



West Point Grey Residents Association
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March 27, 2018

BC Premier John Horgan
Victoria, BC

and

Honorable David Eby, MLA
Vancouver-Point Grey

Dear Premier Horgan and Mr. Eby,

Re: Proposed BC Property Tax School Surcharge

While we encourage the province to provide increased funding to the public school system, we are strongly opposed to the proposed property tax surcharge that is an encroachment on the municipal tax base and has serious consequences affecting both owners and renters.

The provincial increase in the school portion of the municipal property tax works against the province's stated objective to make life more affordable for British Columbians, both for owners and renters. This proposal should be withdrawn and replaced with other funding sources that are under the provincial tax base or reconsidered entirely.

Our concerns are as follows:

- The assessed value of a property has no relationship to an owner's ability to pay or the equity they may have in the property since it may be highly mortgaged. A large surtax based on assessed value will put many owners in the position of being taxed out of their homes, forced to sell, to raise rents on secondary suites, or to go into debt because they legitimately do not have the income to cover this large increase. Most of the houses that would be affected are old and certainly not luxury. This tax will also put further pressure on demolition of the character houses that are more affordable than new and tend to have more secondary rental suites.

- Taxes should be designed to be affordable and not designed so that most people will have to go into debt to pay them.
- Deferral is incurring debt and it is not for everyone. Not everyone qualifies and taxes should not be so high that deferral is the rule rather than the exception.
- The province should not be encroaching onto the municipal tax base such as property taxes or development fees that are needed to provide municipal services. The province should instead use its own much larger tax base of provincial income taxes, federal income tax transfers, property transfer taxes, gas taxes, carbon taxes, sales taxes, etc.
- Schools are a provincial funding responsibility that comes from the provincial general revenue. The current school portion of the property taxes collected go into general revenue and cover about 35% of the school budget. The proposed surcharge would in many cases triple or more the provincial take of the property tax. This goes into general revenue where there is no guarantee that this will result in a corresponding increase to the school budget. Nor will the funds be applied to the jurisdiction where they have been collected.
- The surcharge is not based on a mill rate and is instead a direct percentage take of assessed value. This is a very problematic precedent that opens the door to a significant broadening of provincial intrusion into property taxes.
- Eventually this tax, if implemented, would likely be expanded to cover all properties either through inflation or broadening of parameters.

We are very concerned and continue to hear from members and the community about how problematic this proposal would be for them. The Vancouver-Point Grey riding would be substantially affected and it would undermine Mr. Eby's seat and the government's slim majority.

The property tax surcharge would make life much less affordable for both owners and renters. We request that this proposed surcharge be withdrawn.

Yours truly,

West Point Grey Residents Association Board of Directors