put rural areas and municipalities under 5,000 population in the same position with respect to funding the cost of police services.
 - A letter from the Minister of Public Safety and Solicitor General to UBCM (Feb 16, 2016) states that residents in unincorporated areas contribute to their policing costs through the police tax. It does not mention rural property tax.
 - The government’s document “Police Resources in British Columbia, 2014” states that a portion of the provincial cost for the RCMP Provincial Force is recovered through the police tax. It does not mention rural property tax.
 - An email from Heather Brazier (CSCD) to Michael White (UBC) states that the general rural property tax funds rural services such as the maintenance of public secondary roads. It does not mention policing.
 - The UEL’s only contribution to the cost of policing is through the police tax.
 - We have been told that the cost to police the UBC neighbourhoods is about \$2 million per year, based on the cost to police similar-sized communities. That figure makes no sense for our community.

- According to “Police Resources in British Columbia, 2014”, the annual cost of a detachment the size of the UBC detachment is in the range of \$3 to \$4 million. Less than 20% of the criminal code cases are in the UBC neighbourhoods. So the cost to police the UBC neighbourhoods is probably less than \$750,000. We pay about \$300,000 in police tax each year.
- This estimate is consistent with the fact that the police detachment is about half the size of the number of firefighters who work from the UBC fire hall. The province pays \$7.1 million for fire protection service.
- Conclusions
 - Before the imposition of a fire service charge on the UBC neighbourhoods, there was considerable inequity in the provincial taxation of residents of the UBC neighbourhoods relative to taxation of UEL residents. The imposition of the charge substantially increases the inequity.
 - It is unfair to require UBC residents to pay to support provincial roads. We already pay to maintain roads in our neighbourhoods and we contribute towards the cost of the Major Road Network. Neither UEL residents nor residents of municipalities are required to pay for the upkeep of the provincial roads that they use (except for roads in the UEL neighbourhood).
 - The general rural property tax does not fund part of the cost of policing. That is what the police tax is for.
 - With the imposition of a fire service charge, we no longer receive any services from the province in return for the general rural property tax.
 - The solution is to allocate a portion of our general rural property tax to cover the cost of fire protection service. That would still leave us more heavily taxed by the province than UEL residents, since they do not pay any general rural property tax.