

July 31, 2019

Honourable Selina Robinson, MLA
Minister of Municipal Affairs and Housing
Room 310 Parliament Buildings
Victoria, BC V8V 1X4

RE: Business Community Support for Split Assessment and Property Tax Relief through a New Commercial Property Sub-Class

Dear Minister Robinson,

The Greater Victoria Chamber of Commerce is joining with Chambers of Commerce and Boards of Trade from the Lower Mainland to submit this letter requesting your support and action in addressing the considerable property tax challenges being faced by many small businesses throughout the region.

As you are aware, many businesses are facing incredibly high property tax bills due to the rapid appreciation of their commercial property, and the very viability of some of these businesses is under threat because of it. This problem is caused primarily because properties are valued based on their “highest and best use,” not their current or actual use. For under-developed commercial properties, this unrealized development potential has resulted in significant property tax implications for some local businesses. Any one of the Chambers of Commerce or Boards of Trade who have signed this letter could provide you with examples of businesses who have seen property values and their property taxes increase drastically.

An inter-governmental working group of local government and provincial ministry representatives has been working to identify viable options to address this issue. One proposed solution, Split Assessment through a New Commercial Sub-Class would enable, with the support of the Province, the splitting of “development potential” from “existing use” for eligible properties, allowing local governments to then provide a lower tax rate for the future development potential of a property.

This solution would result in meaningful tax relief for businesses and help mitigate the impact of property taxes on the viability of many businesses. We are supportive of this sub-class approach as a possible solution, provided that the business community and other key stakeholders are engaged in the policy development and implementation, including eligibility criteria, term, and level of tax relief.

As evidenced by the signatories to this letter, it is important to note that this problem is not localized to one city or neighbourhood; businesses throughout the province are facing this issue. In fact, Chambers of Commerce and Boards of Trade from across BC are united in the call for a split-tax solution to this problem since adopting it as official provincial policy of the BC Chamber of Commerce earlier this year.

Chambers of Commerce and Boards of Trade work every day to help businesses thrive and create wealth for our region through trade, commerce and economic development. When businesses can compete and succeed they create the jobs and tax dollars that support the services we all count on as residents. However, when those businesses—especially the small businesses which make such a unique contribution to our communities—are threatened by current policy, then solutions must be found.

On behalf of our regional business community, and the thousands of member businesses we represent, we respectfully urge the provincial government to take immediate action on this issue so a solution can be implemented in time for 2020's property taxes.

Sincerely,



Catherine Holt
CEO, Greater Victoria Chamber of Commerce

CC: Honourable John Horgan, Premier
Honourable Carole James, Minister of Finance and Deputy Premier
Honourable Bruce Ralston, Minister of Jobs, Trade, and Technology



Paul Holden
President & CEO
Burnaby Board of Trade



Michael Hind
Chief Executive Officer
Tri-Cities Chamber of Commerce



Jo-Anne Chadwick
Executive Director
Mission Regional Chamber of Commerce



David Crawford
Interim CEO
Greater Vancouver Board of Trade



Anita Huberman
Chief Executive Officer
Surrey Board of Trade



Melissa Ratcliff
Chief Executive Officer
New Westminster Chamber of Commerce



Colleen Clark
Chief Executive Officer
Greater Langley Chamber of Commerce



Matt Pitcairn
President & CEO
Richmond Chamber of Commerce



Ken Holland
President
Chamber of Commerce serving
Pitt Meadows & Maple Ridge



Val Litwin
President & CEO
BC Chamber of Commerce



Patrick Stafford-Smith
Chief Executive Officer
North Vancouver Chamber of Commerce



Katerina Anastasiadis
Executive Director
Abbotsford Chamber of Commerce

