

# The case for a cap on the property tax gap

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Small businesses continue to pay a disproportionate share of property taxes in British Columbia. In 2009, with the recession fully entrenched, small businesses paid on average 2.94 times more property taxes than residents on same value property. Businesses agree to pay their fair share, most acceptably determined by linking the services they consume and their municipal tax load. However, businesses do not consume triple the municipal services residents consume. Municipal governments across BC are unfairly taxing small business with grim consequences for local jobs and business growth. If municipalities cannot charge reasonable property taxes on all properties, the province should cap the property tax gap to ensure that a municipality cannot charge a business property more than double the taxes they charge a residential property of same value.

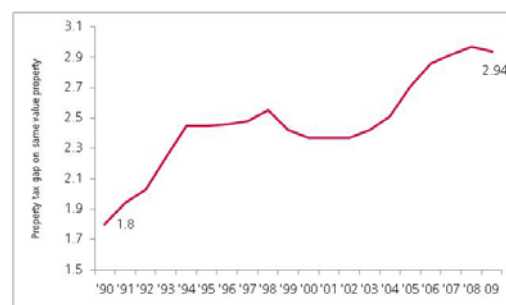
## Introduction

Businesses in BC pay on average three times more property taxes than an equivalently valued residential property. In some municipalities, businesses pay five, six or even seven times more than residents. This ratio represents not only the worst in BC, but also among the worst in the country. This is referred to as the “property tax gap,” a calculation that measures the magnitude of property tax levied on a business property relative to an equivalently valued residential property in a municipality.

Figure 1 shows that the growth in the average property tax gap in BC has grown substantially over the past two decades. In 1990, the average municipal property tax gap was 1.8. In 2003, the year of CFIB’s first report on property taxes in BC, the gap was 2.42. In

2008, it rose to 2.97. In 2009, it dropped slightly to 2.94.

Figure 1:  
**Historical average municipal property tax gap, 1990 to 2009**



Source: BC Government published property tax rates 1990–2009.

Table 1 lists BC’s worst offenders when it comes to property tax unfairness for small

business. Out of 160 municipalities in BC, North Saanich tops the list; there, a small business pays 6.80 times the property taxes of a resident on the same value property. However, North Saanich deserves some credit for its improvement—in 2008, the gap was higher at 7.27 (see table 1).

Table 1:

### BC's worst offenders—how many times more do businesses pay on same value property?

Municipality	Municipal Gap 2009	Municipal property tax gap rank (out of 160)
North Saanich	6.80 times more	1
Revelstoke	6.65 times more	2
Tumbler Ridge	5.41 times more	3
Castlegar	5.40 times more	4
Coquitlam	4.98 times more	5
Vancouver	4.84 times more	6
Metchosin	4.42 times more	7
Logan Lake	4.41 times more	8
Comox	4.16 times more	9
North Vancouver City	4.09 times more	10
Burnaby	4.00 times more	11
View Royal	4.00 times more	11
Lantzville	4.00 times more	11
Port Coquitlam	3.96 times more	14
Princeton	3.92 times more	15
Kitimat *	3.88 times more	16
Terrace	3.85 times more	17
Ladysmith	3.84 times more	18
New Westminster	3.83 times more	19
Saanich	3.82 times more	20

Source: BC Ministry of Community and Rural Development, 2009 statistics. \*Indicates a flat tax. See page 6 and Appendix 3 for more info.

Table 2 shows that, in BC's 30 largest municipalities by population, small businesses face an even higher tax burden. These municipalities represent 82.4 per cent of the provincial population. The average property tax gap, 3.30, is significantly higher than the average provincial property tax gap of 2.94. For the most populous municipality, Vancouver, small businesses are asked to pay almost 5 times more than a resident on same value property.

Table 2:

### BC's 30 biggest municipalities by population—how many times more do businesses pay on same value property?

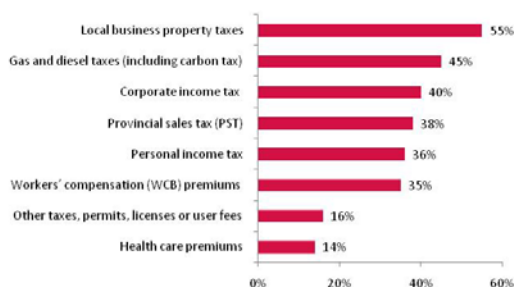
Municipality	Municipal Gap 2009	Municipal property tax gap rank (out of 160)
Coquitlam	4.98 times more	5
Vancouver	4.84 times more	6
North Vancouver City	4.09 times more	10
Burnaby	4.00 times more	11
Port Coquitlam	3.96 times more	14
New Westminster	3.83 times more	19
Saanich	3.82 times more	20
North Cowichan	3.77 times more	22
North Vancouver Dist	3.67 times more	25
Victoria	3.66 times more	27
Mission	3.51 times more	34
Richmond	3.48 times more	36
Delta	3.32 times more	42
Port Moody	3.32 times more	42
Kamloops	3.30 times more	44
Maple Ridge	3.29 times more	47
Campbell River	3.29 times more	47
Surrey	3.23 times more	53
Langford	3.16 times more	55
Langley Dist	3.11 times more	57
Vernon	3.05 times more	63
Nanaimo	2.95 times more	72
Abbotsford	2.90 times more	77
Kelowna	2.71 times more	87
Chilliwack	2.46 times more	100
West Kelowna	2.45 times more	101
Langley City	2.35 times more	118
West Vancouver	2.33 times more	119
Prince George	2.15 times more	135
Penticton	2.08 times more	136
<b>POPULATION:</b>		
<b>82.4% of BC</b>	<b>Avg. 3.30</b>	

Source: BC Ministry of Community and Rural Development, 2009 statistics.

Small businesses say that local business property taxes are most harmful to the operation of their business (see Figure 2). Many of these small businesses weren't profitable during the recent recession, and found their tax bills especially onerous. Regardless of the factors contributing to this trend of increasing unfairness in the distribution of the property tax load, no municipal leader should dismiss the outcome on his or her local economy. Small businesses are less able to invest in wages and training, equipment and expansion because of the higher property tax burden. Imagine how healthy our local economies would be if small businesses could focus on productivity and expansion, not just paying the tax bills?

Figure 2:

**Which of the following taxes are the most harmful to the operation of your business? % response**

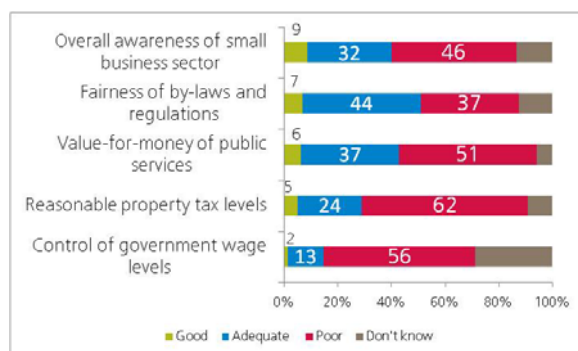


Source: CFIB, Mandate Survey 236 October 2009.

Not surprisingly, small businesses give municipalities very poor reviews of the services provided by municipal governments. No private sector operation could remain profitable with ratings shown in Figure 3. Only 6 per cent of small businesses say that they derive good value-for-money from municipal services, while 5 per cent say that their municipal government provides a reasonable property tax level.

Figure 3:

**How do you rate the local government where your business is situated on the following business issues? % response**



Source: CFIB, Mandate Survey 236 October 2009

BC's municipal governments have been allowed to set their tax rates since 1984. Municipal politicians argue that the increasing burden on small business is not intentional but inevitable as a consequence of higher assessed values on residential properties relative to business properties over time. When

municipalities are determining an annual property tax increase their primary focus is on stabilizing the residential tax bill; how the small business rate changes is a secondary consideration.

This means that the property tax gap has grown in recent years, as demonstrated in Table 3. Between 2008-2009, 24 per cent of municipalities have increased their property tax gaps. Between 2003-2009, 74 per cent of municipalities have increased their property tax gaps. A full account of these changes is listed in Appendix 2.

Table 3:

**Changes in the municipal property tax gap between 2003-2009 and between 2008-2009**

Municipal property tax gap	Between 2008-2009 (157 municipalities)	Between 2003-2009 (154 municipalities)
Increased?	38 municipalities (24 per cent)	114 municipalities (74 per cent)
Stayed the same?	61 municipalities (39 per cent)	18 municipalities (12 per cent)
Decreased?	59 municipalities (38 per cent)	22 municipalities (14 per cent)

Municipal governments are ultimately responsible to residential voters. Unfortunately for all taxpayers, municipalities have directed tax increases onto business properties rather than controlling their spending.<sup>1</sup> Businesses are paying too much for municipal services, both in dollars paid and value for money terms. This is not sustainable over the long run because harming small businesses harms the local economy and communities.

<sup>1</sup> See CFIB, *BC Municipal Spending Watch, 2009* for a description of municipal spending trends. Between 2000 and 2007, BC municipalities have increased their operating spending by 43.8 per cent while population and inflation growth, a benchmark for sustainability and affordability, was only 24.6 per cent. If municipalities had kept operating spending to more sustainable levels, neither residents nor businesses would be faced with increasing property tax bills.

All taxpayers would agree that fairness is an important principle in taxation. How would a small business owner define property tax fairness? Ultimately by drawing a direct link between the property taxes the business pays and the services the business consumes. They would also say the same principle should be applied to the residential tax load. Fairness is not having some property classes subsidize the services another property class consumes.<sup>2</sup>

However, an entirely user-pay property tax system is unlikely to be implemented in the near future. Meanwhile, small business owners are saddled with paying on average 3 times the property taxes without their tax load representing what they consume. Restoring some semblance of fairness would mean that a small business never pays more than double what a resident pays on same value property. Unfortunately, this may still be too high because there is evidence that businesses use fewer services than residents.

When municipalities don't monitor the fairness among residential and business classes on same value property, the business property class is left holding the bag when property taxes go up; rarely do residential properties face a higher burden. No other level of government directly targets small businesses to pay a greater share of the tax bill. At the provincial and federal levels, business owners pay the same personal income tax rates as residents, and businesses pay income taxes only on their profits. This is considered fair to small business owners.

The provincial government must recognise this burden on the province's small businesses and take decisive action if municipalities do not move towards fairness voluntarily. The province can do this by showing leadership on the property tax levies it has under its control—such as education and hospital taxes—by capping the gap on these taxes at 2 to 1. Furthermore, it can legislate

municipalities to move towards a 2 to 1 gap on the municipal tax levy over time.

This report is organised as follows:

### **Background**

- ▶ Provides important basic information about how BC's property tax and assessment system works.

### **Data by region**

- ▶ Provides the current property tax gaps in BC by region of the province, and shows how these gaps have mostly increased since 2003.

### **Misconceptions and facts**

- ▶ Responds to the common myths about how small businesses are impacted by property taxes, such as the misconception that "property taxes aren't harmful because they are just a tax write-off."

### **Feedback on past reports**

- ▶ Addresses the key criticism of this report's assessment of property tax fairness: that annual assessment changes mean that municipalities are powerless to influence the property tax gap.
- ▶ Uses the examples of Nanaimo and Vancouver to illustrate the growing negative impact on small businesses as municipalities focus on controlling the tax burden on residents rather than the overall fairness of property taxes.

### **Recommendations and conclusion**

- ▶ Considers whether it is time that the province step in to restore fairness, since there is precedence for doing so in BC and in other provinces.
- ▶ Recommends ways to create fairness in the property tax system.

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## **Background on property taxes**

Property taxation is one of the oldest forms of taxation in Canada. Before the advent of

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<sup>2</sup> Municipalities are also increasingly dependent on user fees for revenues (they have grown 95 per cent between 2000 and 2007). Businesses pay many of these user fees. Property taxes on business properties have not declined to compensate.

income and sales taxes, municipal and provincial governments relied almost exclusively on the revenues provided by property-based taxation. Even today, Canada is more dependent on property taxes than the majority of the industrialized world.<sup>3</sup> As the primary source of revenue for municipal governments, property taxes account for approximately 9.8 per cent of total taxation in Canada.<sup>4</sup>

Until 1983, the BC government took a leading role in regulating the ratios between the rates paid by residential properties and other property classes. These provincially-set rates generally resulted in property tax gaps between 2.6 and 3.5, depending on the property class.<sup>5</sup> Since 1984, the province has granted BC municipalities more property tax discretion than any other province in Canada. Today, there is no provincial oversight to keep this gap in check, and some communities have tax gaps up to 5 or 6. For industrial properties, the tax gaps can be significantly higher.

Robert Bish, writing for the Fraser Institute, aligns the history of allowing municipalities greater discretion of setting property tax rates by class of property with a concerning deterioration of the provincial business climate. While his greatest concern is the enormous property tax gap on major industrial properties (such as North Vancouver at 19.41 and Ladysmith at 21.89 in 2009), it is not hard to see that small businesses are also affected when major industries struggle to pay their property tax bills because small businesses are part of supply chains that provide goods and services to the industrial businesses and the communities dependent on them.

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<sup>3</sup> OECD Tax Database. As a percentage of GDP, property taxes represented 3.4 per cent of Canada's GDP in 2006. It is only higher in Korea (3.5 per cent), France (3.5 per cent) and the UK (4.6 per cent).

<sup>4</sup> OECD Tax Database.

<sup>5</sup> Note: This range is attributed to all business properties. MMK Consulting, page 8.

## Property Tax Components

The term 'property tax' generally refers to a tax assessed on real estate by the local government. The tax is usually based on the assessed value of property (including both land and improvements). The various property tax components levied on properties include:

- ▶ **Municipal:** The largest component (about 40-60 per cent, depending on the municipality) of the total property tax levy set individually by each municipal government to pay for municipal services.
- ▶ **School:** Set by the provincial government, the second largest component of the total property tax levy. Property taxes fund approximately 33 per cent of public education costs (13 per cent paid by residents and 20 per cent by businesses).<sup>6</sup>
- ▶ **Regional District:** Set by the province. All municipalities in BC belong to a regional district, which provide certain shared services such as electoral area planning, water and sewer treatment, recreation and libraries, fire protection, solid waste disposal, and water supply and distribution.
- ▶ **Hospital:** Set by the provincial government to generate revenue for some of the health authorities, often shared among a number of municipalities. In the Greater Vancouver Regional District (GVRD), hospitals are funded directly by the provincial government.
- ▶ **Regional Transportation Levies:** Some regional districts include a levy to fund public transportation and infrastructure. The Capital Regional District surrounding Victoria charges a BC Transit levy, and the GVRD imposes a TransLink levy.
- ▶ **Other tax:** The 'other' component of the property tax is set by the province and generates revenue to fund BC Assessment

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<http://vancouver.ca/taxcommission/pdfs/rpt010507.pdf>

<sup>6</sup> 2007 is the latest data as presented on BC government website  
[http://www.sbr.gov.bc.ca/individuals/Property\\_Tax/School\\_Property\\_Tax/about\\_school\\_tax.htm](http://www.sbr.gov.bc.ca/individuals/Property_Tax/School_Property_Tax/about_school_tax.htm)

and the Municipal Financing Authority (MFA).

Many BC small businesses are located in rural electoral areas and are assessed property taxes at a rural property tax rate set by the provincial government. However, it is not within the scope of this report to do a comprehensive review of the much more complex rural property tax. Future reports may address this issue.

Throughout this report, the property tax gap is referred to as a municipal gap (calculated using only the municipal levy) and the total gap (calculated using all levies including the municipal levy).

## Flat Taxes

There were 5 municipalities in 2009 that had a flat tax on residential properties: Dawson Creek, Kimberley, Kitimat, Powell River and Trail.

These municipalities require an approximation of the property tax gap. This is done by dividing the total residential taxes paid (including variable taxes and flat taxes where applicable) by the total residential assessed values. The gap is calculated using the business tax rate and this new estimated residential tax rate. On an aggregate level, this estimated residential tax rate provides an understanding of the inequality between residential and business property tax burdens. However, at each individual assessed property value, this average provides a highly variable picture of the inequality between residential and business properties. For more information about flat taxes please see Appendix 3.

## Other municipal charges

While the focus of this report is on the gap in the variable property taxes charged on business and residential properties, there are other municipal charges that add to the total tax bill but are not directly included in this analysis.

Municipalities levy a variety of other charges and taxes on the property tax bill, including either or both of the following:

- ▶ **Parcel Taxes:** Charge a particular parcel of land for a discrete period of time to pay for a defined service they receive (but may not consume). For example, the cost of a new neighbourhood park is allocated to the properties in that neighbourhood for 5 years using a parcel tax.
- ▶ **Local Area Service Taxes:** Can take the form of a parcel tax or a property tax. They pay for a service to a local area for a particular service improvement. A Business Improvement Area is a type of local area service tax.

These other municipal charges represent on average 15 per cent of the total property taxes and charges on all property classes in BC. In other words, by examining the burden of variable property taxes in BC, CFIB's analysis only captures 85 per cent of the total tax bill. Unfortunately, only the totals for all property classes are reported by municipalities to the province, preventing an analysis to determine how these other municipal charges burden each property class.

It is important to note that the range of usage of other municipal charges as a portion of the total tax bill is wide—from 0.7 per cent in Highlands attributed to other municipal charges to 50.8 per cent in Grand Forks. In major municipalities, such as Vancouver and Surrey, other municipal charges represent 6.5 per cent and 23.2 per cent respectively. A list of the distribution in all municipalities is available in Appendix 4.

One could say that other municipal charges are a fair and effective way to levy property taxes, as they directly target the recipients of the services. However, without a comprehensive breakdown of these charges, including how they are distributed among property classes and what they are used for, it is not possible to judge their merits.

## Property assessment in BC

Property taxes in British Columbia are levied on the total market value of both residential and non-residential properties as determined by BC Assessments, thus making the effect of different tax rates between the property classes more visible. This is also referred to as

an “ad valorem,” or based on value, system of property taxation. BC Assessments is the provincial assessment body responsible for determining the market value, classification, and exemption status of properties using standard appraisal methods.

While BC’s assessment system is centralized, in some jurisdictions including Alberta, local governments administer assessments. The advantage of BC’s centralized system is greater consistency in assessments and assessment appeals, as well as an arm’s length relationship between the assessment authority and local governments. **It also provides an opportunity to make broad policy changes with the political will of municipal and provincial governments.**

BC Assessments issues property assessments on December 31<sup>st</sup> each year reflecting the property’s value on July 1<sup>st</sup> of that year. Municipal tax rate bylaws are required to be adopted before May 15<sup>th</sup> of each year. Annual property taxes are due on July 2<sup>nd</sup>.<sup>7</sup>

Most municipalities assess each property class with a different rate of taxation. In BC the property classes are:

- ▶ Residential (Class 1)
- ▶ Utilities (Class 2)
- ▶ Supportive Housing (Class 3)—new in 2009
- ▶ Major Industry (Class 4)
- ▶ Light Industry (Class 5)
- ▶ Business and Other (Class 6)
- ▶ Managed Forest Land (Class 7)
- ▶ Recreational Property/ Non-Profit (Class 8)
- ▶ Farm (Class 9)

The comparison of business and residential categories is the focus of this report because the majority of small businesses falls within the “business” category. The terms “business,” “commercial” and “Class 6” are used interchangeably.

BC Assessment charges all property owners for its services through the property tax system. In 2009, the property tax gap for this service is 3.16. Thus, on a \$500,000 property, a resident would pay \$32.05 to BC Assessment for its valuation, while a business would pay \$101.30 for its valuation.

Municipal leaders take their assessment roll and adjust their property tax levies based on the average property assessment of their municipality that year and their budgetary requirements. Most local governments calculate taxes using the variable tax rate system where tax rates are based on a dollar figure per \$1,000 dollars of assessed property value (i.e. \$1.02 per \$1,000, therefore, property taxes payable on a \$300,000 property would be \$306). If BC Assessments determined that residential property values increased by an average 20 per cent from 2007 to 2008, the municipal tax levy on residential properties would have to drop by 20 per cent in order to obtain the same amount in revenue as the previous year.

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## Data

In the following pages, the property tax gaps (both municipal and total) and the total property tax bills by property class across the province are presented.

The tax gap for each municipality is calculated by dividing the tax rate on commercial property by the tax rate on the residential property. The larger the tax gap, the larger is the distortion or unfairness in the property tax system.<sup>8</sup> A tax gap of one indicates equal treatment for commercial and residential property. When the tax gap is greater than one, the tax system favours residential property, and a tax gap less than one indicates preferential treatment for commercial property.

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<sup>8</sup> This assumes the tax gap is greater than one, which is the case for almost all BC municipalities. When the tax gap is less than one, then the smaller the tax gap, the larger are the distortional effects of the property tax system, but in favour of the non-residential property class.

<sup>7</sup> In Vancouver, property taxes are due the second business day after July 1st.

By measuring changes to the property tax gap, and not the rates themselves, this report measures the extent to which the tax burden has been shifted to the business community since 2003, when CFIB released its first BC property tax report. The larger the gap between residential and non-residential tax rates within a particular municipality, the more distorted and unfair the property tax system to small business property taxpayers.

## Report's organization

The following analysis provides an examination of the differences in municipal variable tax rates between residential and commercial property across the province based on 2008 data, which BC's Ministry of Community Development collects on an annual basis.

To make it easier to compare the largest population centres in the province, the body of this report examines the property tax gaps of municipalities in the 11 largest regional districts. The remaining 17 regional districts are covered in Appendix 2, as well as a list of the changes to the municipal property tax gap between 2008-2009 and 2003-2009. As well, a ranking of all the municipal property tax gaps is listed in Appendix 1.

For comparison purposes, the analysis of the property tax gaps has been divided according to regional districts because it is natural for municipalities to compare themselves first to their neighbours. This information also allows local government officials to compare themselves—and compete for small businesses—based on the fairness of their property tax policies relative to their neighbours.

## Cariboo Area (Page 9):

- ▶ Fraser-Fort George (4 municipalities)

## Thompson/Okanagan Area (Page 9)

- ▶ Central Okanagan (3 municipalities)
- ▶ North Okanagan (6 municipalities)
- ▶ Okanagan-Similkameen (6 municipalities)
- ▶ Thompson-Nicola (8 municipalities)

## Vancouver and Metropolitan Area (Page 12):

- ▶ Greater Vancouver (21 municipalities)
- ▶ Fraser Valley (6 municipalities)

## Vancouver Island & Coastal Area (Page 14):

- ▶ Capital Regional District (13 municipalities)
- ▶ Comox Strathcona (8 municipalities)
- ▶ Cowichan Valley (4 municipalities)
- ▶ Nanaimo (4 municipalities)

## How is fairness assessed?

There are many ways to look at fairness in the property tax system, and many academics and stakeholders proposing changes to the system with the ultimate objective to improve fairness. These proposals are discussed on page 19.

CFIB assesses the fairness of the property tax load on small businesses by calculating the property tax gap on the same value property. Each municipality is held accountable for its property tax gap in 2009. The vast majority have seen their property tax gaps increase from 2003, when CFIB first reported this measure.

**Municipalities most often gauge fairness using the annual percentage increase in property taxes per class regardless of changes to assessments or actual dollars paid in taxes by property class.** Because municipal leaders may say that residential and business properties face the same tax increase each year (for example, four per cent), they declare their property taxes to be fair. However, this does not account for relative assessed values of the two property classes and new property developments, and may in fact further deteriorate fairness for small business based on same value property.

The pursuit of fairness by reducing the property tax gap is not intended to increase the tax burden on residents, although this is often the outcome predicted by mayors. The



objective is to ensure a strong connection between services consumed and taxes paid for all taxpayers, and to adhere to sustainable municipal spending levels.

## Cariboo Area

### Fraser-Fort George

In the Fraser-Fort George region, the municipality with the highest burden on its small business properties is McBride, with a municipal property tax gap of 2.5. The largest municipality in the region, Prince George, has a municipal gap of 2.15. While all municipalities have seen increased municipal gaps since 2003, the most improved in the last year was Mackenzie, with a municipal gap decrease of 0.18 (2.34 to 2.16).

Table 4:

#### Snapshot of the property tax gap and average property tax burden in Fraser-Fort George

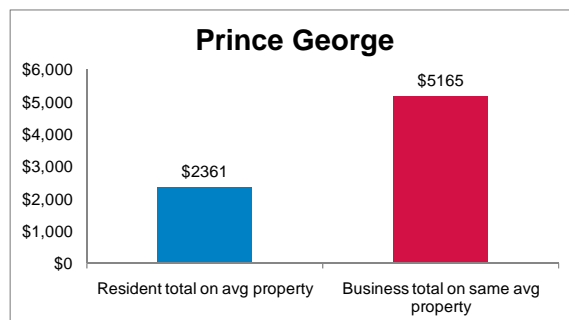
Fraser-Fort George	2009 Total taxes on avg residential property \$	2009 Total taxes on avg business property same value \$	2009 Muni Gap (Total Gap)	2008 Muni Gap (Total Gap)	2003 Muni Gap (Total Gap)	2009 Muni Gap RANK (out of 160)
McBride	1415	3412	2.5 (2.41)	2.50 (2.42)	2.40 (2.21)	98
Mackenzie	1016	2236	2.16 (2.20)	2.34 (2.31)	1.89 (1.89)	134
Prince George	2361	5165	2.15 (2.19)	2.28 (2.26)	1.54 (1.65)	135
Valemount	1354	2873	1.8 (2.12)	1.70 (2.09)	1.60 (1.88)	148

Source: BC Ministry of Community and Rural Development, 2003-2009 statistics. Note: For average property values in each municipality, please consult Appendix 2.

The property tax gap has dramatic impact on the actual dollars paid by businesses and residents. In Prince George, a total property tax gap of 2.19 translates into a \$5165 tax bill on a business property and a \$2316 bill on a residential property of same value (\$209,060) See Figure 4 for details.

Figure 4:

#### Prince George: Business vs. Residential Property Tax on a representative property



Source: BC Ministry of Community and Rural Development, 2009 statistics. Average property in Prince George \$209,060

## Thompson/ Okanagan Area

### Central Okanagan

In the Central Okanagan, the municipality with the highest burden on its small business properties is Lake Country, with a municipal property tax gap of 3.54. The largest municipality in the region, Kelowna, has a municipal gap of 2.71. While all municipalities have seen increased municipal gaps since 2003 (Westside not applicable), the greatest increase in the gap since last year was Kelowna, with a municipal gap increase of 0.53 (2.18 to 2.71).

Table 5:

#### Snapshot of the property tax gap and average property tax burden in the Central Okanagan

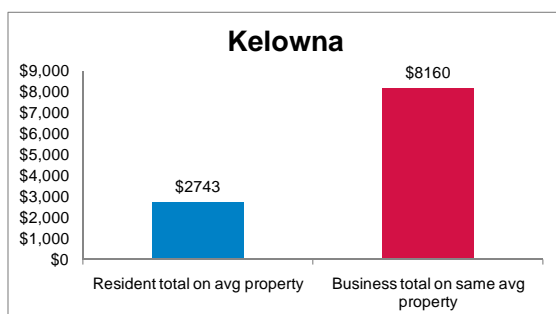
Central Okanagan	2009 Total taxes on avg residential property	2009 Total taxes on avg business property same value	2009 Muni Gap (Total Gap)	2008 Muni Gap (Total Gap)	2003 Muni Gap (Total Gap)	2009 Muni tax gap RANK (out of 160)
Lake Country	2768	9485	3.54 (3.43)	3.53 (3.42)	3.37 (2.99)	33
West Kelowna	2774	7914	2.45 (2.85)	2.45 (2.87)	n/a	101
Kelowna	2743	8160	2.71 (2.98)	2.18 (2.62)	2.04 (2.26)	87
Peachland	2400	6340	2.00 (2.64)	2.00 (2.64)	2.00 (2.24)	139

Source: BC Ministry of Community and Rural Development, 2003-2009 statistics. Note: For average property values in each municipality, please consult Appendix 2. Note: West Kelowna was referred to as Westside in 2008.

The property tax gap has dramatic impact on the actual dollars paid by businesses and residents. In Kelowna, a total property tax gap of 2.98 translates into an \$8160 tax bill on a business property and a \$2743 bill on a residential property of same value (\$462,138).

Figure 5:

### Kelowna: Business vs. Residential Property Tax on a representative property



Source: BC Ministry of Community and Rural Development, 2009 statistics. Average property in Kelowna \$462,138.

### North Okanagan

In the North Okanagan, the municipality with the highest burden on its small business properties is Armstrong, with a municipal property tax gap of 3.16. The largest municipality in the region, Vernon, has a municipal gap of 3.05. While all municipalities have seen increased municipal gaps since 2003, the greatest decrease in the gap since last year was Coldstream, with a municipal gap increase of 0.27 (2.67 to 2.40).

Table 6:

### Snapshot of the property tax gap and average property tax burden in the North Okanagan

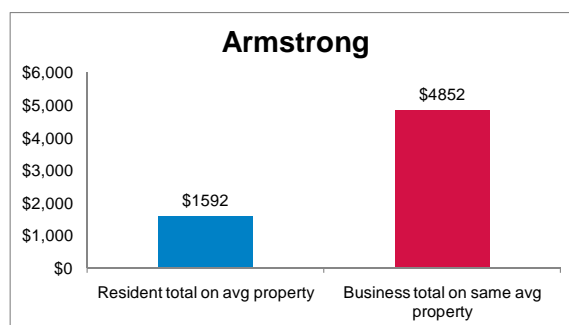
North Okanagan	2009 Total taxes on avg residential property	2009 Total taxes on avg business property same value	2009 Muni Gap (Total Gap)	2008 Muni Gap (Total Gap)	2003 Muni Gap (Total Gap)	2009 Muni tax gap RANK (out of 160)
Armstrong	1592	4852	3.16 (3.05)	3.24 (3.11)	2.78 (2.45)	55
Spallumcheen	1565	4759	3.10 (3.04)	3.10 (3.05)	3.26 (2.67)	59
Vernon	2812	8225	3.05 (2.93)	3.09 (2.93)	2.22 (2.29)	63
Coldstream	3176	8605	2.40 (2.71)	2.67 (2.77)	1.90 (2.22)	115
Enderby	1645	4423	2.45 (2.69)	2.45 (2.69)	2.45 (2.31)	101
Lumby	2266	5827	2.20 (2.57)	2.21 (2.58)	1.40 (2.03)	127

Source: BC Ministry of Community and Rural Development, 2003-2009 statistics. Note: For average property values in each municipality, please consult Appendix 2.

The property tax gap has dramatic impact on the actual dollars paid by businesses and residents. In Armstrong, a total property tax gap of 3.05 translates into a \$4852 tax bill on a business property and a \$1592 bill on a residential property of same value (\$462,138).

Figure 6:

### Armstrong: Business vs. Residential Property Tax on a representative property



Source: BC Ministry of Community and Rural Development, 2009 statistics. Average property in Armstrong \$462,138

## Okanagan-Similkameen

In the Okanagan-Similkameen, the municipality with the highest burden on its small business properties is Princeton, with a municipal property tax gap of 3.92. The largest municipality in the region, Penticton, has a much more reasonable municipal gap of 2.08 but the highest taxes paid. While all municipalities show an increase in their municipal gaps since 2003 (with the exception of Keremeos), the most improved in the last year was Princeton, with a municipal gap decrease of 0.41 (4.33 to 3.92).

Table 7:

### Snapshot of the property tax gap and average property tax burden in Okanagan-Similkameen

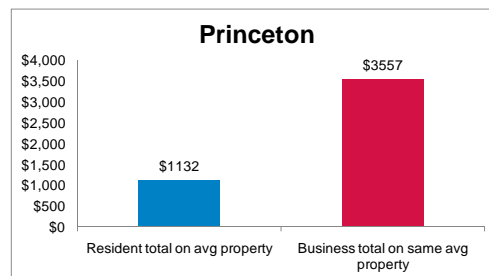
Okanagan-Similkameen	2009 Total taxes on avg residential property	2009 Total taxes on avg business property same value	2009 Muni Gap (Total Gap)	2008 Muni Gap (Total Gap)	2003 Muni Gap (Total Gap)	2009 Muni tax gap RANK (out of 160)
Princeton	1132	3557	3.92 (3.14)	4.33 (3.35)	2.97 (2.42)	15
Summerland	2246	7234	3.35 (3.22)	3.36 (3.21)	2.08 (2.19)	41
Oliver	1740	4881	2.94 (2.80)	2.90 (2.78)	2.41 (2.20)	73
Keremeos	1698	4262	2.30 (2.51)	2.36 (2.52)	2.36 (2.20)	122
Penticton	2384	5970	2.08 (2.50)	2.01 (2.44)	1.50 (1.82)	136
Osoyoos	1990	4553	1.60 (2.29)	1.59 (2.30)	1.30 (1.71)	154

Source: BC Ministry of Community and Rural Development, 2003-2009 statistics. Note: For average property values in each municipality, please consult Appendix 2.

The property tax gap has dramatic impact on the actual dollars paid by businesses and residents. In Princeton, a total property tax gap of 3.14 translates into a \$3557 tax bill on a business property and an \$1132 bill on a residential property of same value (\$167,046).

Figure 7:

### Princeton: Business vs. Residential Property Tax on a representative property



Source: BC Ministry of Community and Rural Development, 2009 statistics. Average property in Princeton \$167,046.

## Thompson-Nicola

In Thompson-Nicola, the municipality with the highest burden on its small business properties is Logan Lake, with a municipal property tax gap of 4.41. The largest municipality in the region, Kamloops, has a municipal gap of 3.30.

Table 8:

### Snapshot of the property tax gap and average property tax burden in Thompson-Nicola

Thompson-Nicola	2009 Total taxes on avg residential property	2009 Total taxes on avg business property same value	2009 Muni Gap (Total Gap)	2008 Muni Gap (Total Gap)	2003 Muni Gap (Total Gap)	2009 Muni tax gap RANK (out of 160)
Logan Lake	1357	4994	4.41 (3.68)	4.28 (3.66)	3.17 (2.71)	8
Ashcroft	1631	4597	3.78 (2.82)	3.65 (2.76)	3.30 (2.48)	21
Merritt	1947	5723	3.37 (2.94)	3.35 (2.91)	2.40 (2.16)	40
Kamloops	2539	7827	3.30 (3.08)	3.34 (3.09)	2.21 (2.18)	44
Clearwater	1422	4114	3.25 (2.89)	3.25 (2.88)	n/a	51
Chase	1790	4881	2.83 (2.73)	3.26 (2.92)	1.70 (1.94)	83
Barriere	1329	3411	2.45 (2.57)	2.45 (2.56)	n/a	101
Lytton	1133	2534	2.37 (2.24)	2.40 (2.27)	2.18 (2.02)	117
Clinton	1572	3548	2.33 (2.24)	2.28 (2.20)	2.00 (1.93)	119
Cache Creek	978	2081	2.18 (2.13)	2.18 (2.10)	1.74 (1.82)	131

Source: BC Ministry of Community and Rural Development, 2003-2009 statistics. Note: For average property values in each municipality, please consult Appendix 2.

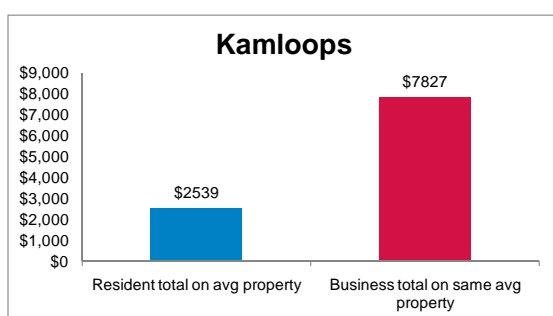
While all municipalities have seen increased municipal gaps since 2003, the most improved

in the last year was Chase, with a municipal gap decrease of 0.18 (3.26 to 2.83).

The property tax gap has dramatic impact on the actual dollars paid by businesses and residents. In Kamloops, a total property tax gap of 3.08 translates into a \$7827 tax bill on a business property and a \$2539 bill on an average residential property of same value (\$311,076).

Figure 8:

### Kamloops: Business vs. Residential Property Tax on a representative property



Source: BC Ministry of Community and Rural Development, 2009 statistics. Average property in Kamloops \$311,076.

## Greater Vancouver Area

### Greater Vancouver

In Greater Vancouver, the municipality with the highest burden on its small business properties is Coquitlam, with a municipal property tax gap of 4.98. The largest municipality in the region, Vancouver, has a municipal gap of 4.84, down from its 2003 high of 5.16. These property tax gaps are among the worst in the province and, in fact, the country. They continue to be a major concern for small businesses. The most improved in the last year was Lions Bay, with a municipal gap decrease of 1.05 (3.50 to 2.45).

Table 9:

### Snapshot of the property tax gap and average property tax burden in Greater Vancouver

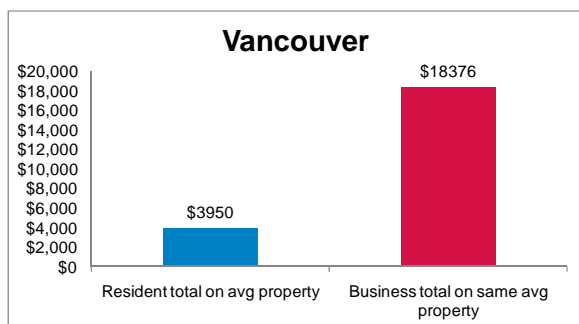
Greater Vancouver	2009 Total taxes on avg residential property	2009 Total taxes on avg business property same value	2009 Muni Gap (Total Gap)	2008 Muni Gap (Total Gap)	2003 Muni Gap (Total Gap)	2009 Muni tax gap RANK (out of 160)
Coquitlam	3160	14147	4.98 (4.48)	4.99 (4.58)	4.59 (3.90)	5
Vancouver	3950	18376	4.84 (4.65)	5.08 (4.90)	5.16 (3.05)	6
North Vancouver – City	3395	14269	4.09 (4.20)	4.11 (4.33)	3.13 (3.35)	10
Burnaby	3293	13163	4.00 (4.00)	3.98 (4.11)	3.62 (3.49)	11
Port Coquitlam	2866	11236	3.96 (3.92)	3.59 (3.80)	3.06 (3.10)	14
New Westminister	3477	13064	3.83 (3.76)	3.78 (3.82)	3.28 (3.17)	19
North Vancouver – District	3861	15353	3.67 (3.98)	3.67 (4.09)	3.37 (3.49)	25
Pitt Meadows	2471	8900	3.63 (3.60)	3.67 (3.72)	2.94 (2.93)	28
Richmond	3128	11509	3.48 (3.68)	3.49 (3.81)	3.01 (3.11)	36
Port Moody	3617	12863	3.32 (3.56)	3.35 (3.68)	3.06 (3.11)	42
Delta	3071	10838	3.32 (3.53)	3.25 (3.59)	2.94 (3.05)	42
Maple Ridge	2767	9422	3.29 (3.40)	3.29 (3.49)	2.83 (2.87)	47
Surrey	2541	8995	3.23 (3.54)	3.23 (3.67)	2.75 (2.94)	53
Langley – District	2627	8810	3.11 (3.35)	3.14 (3.47)	2.92 (2.94)	57
White Rock	4457	14095	2.71 (3.16)	2.73 (3.28)	2.00 (2.43)	87
Lions Bay	3681	14048	2.45 (3.82)	3.50 (4.51)	4.44 (4.34)	101
Belcarra	3308	10721	2.45 (3.24)	2.45 (3.40)	2.45 (2.93)	101
West Vancouver	6137	22057	2.33 (3.59)	2.32 (3.73)	1.88 (2.96)	119
Langley – City	2654	7626	2.35 (2.87)	2.30 (2.94)	2.15 (2.49)	118
Anmore	3797	10828	1.00 (2.85)	1.00 (3.15)	1.00 (2.44)	158
Bowen Island	3215	9492	1.00 (2.95)	1.00 (3.13)	1.00 (2.52)	158

Source: BC Ministry of Community and Rural Development, 2003-2009 statistics. Note: For average property values in each municipality, please consult Appendix 2.

The property tax gap has dramatic impact on the actual dollars paid by businesses and residents. In Vancouver, total property tax gap of 4.65 translates into an \$18,376 tax bill on a business property and a \$3,950 bill on a residential property of same value (\$944,916).

Figure 9:

**Vancouver: Business vs. Residential Property Tax on a representative property**

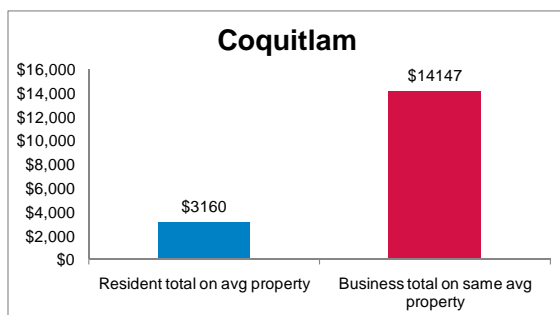


Source: BC Ministry of Community and Rural Development, 2009 statistics. Average property in Vancouver \$944,916.

In Coquitlam, total property tax gap of 4.48 translates into a \$14,147 tax bill on a business property and a \$3160 bill on a residential property of same value (\$597,524).

Figure 10:

**Coquitlam: Business vs. Residential Property Tax on a representative property**

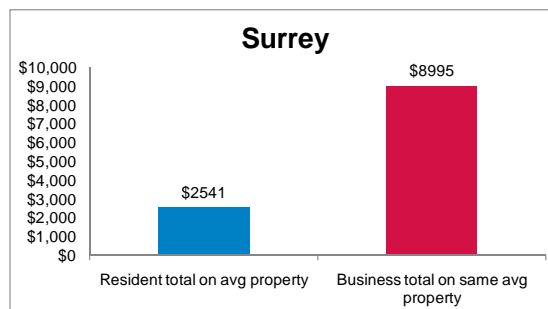


Source: BC Ministry of Community and Rural Development, 2009 statistics. Average property in Coquitlam \$597,524.

In Surrey, total property tax gap of 3.54 translates into an \$8,995 tax bill on a business property and a \$2,541 bill on a residential property of same value (\$548,766).

Figure 11:

**Surrey: Business vs. Residential Property Tax on a representative property**



Source: BC Ministry of Community and Rural Development, 2009 statistics. Average property in Surrey \$548,766.

**Fraser Valley**

In the Fraser Valley, the municipality with the highest burden on its small business properties is Mission, with a municipal property tax gap of 3.51. The largest municipality in the region, Abbotsford, has a municipal gap of 2.90. While all municipalities have seen increased municipal gaps since 2003, the most improved in the last year was Kent, with a municipal gap decrease of 0.11 (3.29 to 3.18).

Table 10:

**Snapshot of the property tax gap and average property tax burden in Fraser Valley**

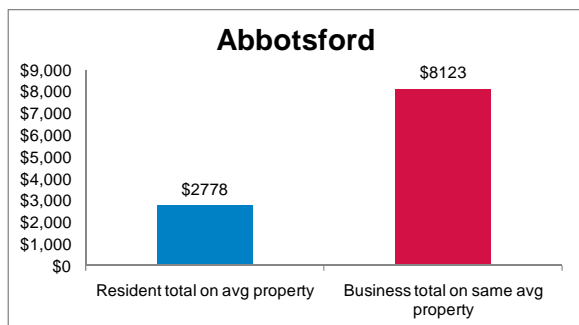
	2009 Total taxes on avg residential property	2009 Total taxes on avg business property same value	2009 Muni Gap (Total Gap)	2008 Muni Gap (Total Gap)	2003 Muni Gap (Total Gap)	2009 Muni tax gap RANK (out of 160)
<b>Mission</b>	2669	9062	3.51 (3.39)	3.45 (3.35)	2.67 (2.61)	34
<b>Kent</b>	1888	5466	3.18 (2.90)	3.29 (2.92)	2.07 (2.03)	54
<b>Harrison Hot Springs</b>	2238	6310	3.10 (2.82)	3.10 (2.83)	2.26 (2.15)	59
<b>Abbotsford</b>	2778	8123	2.90 (2.92)	2.91 (2.92)	2.54 (2.49)	77
<b>Hope</b>	1953	5074	2.65 (2.60)	2.71 (2.56)	2.00 (2.00)	94
<b>Chilliwack</b>	2394	6233	2.46 (2.60)	2.48 (2.62)	2.25 (2.25)	100

Source: BC Ministry of Community and Rural Development, 2003-2009 statistics. Note: For average property values in each municipality, please consult Appendix 2.

The property tax gap has dramatic impact on the actual dollars paid by businesses and residents. In Abbotsford, a total property tax gap of 2.92 translates into an \$8,123 tax bill on a business property and a \$2,778 bill on a residential property of same value (\$386,263).

Figure 12

**Abbotsford: Business vs. Residential Property Tax on a representative property**



Source: BC Ministry of Community and Rural Development, 2009 statistics. Average property in Abbotsford \$386,263.

**Vancouver Island and Coastal Area**

**Capital Regional District**

In the Capital Regional District, the municipality with the highest burden on its small business properties is by far North Saanich, with a municipal property tax gap of 6.80. Surprisingly, this is actually a decrease in the municipal gap since 2003, when it was 7.38. The largest municipality in the region, Victoria, has a municipal gap of 3.66. The most improved in the last year was in fact North Saanich, with a municipal gap decrease of 0.47 (7.27 to 6.80).

Table 11:

**Snapshot of the property tax gap and average property tax burden in the Capital Regional District**

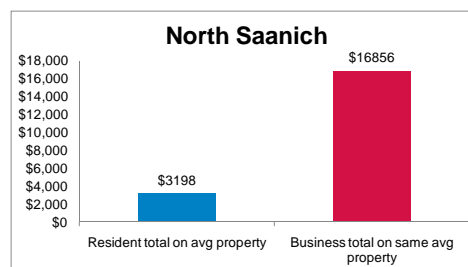
Capital Regional District	2009 Total taxes on avg residential property	2009 Total taxes on avg business property same value	2009 Muni Gap (Total Gap)	2008 Muni Gap (Total Gap)	2003 Muni Gap (Total Gap)	2009 Muni tax gap RANK (out of 160)
North Saanich	3198	16856	6.80 (5.27)	7.27 (5.47)	7.38 (4.82)	1
Metchosin	2678	10123	4.42 (3.78)	4.42 (3.81)	3.81 (3.17)	7
View Royal	2494	9726	4.00 (3.90)	4.00 (3.90)	3.32 (3.16)	11
Saanich	3277	12476	3.82 (3.81)	3.82 (3.81)	2.85 (2.92)	20
Highlands	3258	11460	3.70 (3.52)	3.70 (3.55)	3.50 (3.11)	24
Victoria	3258	12076	3.66 (3.71)	3.67 (3.71)	2.63 (2.78)	27
Colwood	2569	9185	3.58 (3.58)	3.66 (3.20)	3.45 (2.96)	32
Sooke	2192	7451	3.29 (3.40)	3.50 (3.52)	2.84 (2.80)	47
Langford	2097	6911	3.16 (3.30)	3.06 (3.24)	2.60 (2.66)	55
Esquimalt	3306	10675	2.99 (3.23)	2.97 (3.21)	2.98 (2.99)	71
Sidney	2621	8568	2.84 (3.27)	2.89 (3.32)	2.50 (2.78)	82
Central Saanich	2952	8860	2.38 (3.00)	2.41 (3.03)	2.20 (2.64)	116
Oak Bay	4679	12214	1.79 (2.61)	1.79 (2.59)	1.50 (2.13)	149

Source: BC Ministry of Community and Rural Development, 2003-2009 statistics. Note: For average property values in each municipality, please consult Appendix 2.

The property tax gap has dramatic impact on the actual dollars paid by businesses and residents. In North Saanich, a total property tax gap of 5.27 translates into a \$16,856 tax bill on a business property and a \$3,198 bill on a residential property of same value (\$773,904).

Figure 13:

**North Saanich: Business vs. Residential Property Tax on a representative property**

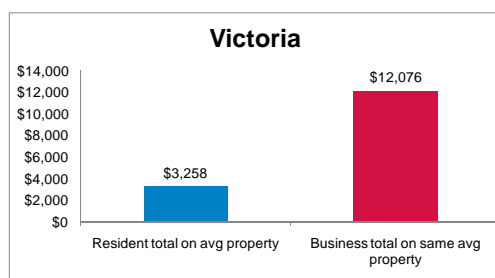


Source: BC Ministry of Community and Rural Development, 2009 statistics. Average property in North Saanich \$773,904.

In Victoria, a total property tax gap of 3.71 translates into a \$12,076 tax bill on a business property and a \$3,256 bill on a residential property of same value (\$526,611).

Figure 14:

### Victoria: Business vs. Residential Property Tax on a representative property



Source: BC Ministry of Community and Rural Development, 2009 statistics. Average property in Victoria \$526,611.

### Comox Strathcona

In the Comox Strathcona region, the municipality with the highest burden on its small business properties is Comox, with a municipal property tax gap of 4.16. The largest municipality in the region, Courtenay, has a municipal gap of 3.30. While all municipalities have seen increased municipal gaps since 2003, most municipalities have remained stable in 2009 relative to 2008.

Table 12:

### Snapshot of the property tax gap and average property tax burden in Comox Strathcona

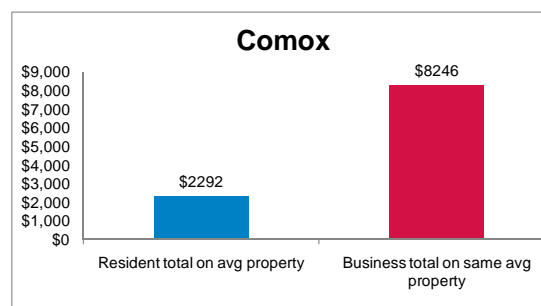
Comox Strathcona	2009 Total taxes on avg residential property	2009 Total taxes on avg business property same value	2009 Muni Gap (Total Gap)	2008 Muni Gap (Total Gap)	2003 Muni Gap (Total Gap)	2009 Muni tax gap RANK (out of 160)
Comox	2292	8246	4.16 (3.60)	4.20 (3.62)	3.15 (2.69)	9
Courtenay	2091	6565	3.30 (3.14)	3.35 (3.18)	2.90 (2.63)	44
Campbell River	2180	6717	3.29 (3.08)	3.26 (3.06)	2.65 (2.45)	47
Zeballos	1096	2380	2.45 (2.17)	2.45 (2.16)	2.44 (1.81)	101
Sayward	1423	3658	2.45 (2.57)	2.45 (2.57)	2.13 (2.15)	101
Gold River	1545	3092	2.26 (2.00)	2.27 (1.98)	1.30 (1.24)	123
Tahsis	1407	2815	2.17 (2.00)	2.18 (1.97)	0.82 (0.97)	132
Cumberland	2027	4680	1.94 (2.31)	1.94 (2.32)	1.60 (1.84)	146

Source: BC Ministry of Community and Rural Development, 2003-2009 statistics. Note: For average property values in each municipality, please consult Appendix 2.

The property tax gap has dramatic impact on the actual dollars paid by businesses and residents. In Comox, a total property tax gap of 3.60 translates into an \$8246 tax bill on a business property and a \$2292 bill on a residential property of same value (\$339,844).

Figure 15:

### Comox: Business vs. Residential Property Tax on a representative property



Source: BC Ministry of Community and Rural Development, 2009 statistics. Average property in Comox \$339,844.

## Cowichan Valley

In the Cowichan Valley, the municipality with the highest burden on its small business properties is Ladysmith, with a municipal property tax gap of 3.84. While all municipalities have seen increased municipal gaps since 2003, the most improved in the last year was North Cowichan, with a municipal gap decrease of 0.44 (4.21 to 3.77).

Table 13:

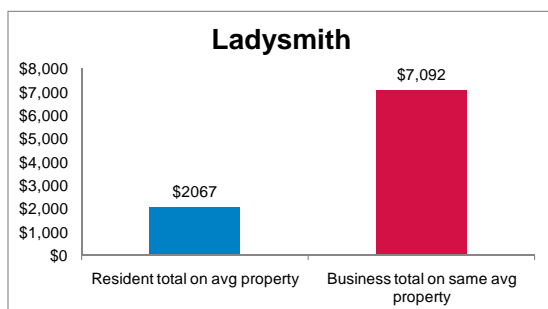
### Snapshot of the property tax gap and average property tax burden in Cowichan Valley

Cowichan Valley	2009 Total taxes on avg residential property	2009 Total taxes on avg business property same value	2009 Muni Gap (Total Gap)	2008 Muni Gap (Total Gap)	2003 Muni Gap (Total Gap)	2009 Muni tax gap RANK (out of 160)
Ladysmith	2067	7092	3.84 (3.43)	3.96 (3.48)	3.03 (2.67)	18
North Cowichan	1718	5660	3.77 (3.29)	4.21 (3.42)	3.48 (2.70)	22
Duncan	2058	6332	3.29 (3.08)	3.44 (3.09)	2.68 (2.50)	47
Lake Cowichan	1972	5958	3.25 (3.02)	3.45 (3.12)	2.50 (2.43)	51

Source: BC Ministry of Community and Rural Development, 2003-2009 statistics. Note: For average property values in each municipality, please consult Appendix 2.

Figure 16:

### Ladysmith: Business vs. Residential Property Tax on a representative property



Source: BC Ministry of Community and Rural Development, 2009 statistics. Average property in Ladysmith \$300,120.

## Nanaimo

In the Nanaimo region, the municipality with the highest burden on its small business properties is Lantzville, with a municipal property tax gap of 4.00. The largest

municipality in the region, Nanaimo, has a municipal gap of 2.95. All municipalities have seen increased municipal gaps since 2003.

Table 14:

### Snapshot of the property tax gap and average property tax burden in Nanaimo

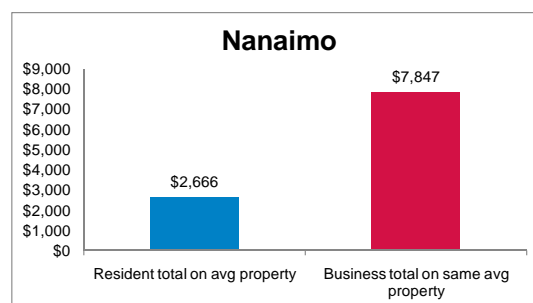
Nanaimo	2009 Total taxes on avg residential property	2009 Total taxes on avg business property same value	2009 Muni Gap (Total Gap)	2008 Muni Gap (Total Gap)	2003 Muni Gap (Total Gap)	2009 Muni tax gap RANK (out of 160)
Lantzville	2397	7806	4.00 (3.26)	4.00 (3.30)	n/a	11
Qualicum Beach	2842	8924	3.07 (3.14)	3.07 (3.13)	2.45 (2.46)	62
Nanaimo	2666	7847	2.95 (2.94)	2.98 (2.96)	2.27 (2.27)	72
Parksville	2406	6891	2.69 (2.86)	2.62 (2.81)	1.79 (2.02)	91

Source: BC Ministry of Community and Rural Development, 2003-2009 statistics. Note: For average property values in each municipality, please consult Appendix 2.

The property tax gap has dramatic impact on the actual dollars paid by businesses and residents. In Nanaimo, a total property tax gap of 2.94 translates into a \$7847 tax bill on a business property and a \$2666 bill on a residential property of same value (\$323,563).

Figure 17

### Nanaimo: Business vs. Residential Property Tax on a representative property



Source: BC Ministry of Community and Rural Development, 2009 statistics. Average property in Nanaimo \$323,563.

## Misconceptions and Facts

The debate on property taxes—whether they are too high or low, whether they are a good tax or bad tax, whether they are sufficient to pay for municipal services or insufficient—



continues among policy makers. Many misconceptions on the property taxes paid by small businesses have led to an outcome whereby businesses shoulder a higher property tax burden. To facilitate changes on behalf of small businesses, common misconceptions are dispelled below.

When considering the impact on small businesses, note that many small businesses lease or rent their properties, and the property taxes they pay are contained implicitly or explicitly in their monthly bill. They are not immune from increases in property taxes—it just gets passed along by the land owner.

### Misconception 1—Businesses consume more public services

Fact: Businesses, especially small ones, actually use *fewer* services than homeowners. A study done by MMK Consulting for the City of Vancouver showed that non-residential taxpayers paid 55 per cent of property-based taxes but consumed 24 per cent of local tax-supported services.<sup>9</sup> While residential properties pay \$0.56 in property taxes for every dollar of tax-supported services consumed, non-residential properties pay approximately \$2.42 in taxes for each dollar of service.

The trend identified in the MMK report that a business pays far more for the services it consumes while a resident pays less for the services he or she consumes is not limited to Vancouver. Considering the economic benefits of having small businesses in a local community, overcharging small businesses is a misguided municipal strategy.

For example, the report's analysis on the consumption of municipal services showed that residential properties consumed 73 per cent of police services (such as the work of the traffic, patrol and major crimes divisions) while businesses consumed 27 per cent of police services. Most businesses hire their own security guards and alarm monitoring services rather than be dependent upon the police. In

Vancouver, single residential properties get guaranteed municipal garbage pick-up. Small apartment buildings and small businesses can apply to the city for municipal pick-up, but are not guaranteed acceptance and must meet strict regulations. There are additional fees for municipal pick-up.

### Misconception 2—Businesses have a greater capacity to pay

Fact: A lasting, but inaccurate justification for imposing higher property taxes on businesses has been that they are better able to afford it. In reality, however, the business sector is not so easily characterized. Most BC businesses are small businesses:

- ▶ 98 per cent of all BC businesses are small businesses (fewer than 50 employees);
- ▶ 82 per cent of small businesses employ fewer than five people.<sup>10</sup>

Many small firms operate on very tight profit margins and when high property taxes squeeze these margins further, they have fewer resources to put back in the business. As a result, firms may have to forgo opportunities for expansion and job creation.

This misconception presumes that all businesses are able to benefit from tax deductions. Businesses that are struggling, just breaking even, or losing money don't receive a deductibility "benefit." Even if we assume that the ability to deduct property tax expenses gives business properties an advantage, the ability to deduct property tax still does not account for the inequity between residential and business properties.

For example, take two average properties in New Westminster, both worth \$566,628, outlined in Table 15. The residential property (used as a primary residence) has multiple options to reduce and/or defer their tax bills. The business property only has tax deduction. These deductions negate themselves, and the overall fairness of the system (property tax gap) actually gets a bit worse.

<sup>9</sup> MMK Consulting, *Consumption of Tax-Supported Municipal Services*, January 2007.

<sup>10</sup> BC Small Business Profile 2009. BC Stats.

Table 15:

## 2 average properties in New Westminster, both worth \$566,628

	Total municipal taxes	Deductions	Other ways to save	Total bill
Business property	\$13,064	\$1,763 <sup>11</sup>	N/A	\$11,301
Residential property	\$3,447	Basic home owner grant \$540 Additional grants \$845	Property tax deferral Financial Hardship Program	\$2,907 (max)
Property Tax Gap	Before deductions 3.76			After basic deductions 3.88

Source: BC Ministry of Community and Rural Development, 2009 statistics.

### Misconception 3—The province has little role in the property tax burden on small businesses

Fact: While the majority of the property tax bill is levied by municipal governments, the province has a lot to do with the total bills paid by residents and businesses. The largest provincial portion, the education property tax, has a property tax gap ranging from 2 to 4. Other provincial levies are also disproportionately burdensome to business properties.

The province has stepped in on two occasions to “cap the gap” in what municipalities were charging relative to the residential rate: on behalf of rail properties in 1996 and on behalf of port properties in 2004.<sup>12</sup> These measures

were taken to ensure the competitiveness of the railway and port systems.<sup>13</sup>

In the case of the port properties, the province has set out the maximum the municipal government can charge on port facilities (\$27.50 per \$1,000 of assessment) between 2004 and 2018 and on port facility improvements (\$22.50 per \$1,000 between 2005 and 2019). To compensate municipalities with port properties for lower revenues, the province transfers funds. For example, in 2009 Delta received a payment of \$313 704 to compensate for the cap and the City of North Vancouver received a \$1,351,600 payment.<sup>14</sup>

Property taxes levied on rail properties have also been controlled by the provincial government. In 1996, the province capped the class 2 (utilities) tax rate, which includes rail property, but compensated municipalities for some of their lost revenue.

More recently, the province took a different route to help reduce the tax burden on industrial properties because they recognise that this high load during an economic recession is detrimental to the viability of the business. In 2009 and 2010, the province provided a 50 per cent annual rebate on the provincial school property taxes for major and light industrial properties. In 2011, this rebate will increase to 60 per cent.

There are concerns should the province become involved. One concern is that if the province reduces their portion of the property tax burden, municipalities will increase their municipal tax so that the net effect is zero on the taxpayer. Another is that the province may receive considerable push-back from the Union of BC municipalities should they act on behalf of small businesses to cap the gap. When the tax on rail properties was controlled, municipalities mounted fierce opposition

<sup>11</sup> Tax deduction based on the BC small business rate of 2.5 per cent and the federal small business rate of 11 per cent as of January 2010, assuming a business income of less than \$500,000.

<sup>12</sup>

<http://ubcm.ca/assets/Library/Policy~Topics/Policy~Papers/1996/Bill%2055-Implementation%20of%20Rail%20and%20Utility%20Taxation%201996.pdf>

<sup>13</sup> UBCM report to the 1995 Convention on Bill 55. <http://www.ubcm.ca/assets/Library/Policy~Topics/Policy~Papers/1995/Report%20on%20Bill%2055%201995.pdf>

<sup>14</sup> BC Laws, *Port Property Tax Act*, [http://www.bclaws.ca/EPLibraries/bclaws\\_new/document/ID/freeside/00\\_04007\\_01#section3](http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/00_04007_01#section3)

because they argued it violated their local autonomy to establish tax rates.

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## Feedback on CFIB's approach

The most common criticism received from municipalities on this report is that the property tax gap is not a good measure of fairness because it responds to changes outside a municipality's control. They point out that the total assessed value for residential properties has gone up substantially more than business properties. Consequently, the tax rate for residential properties has had to drop substantially more to keep getting the same property tax revenue from the residential class. The business tax rate may also drop to reflect a small increase in property value, but by less than the residential rate. As a result, the property tax gap has increased over time.

## How do changes in property assessments affect the gap?

Nanaimo has provided feedback to the method used in CFIB's previous Property Tax Reports<sup>15</sup> to argue that property tax ratios are not an accurate way to compare business and residential property taxes. City staff prepared a table (reproduced here as Table 16) to show how a higher growth in residential property assessments leads to an increasing property tax gap.

Nanaimo's illustration raises some interesting questions. It shows that, using an extreme example of changes to assessed values, a municipality has little control over an increase in their property tax gap.

Please note, however, that Nanaimo's illustration only includes half of the picture when it comes to annual changes tax ratios and the property tax gaps. While it may be true that one property class appreciating in value faster than another can vary the tax gaps, it is also true that changes to the number of properties within each tax class (known as the

non-market movement) can impact the tax gap.<sup>16</sup>

Adding to the complexity of this issue is a municipality's annual property tax increases and its policy on how these increases are allocated among property classes. Therefore, while it is an important concern to explore, this simplified explanation does not necessarily allow one to draw conclusions about reality—the relationships and interactions among property values, the number of new properties, current tax allocations and tax increases are far more complex. In the example provided by Nanaimo, the variation is only in the assessed values of two properties—it doesn't include the variation in the number of properties in each class. The reality in Nanaimo may be that it's the increase in the number of residential properties, and the lack of adjustment to the residential tax rate to compensate for this growth, that is driving the increase in the tax gap. What is irrefutable is that small businesses in Nanaimo are facing growing unfairness in their property taxes.

To illustrate its point regarding the impact of the changes to assessed values, shown in Table 16, Nanaimo presents one residential property and one commercial property, both valued at \$300,000 in 2009. In 2010, the residential property's value appreciates by 25 per cent, and the commercial property's value stays the same. In order to raise the same amount of property tax revenue from each property, the residential property tax rate decreases. Consequently, the property tax gap increases (as the denominator tax rate has decreased). In 2011, the residential property's value appreciates by another 25 per cent, while the commercial tax rate stays flat. Again, the property tax gap increases.

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<sup>15</sup> Reports issued in 2003, 2007, 2008.

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<sup>16</sup> This usually works against small businesses because the rate of growth of residential properties is higher, and therefore the residential tax burden is spread among more residential properties. However, this only applies if municipalities allocate a fixed burden to each property class (such as 50 per cent paid by residents and 50 per cent by non-residents).

Table 16:

### Nanaimo illustration of how property assessments impact the property tax gap

		Assessment	Tax rate	Taxes	Gap
2009	Residential	300,000	4.9472	1,484	2.95
	Commercial	300,000	14.6093	4,383	
2010	Residential	375,000	3.9578	1,484	3.69
	Commercial	300,000	14.6093	4,383	
2011	Residential	468,750	3.1662	1,484	4.61
	Commercial	300,000	14.6093	4,383	

Source: Nanaimo city staff, internal communications

At each iteration, the total property taxes raised from the residential and commercial property stays the same. Hence, Nanaimo suggests that this is fair—the commercial property isn't asked to pay any more property taxes. The property tax gap, however, has increased.

Nanaimo is effectively suggesting that property taxes should not be determined by property values but by property class. There is some merit to debating how municipalities finance the services they provide and examining ways to increase user-pay principles. However, the current system is based on the tenet that property taxes paid vary by the value of the property. This is unchallenged within tax classes. For example, a million dollar home pays more property taxes than a property worth \$300,000.

Nanaimo's approach to setting tax rates means that the property class worth relatively more (residential) is asked to pay no more, while the property class worth relatively less (commercial) is asked to pay no less. While this example is extreme, the assurance that the residential property doesn't pay more tax despite an increase in value of 62.5 per cent in two years creates perverse incentives favouring residential investments and major distortions in the entire system. Furthermore, it increases unfairness for the class of property (in this case commercial property) that maintained a stable value.

As shown in Table 17, if Nanaimo had decided to maintain a 2.95 property tax gap in 2011, it

would require a tax shift among the classes to redistribute the load to reflect the changes to property assessments—the appreciated residential property would face a \$547 tax increase while the stagnant commercial property would get a \$547 tax decrease.

Table 17:

### How to maintain 2.95 tax gap?

		Assessment	Tax rate	Taxes	Tax impact
2011	Residential	468,750	4.334	2,032	\$547
	Commercial	300,000	12.785	3,836	-\$547

However, consider that if this example had had multiple properties, a residential property that stayed at \$300,000 of assessed value in 2011 got a \$534 tax break by 2011<sup>17</sup> while the business that stayed at \$300,000 of assessed value got no tax break.

A tax break of this magnitude would never be extended to personal income taxes. For example, you earn \$50,000 and pay \$10,000 tax (20 per cent tax rate). If your earnings rise to \$75,000, your tax rate doesn't decrease to 13.3 per cent so that you continue to only have to pay \$10,000 tax.

Nanaimo argues that residents are no better off and thus have no higher capacity to pay when their property values increased by 62.5 per cent between 2009 and 2011. Of course, residents don't directly benefit from annual increases in their property values, and municipalities argue that families can't cope with huge fluctuations in property tax bills. As a result, stabilizing the tax load on residents is their primary consideration. This is an understandable action by municipal governments but not sustainable in the long run.

The interactions are far more complex than this simple illustration. Municipal governments have a responsibility to preserve the fairness of the property tax system for all tax payers. The property tax gap remains a justified way to monitor and control the

<sup>17</sup> \$1484 - (300,000\*3.1662/1000) = \$534

fairness of the system, as the property tax rates themselves are still set by governments.

### Another approach to determine how much each class pays

Another approach to determine how much property tax each class should pay is by assigning a distributional load to each class. In Vancouver, it has been the municipal council's policy since 1982 to use the distribution of property taxes by property class to determine fairness rather than the property tax gap.

Vancouver city council appointed a Property Tax Policy Review Commission in 2007 to recommend a "fair tax target distribution target." They recommended a tax levy distribution of 48 per cent non-residential (the vast majority Class 6 properties) and 52 per cent residential.

Table 18:

#### Tax Shifting Doesn't Mean Tax Fairness

Vancouver	2000	2009
Business (Class 6)	Paid 53.4% of tax bill Assessed value: 19.9%	Paid 46.8% of tax bill: Assessed value: 16.1%
Residential (Class 1)	Paid 42.7% of tax bill Assessed value: 79.1%	Paid 49.9% of tax bill Assessed value: 83.2%
Municipal Property Tax Gap	4.97	4.84

Source: City of Vancouver, *Tax levies 2000-2009*.

<http://vancouver.ca/fs/budgetServices/index.htm#rates>

However, as shown in Table 18, this tax "shift" among property tax classes has done little to improve the property tax gap. In 2000, business properties paid 53.4 per cent of the municipal tax bill and residents paid 42.7 per cent of the tax bill. In 2009, business properties paid 46.8 per cent of the municipal tax bill, residents paid 49.9 per cent of the tax bill, and other properties (including light and

heavy industrial and utilities) paid the remaining 3.3 per cent.<sup>18</sup>

Why has using this approach preserved a high property tax gap, and hence a highly unfair property tax load on Vancouver's small businesses? Since 2000, the relative value of residential properties increased while that of business properties has decreased. While Vancouver city council may argue that this is a function of factors outside of its control, for example a relative increase in the number of residential properties and their respective values, the impact is far from benign on the local economy. We may never know what economic activity could have been realised with a more equitable property tax system.

## The Provincial Government's Role

The main focus of this report is on the municipal portion of the property tax bill, as it is the largest component and the most visible for small businesses. However, the provincial government can also provide some much needed tax relief for small businesses when it comes to the provincial components of the total property tax levy.

The province also plays an important monitoring role in providing financial oversight and other policy services to municipalities. The 2004 Community Charter declares that BC municipalities are "an order of government within their jurisdiction that is democratically elected, autonomous, responsible and accountable." As a result, municipalities have greater authority to provide any service the community feels is needed, without having these responsibilities exclusively determined by the province. However, the provincial government can help institute performance measures and value-for-money analyses of municipal spending.

<sup>18</sup> Data calculated using 2000 and 2009 numbers from the Vancouver Budget and Financial Services <http://vancouver.ca/fs/budgetServices/index.htm>

## School Taxes

The province currently uses a formula developed in 1991 to set the residential rates for each school district. School tax rates for residential properties are set for each school district, and vary year to year based on the number of residential properties in the school district and the residential assessed value. The province sets one rate for all business properties, regardless of the circumstances of the school district, and year over year increases are limited to inflation plus new construction. In 2008, the business school tax rate was \$6.80 per \$1,000 in assessed value, regardless of where the business was located or the particular circumstances of the school district they are located in. By charging such a high school property tax rate, some argue the province is crowding out some of the total property tax room of municipalities.

The provincial government raises approximately one third of its education funding through property taxes—residents pay 13 per cent of the total, and non-residents (properties other than class one) pay 20 per cent (Agricultural Land Reserve (ALR) properties as well as Eligible Hydroelectric Power Producers are exempt). As a result of the disproportionate reliance on non-resident properties to pay for schools, there also exists a “school property tax gap” in BC, its magnitude varying by school board.<sup>19</sup>

Recognising the burden of school property taxes, in the 2008 Provincial Budget the school property tax rate for major industrial and light industrial properties was reduced to the business class tax rate for 2 years, providing \$12 million in much needed relief in 2008 and for the export-oriented sectors hurt during the recession.

In 2009, recognizing the importance of continued relief for industrial properties, a 50 per cent industrial school property tax credit was implemented. In 2011, this tax credit will

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<sup>19</sup> [http://www.sbr.gov.bc.ca/business/Property\\_Taxes/School\\_Property\\_Tax/about\\_school\\_tax.htm](http://www.sbr.gov.bc.ca/business/Property_Taxes/School_Property_Tax/about_school_tax.htm)

increase to 60 per cent, effective for the 2011 tax year and subsequent tax years.<sup>20</sup>

In Ontario, the provincial government recognised the burden that school property taxes were having on all businesses. In the 2007 Budget, the Ontario government provided \$540 million in Business Education Tax (BET) tax relief over seven years, benefiting more than 500,000 businesses in 321 municipalities across the province. The 2008 Budget accelerated the tax relief for northern businesses for an estimated savings of \$70 million. This was much welcomed tax relief for Ontario small businesses. The BC government should consider a similar relief package extending to all businesses. See the recommendations section for further details.

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## Recommendations and conclusions

The data contained in the report show that small businesses are consistently being asked to pay more for municipal services than residents based on property values. This has direct and significant consequences for local economies that municipalities and the province should not ignore.

Ideally, BC’s property tax system would be reformed to ensure that all properties pay their fair share for the services they use, and the municipal services provided are sustainable and affordable.<sup>21</sup> Municipalities and the provincial government should explore models such as that proposed by the Vancouver Fair Tax Coalition<sup>22</sup> to achieve this goal. Technology such as smart meters could equip municipalities with the information

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<sup>20</sup> This was first introduced in October 2008.

<sup>21</sup> This is a debate covered in CFIB’s *BC Municipal Spending Watch*, November 2009.

<sup>22</sup> See: municipal sustainability model, Vancouver Fair Tax Coalition. Given municipal cost sustainability strategy based on key performance measures (such as jobs per resident and energy use per capita), property taxes are distributed among the property classes based on their consumption of services and the cost of service delivery.

needed to create a tax system that better reflects payment for services used.

However, the more pressing issue for small business is that the municipal property tax system is increasingly unfair to its small businesses and municipalities do not see it as a priority issue to resolve.

Fairness for small business will not be solved by allocating more funding to municipal governments through new taxes, increased grants from senior levels of government, or additional user fees. Groups such as the Union of BC Municipalities, the Canadian Centre for Policy Alternatives and the Canada West Foundation, argue that current revenue system prevents municipalities from meeting their mandate and that more diversified revenue sources are needed.<sup>23</sup> Unfortunately, increased revenue without addressing the fairness of the system will only exacerbate the problem for small business.

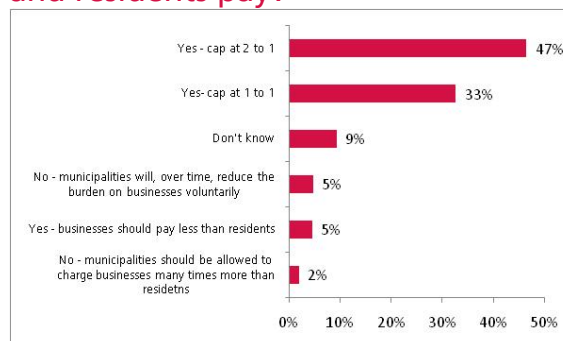
There is considerable evidence that municipalities do not need more revenue, but need to do a better job controlling operating costs.<sup>24</sup> Changes to improve the fairness of the current property tax system are important and worthwhile. Local jobs, investment and training, and local economic activity can only benefit if the burden of property taxes on small businesses is reduced.

When surveyed, a third of small businesses say that there should be parity between business and residents. Almost half of small businesses say that businesses should pay a little more, but that the BC government should step in to cap the gap at 2 to 1. Only 5 per cent suggest that municipalities will reduce the burden on small businesses voluntarily over time, while only 2 per cent think that there should be no limit to what small businesses pay relative to

what residents pay, and therefore seem to accept the status quo.

Figure 18:

### Should the BC government cap the gap between what businesses pay and residents pay?



Source: CFIB, Mandate Survey 236 October 2009

The desired outcome is not for residents to have to pay more, as business owners are ultimately residents too. **Rather, by committing to property tax fairness, municipalities cannot view small businesses as a cash cow.** This will force them to control their operating spending to more sustainable levels.

## Recommendations

The following four recommendations seek to correct the unfairness among residential and business properties within the current property tax system.

1. **Municipal governments should cap the property tax gap between business and residents at 2 to 1 and freeze property taxes on business properties in order to make annual progress towards this goal.** To make up any shortfalls, municipalities should look to cost savings in their budgets rather than placing an additional tax burden on residents.

**Municipalities should take this action voluntarily**, as this will have positive impact on their local economy. This will require municipalities to adopt the property tax gap on same value property tax their key measure of fairness, instead of the common emphasis on having the same annual percentage increases per

<sup>23</sup> UBCM argues for a share of dedicated property purchase tax, a dedicated sales tax, a dedicated fuel tax, additional hotel tax, and residential school taxes room. Canada West Foundation suggests keeping the advantages of the property tax system while adding a "broader range of tax tools." The Canadian Centre for Policy Alternatives thinks that municipalities could be funded through the progressive income tax system instead.

<sup>24</sup> CFIB, BC Municipal Spending Report, 2009.

property tax class (which do little to improve fairness over time).

**Municipalities, such as Nanaimo, who do not think that the property tax gap is an appropriate way to measure property tax fairness, should develop another measure to track and publicly report progress towards improving fairness for small business.**

The City of Toronto, with a reputation similar to Vancouver in terms of imposing a high degree of unfairness on small business properties, recently announced a strategy to improve its business climate. Because Toronto is “dedicated to prosperity, opportunity and liveability for all its residents,” the city recognises that it must be affordable to its small businesses as well.

Toronto's target is: a property tax gap of 2.5 for commercial, industrial, and multi-residential properties by 2017; and, a property tax gap of 2.5 for small business properties by 2013. Toronto will achieve this by freezing business, commercial and industrial property tax. The annual impact on residential properties will be \$67.69 in 2010 on an average property.<sup>25</sup> However, it could be argued that this tax increase could be avoided if Toronto kept its spending to more sustainable levels.

Saskatoon also provides a model for municipal governments to follow.

Saskatoon took decisive action towards reducing the commercial-to-residential tax gap by implementing a 10 year plan to reduce its tax gap to 1.75 by 2010. The city is on track to reach this fairness goal, having decreased their tax gap from 2.0 in 2005 to 1.90 in 2007.

2. **For municipalities that have already achieved a 2 to 1 municipal property tax gap or better (i.e. lower), continue to monitor and control the gap while improving the connection between services consumed and property taxes paid.**

3. **The provincial government should prepare legislation to cap the property tax gap at 2 to 1 in 2012 if municipalities make no progress towards reducing it voluntarily.** Only 5 per cent of small businesses believe that municipalities will in fact take the initiative to reduce the burden on them. The Ontario government took similar action in recent years by legislating that the property tax gap cannot continue to increase, and that municipalities must take steps annually to close the gap.
4. **The provincial government should also take action to reduce the provincial portion of business property taxes.** They must ensure that all property tax gap ratios within provincial control or the control of a designated authority (including hospital, school, transit, municipal financing, BC Assessments) are no more than 2 to 1. This may require administrative or legislative changes that take time to implement and achieve. It may also require a broad public debate on whether property taxes are the best way to finance public goods like education.<sup>26</sup> The BC government can look to Ontario as an example of reducing the education property tax load on business. Without the leadership of the provincial government in making fairness for small businesses a priority, municipalities are unlikely to take action.

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<sup>25</sup> City of Toronto March 24, 2010 news release.

<sup>26</sup> When the Ontario government radically reformed the municipal property tax system to prevent growing property tax gaps, it also dramatically decreased its dependence on property taxes to fund education.



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## Appendix 1

### Municipal ranking includes those with flat tax

	Type of Muni	Municipal Gap	Rank
North Saanich	D	6.80	1
Revelstoke	C	6.65	2
Tumbler Ridge	D	5.41	3
Castlegar	C	5.40	4
Coquitlam	C	4.98	5
Vancouver	C	4.84	6
Metchosin	D	4.42	7
Logan Lake	D	4.41	8
Comox	T	4.16	9
North Vancouver	C	4.09	10
Burnaby	C	4.00	11
View Royal	T	4.00	11
Lantzville	D	4.00	11
Port Coquitlam	C	3.96	14
Princeton	T	3.92	15
Kitimat *	D	3.88	16
Terrace	C	3.85	17
Ladysmith	T	3.84	18
New Westminster	C	3.83	19
Saanich	D	3.82	20
Ashcroft	V	3.78	21
North Cowichan	D	3.77	22
Gibsons	T	3.75	23
Highlands	D	3.70	24
North Vancouver	D	3.67	25
Hudson's Hope	D	3.67	25
Victoria	C	3.66	27
Pitt Meadows	C	3.63	28
Smithers	T	3.63	28
Port Hardy	D	3.63	28
Powell River *	C	3.62	31
Colwood	C	3.58	32
Lake Country	D	3.54	33
Mission	D	3.51	34
Sparwood	D	3.49	35
Richmond	C	3.48	36
Grand Forks	C	3.47	37
Prince Rupert	C	3.47	37
Whistler	D	3.47	37
Merritt	C	3.37	40
Summerland	D	3.35	41
Port Moody	C	3.32	42
Delta	D	3.32	42
Kamloops	C	3.30	44
Courtenay	C	3.30	44
Cranbrook	C	3.30	44
Maple Ridge	D	3.29	47
Sooke	D	3.29	47
Campbell River	C	3.29	47
Duncan	C	3.29	47
Clearwater	D	3.25	51
Lake Cowichan	T	3.25	51
Surrey	C	3.23	53
Kent	D	3.18	54
Armstrong	C	3.16	55
Langford	C	3.16	55
Langley	D	3.11	57
Tofino	D	3.11	57
Harrison Hot	V	3.10	59

Springs			
Spallumcheen	D	3.10	59
Northern Rockies	D	3.10	59
Qualicum Beach	T	3.07	62
Vernon	C	3.05	63
Dawson Creek *	C	3.04	64
Queen Charlotte	V	3.04	64
Ucluelet	D	3.03	66
Vanderhoof	D	3.03	66
Salmon Arm	C	3.01	68
Invermere	D	3.00	69
Alert Bay	V	3.00	69
Esquimalt	D	2.99	71
Nanaimo	C	2.95	72
Oliver	T	2.94	73
Houston	D	2.93	74
Fraser Lake	V	2.93	74
Kimberley *	C	2.92	76
Wells	D	2.90	77
Abbotsford	C	2.90	77
Port Alberni	C	2.90	77
Fort St. James	D	2.88	80
Fort St. John	C	2.85	81
Sidney	T	2.84	82
Chase	V	2.83	83
Golden	T	2.75	84
Nakusp	V	2.73	85
Squamish	D	2.72	86
White Rock	C	2.71	87
Kelowna	C	2.71	87
Kaslo	V	2.70	89
Chetwynd	D	2.70	89
Parksville	C	2.69	91
Quesnel	C	2.68	92
Radium Hot Springs	V	2.66	93
Hope	D	2.65	94
Nelson	C	2.62	95
Elkford	D	2.60	96
Lillooet	D	2.60	96
McBride	V	2.50	98
Port Edward	D	2.50	98
Chilliwack	C	2.46	100
Sechelt Indian Government	D	2.45	101
Enderby	C	2.45	101
Sayward	V	2.45	101
Pouce Coupe	V	2.45	101
Zeballos	V	2.45	101
Sicamous	D	2.45	101
Granisle	V	2.45	101
West Kelowna	D	2.45	101
Barriere	D	2.45	101
Hazelton	V	2.45	101
New Hazelton	D	2.45	101
Masset	V	2.45	101
Belcarra	V	2.45	101
Lions Bay	V	2.45	101
Coldstream	D	2.40	115
Central Saanich	D	2.38	116
Lytton	V	2.37	117
Langley	C	2.35	118
Clinton	V	2.33	119
West Vancouver	D	2.33	119
Telkwa	V	2.31	121
Keremeos	V	2.30	122
Gold River	V	2.26	123
Fernie	C	2.26	123
Pemberton	V	2.25	125
Burns Lake	V	2.24	126
Salmo	V	2.20	127
Canal Flats	V	2.20	127
Fruitvale	V	2.20	127
Lumby	V	2.20	127
Cache Creek	V	2.18	131
Tahsis	V	2.17	132
100 Mile House	D	2.17	132
Mackenzie	D	2.16	134
Prince George	C	2.15	135

Penticton	C	2.08	136
Sechelt	D	2.05	137
Greenwood	C	2.05	137
Peachland	D	2.00	139
Port Clements	V	2.00	139
Creston	T	2.00	139
New Denver	V	2.00	139
Midway	V	2.00	139
Montrose	V	2.00	139
Williams Lake	C	2.00	139
Cumberland	V	1.94	146
Port Alice	V	1.84	147
Valemount	V	1.80	148
Oak Bay	D	1.79	149
Silverton	V	1.78	150
Stewart	D	1.74	151
Rossland	C	1.71	152
Trail *	C	1.67	153
Osoyoos	T	1.60	154
Taylor	D	1.53	155
Port McNeill	T	1.50	156
Slocan	V	1.38	157
Anmore	V	1.00	158
Bowen Island	D	1.00	158
Warfield	V	1.00	158

Source: BC Ministry of Community and Rural Development, 2009 statistics. \*Indicates a flat tax. D is District, C is City, V is Village, T is Town.

## Appendix 2: 2009 Alphabetical Listing

	Rank	Municipal Gap 2009	Total Gap 2009	House Value	Resident Pays Total	Business Pays Total
100 Mile House	132	2.17	2.23	166,172	1666	3720
Abbotsford	77	2.90	2.92	386,263	2778	8123
Alert Bay	69	3.00	2.67	126,803	1613	4301
Anmore	158	1.00	2.85	993,207	3797	10828
Armstrong	55	3.16	3.05	298,667	1592	4852
Ashcroft	21	3.78	2.82	164,778	1631	4597
Barriere	101	2.45	2.57	172,667	1329	3411
Belcarra	101	2.45	3.24	788,544	3308	10721
Bowen Island	158	1.00	2.95	815,312	3215	9492
Burnaby	11	4.00	4.00	692,205	3293	13163
Burns Lake	126	2.24	2.09	107,302	1596	3335
Cache Creek	131	2.18	2.13	129,219	978	2081
Campbell River	47	3.29	3.08	281,725	2180	6717
Canal Flats	127	2.20	2.60	261,716	1735	4513
Castlegar	4	5.40	3.48	234,568	1642	5711
Central Saanich	116	2.38	3.00	539,807	2952	8860
Chase	83	2.83	2.73	224,502	1790	4881
Chetwynd	89	2.70	2.37	156,170	1799	4263
Chilliwack	100	2.46	2.60	334,442	2394	6233
Clearwater	51	3.25	2.89	171,867	1422	4114
Clinton	119	2.33	2.26	93,441	1572	3548
Coldstream	115	2.40	2.71	484,844	3176	8605
Colwood	32	3.58	3.58	467,104	2569	9185
Comox	9	4.16	3.60	339,844	2292	8246
Coquitlam	5	4.98	4.48	597,524	3160	14147
Courtenay	44	3.30	3.14	284,790	2091	6565
Cranbrook	44	3.30	3.11	256,643	2244	6971
Creston	139	2.00	2.34	201,465	2026	4737
Cumberland	146	1.94	2.31	241,188	2027	4680

Dawson Creek *	64	3.04	2.61	186,548	2307	6020
Delta	42	3.32	3.53	522,182	3071	10838
Duncan	47	3.29	3.08	283,413	2058	6332
Elkford	96	2.60	2.64	171,862	1392	3670
Enderby	101	2.45	2.69	253,461	1645	4423
Esquimalt	71	2.99	3.23	441,095	3306	10675
Fernie	123	2.26	2.44	333,161	2531	6170
Fort St. James	80	2.88	2.32	104,316	1272	2954
Fort St. John	81	2.85	2.65	252,720	2372	6296
Fraser Lake	74	2.93	2.38	102,490	1325	3152
Fruitvale	127	2.20	2.36	196,667	1830	4317
Gibsons	23	3.75	3.22	432,500	2597	8373
Gold River	123	2.26	2.00	142,557	1545	3092
Golden	84	2.75	2.85	236,914	1813	5168
Grand Forks	37	3.47	2.89	204,821	1569	4537
Granisle	101	2.45	2.32	51,074	1526	3541
Greenwood	137	2.05	2.26	120,712	1209	2738
Harrison Hot Springs	59	3.10	2.82	349,598	2238	6310
Hazelton	101	2.45	2.22	80,101	1207	2685
Highlands	24	3.70	3.52	634,417	3258	11460
Hope	94	2.65	2.60	233,769	1953	5074
Houston	74	2.93	2.60	112,344	1385	3599
Hudson's Hope	25	3.67	2.95	120,114	867	2558
Invermere	69	3.00	3.00	450,244	2549	7652
Kamloops	44	3.30	3.08	311,076	2539	7827
Kaslo	89	2.70	2.64	198,425	1372	3624
Kelowna	87	2.71	2.98	462,138	2743	8160
Kent	54	3.18	2.90	304,034	1888	5466
Keremeos	122	2.30	2.51	209,639	1698	4262
Kimberley *	76	2.92	2.94	250,363	2243	6600
Kitimat *	16	3.88	2.65	130,710	1176	3111
Ladysmith	18	3.84	3.43	300,120	2067	7092
Lake Country	33	3.54	3.43	516,150	2768	9485
Lake Cowichan	51	3.25	3.02	250,888	1972	5958
Langford	55	3.16	3.30	410,145	2097	6911
Langley City	118	2.35	2.87	432,584	2654	7626
Langley D	57	3.11	3.35	484,466	2627	8810
Lantzville	11	4.00	3.26	458,557	2397	7806
Lillooet	96	2.60	2.33	141,929	1410	3282
Lions Bay	101	2.45	3.82	1,067,24	3681	14048
Logan Lake	8	4.41	3.68	195,899	1357	4994
Lumby	127	2.20	2.57	255,969	2266	5827
Lytton	117	2.37	2.24	94,467	1133	2534
Mackenzie	134	2.16	2.20	89,137	1016	2236
Maple Ridge	47	3.29	3.40	451,930	2767	9422
Masset	101	2.45	2.04	84,894	1097	2242
McBride	98	2.50	2.41	96,332	1415	3412
Merritt	40	3.37	2.94	217,028	1947	5723
Metchosin	7	4.42	3.78	584,867	2678	10123
Midway	139	2.00	2.31	157,082	1111	2571
Mission	34	3.51	3.39	396,887	2669	9062
Montrose	139	2.00	2.37	216,838	1634	3876
Nakusp	85	2.73	2.59	210,250	1735	4501
Nanaimo	72	2.95	2.94	323,563	2666	7847
Nelson	95	2.62	2.61	320,149	2729	7128
New Denver	139	2.00	2.33	167,390	1058	2470

New Hazelton	101	2.45	2.27	59,825	1111	2519
New Westminster	19	3.83	3.76	566,628	3477	13064
North Cowichan	22	3.77	3.29	330,717	1718	5660
North Saanich	1	6.80	5.27	773,904	3198	16856
North Vancouver City	10	4.09	4.20	755,984	3395	14269
North Vancouver District	25	3.67	3.98	847,575	3861	15353
Northern Rockies	59	3.10	2.68	175,435	1550	4153
Oak Bay	149	1.79	2.61	846,752	4679	12214
Oliver	73	2.94	2.80	288,169	1740	4881
Osoyoos	154	1.60	2.29	388,213	1990	4553
Parksville	91	2.69	2.86	321,095	2406	6891
Peachland	139	2.00	2.64	430,961	2400	6340
Pemberton	125	2.25	2.86	388,091	2232	6392
Penticton	136	2.08	2.50	372,797	2384	5970
Pitt Meadows	28	3.63	3.60	420,616	2471	8900
Port Alberni	77	2.90	2.84	199,364	1841	5221
Port Alice	147	1.84	2.02	136,584	1206	2432
Port Clements	139	2.00	1.79	70,855	859	1535
Port Coquitlam	14	3.96	3.92	492,895	2866	11236
Port Edward	98	2.50	2.22	103,429	1068	2376
Port Hardy	28	3.63	2.86	150,096	1452	4146
Port McNeill	156	1.50	1.91	185,483	1794	3421
Port Moody	42	3.32	3.56	674,010	3617	12863
Pouce Coupe	101	2.45	2.23	124,949	1190	2648
Powell River*	31	3.62	3.25	241,923	2133	6936
Prince George	135	2.15	2.19	209,060	2361	5165
Prince	37	3.47	2.93	168,224	2223	6509
Princeton	15	3.92	3.14	167,046	1132	3557
Qualicum Beach	62	3.07	3.14	430,094	2842	8924
Queen Charlotte	64	3.04	2.06	118,369	1126	2319
Quesnel	92	2.68	2.25	144,637	1573	3536
Radium Hot Springs	93	2.66	2.88	294,078	1469	4230
Revelstoke	2	6.65	5.04	300,081	1845	9300
Richmond	36	3.48	3.68	663,933	3128	11509
Rossland	152	1.71	2.03	247,135	2757	5599
Saanich	20	3.82	3.81	566,739	3277	12476
Salmo	127	2.20	2.43	130,605	1063	2587
Salmon Arm	68	3.01	3.02	302,061	2084	6284
Sayward	101	2.45	2.57	158,555	1423	3658
Sechelt	137	2.05	2.67	408,763	2662	7111
Sechelt Indian Government	101	2.45	2.84	253,063	1583	4495
Sicamous	101	2.45	2.67	315,988	2250	6001
Sidney	82	2.84	3.27	478,336	2621	8568
Silverton	150	1.78	2.23	210,867	1417	3165
Slocan	157	1.38	2.12	118,290	917	1946
Smithers	28	3.63	2.85	192,149	2005	5707

Sooke	47	3.29	3.40	362,364	2192	7451
Spallumchee	59	3.10	3.04	259,769	1565	4759
Sparwood	35	3.49	3.05	181,518	1245	3792
Squamish	86	2.72	3.10	451,565	2613	8110
Stewart	151	1.74	1.77	51,444	867	1534
Summerland	41	3.35	3.22	423,157	2246	7234
Surrey	53	3.23	3.54	548,766	2541	8995
Tahsis	132	2.17	2.00	103,613	1407	2815
Taylor	155	1.53	2.06	184,056	1359	2796
Telkwa	121	2.31	2.24	168,775	1839	4128
Terrace	17	3.85	2.96	180,271	2151	6357
Tofino	57	3.11	3.16	689,362	3528	11145
Trail *	153	1.67	2.10	181,987	1760	3694
Tumbler Ridge	3	5.41	3.70	159,801	1599	5921
Ucluelet	66	3.03	2.85	326,462	2111	6009
Valemount	148	1.80	2.12	124,452	1354	2873
Vancouver	6	4.84	4.65	944,916	3950	18376
Vanderhoof	66	3.03	2.34	155,425	1712	3997
Vernon	63	3.05	2.93	391,657	2812	8225
Victoria	27	3.66	3.71	526,611	3258	12076
View Royal	11	4.00	3.90	517,727	2494	9726
Warfield	158	1.00	1.84	210,151	1846	3393
Wells	77	2.90	2.31	51,320	556	1286
West Kelowna	101	2.45	2.85	492,302	2774	7914
West Vancouver	119	2.33	3.59	1,574,558	6137	22057
Whistler	37	3.47	3.68	1,263,66	5165	19016
White Rock	87	2.71	3.16	763,343	4457	14095
Williams Lake	139	2.00	2.16	179,907	1984	4293
Zeballos	101	2.45	2.17	79,029	1096	2380

Source: BC Ministry of Community and Rural Development, 2009 statistics. \*Indicates a flat tax.

### Changes in the municipal property tax gap between 2009-2008 and between 2009-2003

Municipalities	2009 Municipal Tax Gap	Change 2009-2008	Change 2009-2003
100 Mile House	2.17	-0.01	0.56
Abbotsford	2.90	-0.01	0.36
Alert Bay	3.00	0.55	1.20
Anmore	1.00	0.00	0.00
Armstrong	3.16	-0.08	0.38
Ashcroft	3.78	0.13	0.48
Barriere	2.45	0.00	n/a
Belcarra	2.45	0.00	-0.01
Bowen Island	1.00	0.00	0.00
Burnaby	4.00	0.02	0.38
Burns Lake	2.24	0.00	-0.07
Cache Creek	2.18	0.00	0.43
Campbell River	3.29	0.03	0.64
Canal Flats	2.20	0.00	n/a
Castlegar	5.40	-0.08	2.03
Central Saanich	2.38	-0.03	0.18
Chase	2.83	-0.43	1.12
Chetwynd	2.70	-0.63	0.14
Chilliwack	2.46	-0.02	0.21

Clearwater	3.25	0.00	n/a
Clinton	2.33	0.05	0.33
Coldstream	2.40	-0.28	0.50
Colwood	3.58	-0.07	0.14
Comox	4.16	-0.03	1.02
Coquitlam	4.98	-0.01	0.39
Courtenay	3.30	-0.05	0.40
Cranbrook	3.30	0.00	0.95
Creston	2.00	0.00	0.49
Cumberland	1.94	0.00	0.34
Dawson Creek*	3.04	-0.25	n/a
Delta	3.32	0.06	0.37
Duncan	3.29	-0.16	0.61
Elkford	2.60	0.00	0.15
Enderby	2.45	0.00	0.00
Esquimalt	2.99	0.02	0.01
Fernie	2.26	0.03	0.47
Fort St. James	2.88	0.10	0.40
Fort St. John	2.85	0.00*	n/a
Fraser Lake	2.93	0.02	0.52
Fruitvale	2.20	0.00	-0.05
Gibsons	3.75	-0.17	0.90
Gold River	2.26	-0.01	0.96
Golden	2.75	-0.10	-0.05
Grand Forks	3.47	-0.37	1.08
Granisle	2.45	0.00	0.16
Greenwood	2.05	0.00	-0.35
Harrison Hot Springs	3.10	0.00	0.84
Hazelton	2.45	0.00	0.00
Highlands	3.70	0.00	0.20
Hope	2.65	-0.06	0.65
Houston	2.93	0.01	0.49
Hudson's Hope	3.67	0.00	0.67
Invermere	3.00	-0.25	0.40
Kamloops	3.30	-0.03	1.10
Kaslo	2.70	0.00	0.00
Kelowna	2.71 <sup>2125</sup>	0.52	60.66
Kent	3.18	-0.11	1.11
Keremeos	2.30	-0.06	-0.05
Kimberley*	2.92	-0.10	n/a
Kitimat*	3.88	-1.64	n/a
Ladysmith	3.84	-0.12	0.81
Lake Country	3.54	0.02	0.17
Lake Cowichan	3.25	-0.20	0.75
Langford	3.16	0.10	0.56
Langley City	2.35	0.05	0.20
Langley District	3.11	-0.02	0.20
Lantzville	4.00	0.00	4.00
Lillooet	2.60	0.05	0.60
Lions Bay	2.45	-1.05	-2.00
Logan Lake	4.41	0.13	1.25
Lumby	2.20	-0.01	0.80
Lytton	2.37	-0.03	0.19
Mackenzie	2.16	-0.18	0.27
Maple Ridge	3.29	0.00	0.46
Masset	2.45	0.00	0.00
McBride	2.50	0.00	0.10
Merritt	3.37	0.02	0.97
Metchosin	4.42	0.00	0.60
Midway	2.00	-0.10	0.39
Mission	3.51	0.06	0.84
Montrose	2.00	0.00	-0.45
Nakusp	2.73	0.00	0.00
Nanaimo	2.95	-0.03	0.68
Nelson	2.62	0.02	0.62
New Denver	2.00	0.00	0.00
New Hazelton	2.45	0.00	0.00
New Westminster	3.83	0.05	0.55
North Cowichan	3.77	-0.44	0.30
North Saanich	6.80	-0.47	-0.58

North Vancouver City	4.09	-0.01	0.97
North Vancouver District	3.67	0.01	0.30
Oak Bay	1.79	0.00	0.29
Oliver	2.94	0.04	0.53
Osoyoos	1.60	0.01	0.30
Parksville	2.69	0.08	0.90
Peachland	2.00	0.00	0.00
Pemberton	2.25	-0.20	-0.20
Penticton	2.08	0.07	0.58
Pitt Meadows	3.63	-0.04	0.69
Port Alberni	2.90	-0.17	0.16
Port Alice	1.84	0.00	0.00
Port Clements	2.00	0.00	0.00
Port Coquitlam	3.96	0.37	0.90
Port Edward	2.50	0.00	-0.10
Port Hardy	3.63	0.01	0.51
Port McNeill	1.50	0.00	0.05
Port Moody	3.32	-0.03	0.26
Pouce Coupe	2.45	0.00	-0.61
Powell River*	3.62	-.01	n/a
Prince George	2.15	-0.13	0.61
Prince Rupert	3.47	-0.03	0.46
Princeton	3.92	-0.41	0.96
Qualicum Beach	3.07	0.00	0.62
Queen Charlotte	3.04	0.04	3.04
Quesnel	2.68	0.00	0.38
Radium Hot Springs	2.66	0.00	0.00
Revelstoke	6.65	0.05	3.70
Richmond	3.48	-0.01	0.47
Rossland	1.71	0.00	-0.29
Saanich	3.82	0.00	0.98
Salmo	2.20	0.00	-0.13
Salmon Arm	3.01	0.00	0.90
Sayward	2.45	0.00	0.32
Sechelt	2.05	0.00	-0.27
Sechelt Indian Government	2.45	0.00	0.00
Sicamous	2.45	0.00	0.00
Sidney	2.84	-0.05	0.33
Silverton	1.78	0.00	0.21
Slocan	1.38	-0.17	-0.83
Smithers	3.63	-0.02	0.29
Sooke	3.29	-0.21	0.45
Spallumcheen	3.10	0.00	-0.16
Sparwood	3.49	0.01	1.04
Squamish	2.72	0.05	0.24
Stewart	1.74	0.00	0.00
Summerland	3.35	-0.01	1.27
Surrey	3.23	0.00	0.49
Tahsis	2.17	0.00	1.35
Taylor	1.53	0.14	0.04
Telkwa	2.31	-0.16	0.40
Terrace	3.85	0.00	0.79
Tofino	3.11	-0.01	1.36
Trail*	1.67	-0.20	n/a
Tumbler Ridge	5.41	0.00	3.61
Ucluelet	3.03	-0.14	0.39
Valemount	1.80	0.10	0.20
Vancouver	4.84	-0.23	-0.32
Vanderhoof	3.03	0.00	0.00
Vernon	3.05	-0.04	0.83
Victoria	3.66	-0.01	1.03
View Royal	4.00	0.00	0.68
Warfield	1.00	0.00	0.00
Wells	2.90	0.00	0.10
West Kelowna	2.45	0.00	n/a
West Vancouver	2.33	0.01	0.45
Whistler	3.47	-0.03	-0.25
White Rock	2.71	-0.02	0.70

Williams Lake	2.00	0.04	0.27
Zeballos	2.45	0.00	0.01

Source: BC Ministry of Community and Rural Development, 2009 statistics. \*Indicates a flat tax.

## Appendix 3

### What is different about flat taxes?

The vast majority of the property tax system is assessed using a variable rate. Similar to sales taxes, the majority of property taxes are levied as a rate (or percentage) on the assessed value of the property. For example, as a \$10 purchase or \$100 purchase both pay 5% sales tax, a \$100,000 and \$1,000,000 house both pay the same property tax rate in the same municipality. Flat taxes are a levy of a specific dollar amount on a property type, regardless of the assessed property value. They cause distortions when comparing the burden of property taxes on different property classes. Flat taxes can be used in conjunction with variable taxes.

### Why are municipalities allowed to impose flat taxes?

BC Assessment used to only do property assessments every other year. In 1989, this was causing some problems with huge jumps in value. A few communities implemented flat taxes in 1990 as a means to mitigate the inconsistent assessment changes year to year. The flat tax section was only in the provincial legislation for 1990 and 1991 then it was removed in 1992 primarily because BC Assessments began annual assessments, smoothing out large assessment jumps. Municipalities that introduced flat taxes in 1990 or 1991 are allowed to keep them; however, no municipality can now introduce a flat tax.

### How much were flat taxes in 2009?

Dawson Creek: \$300

Powell River: \$479

Trail: \$130

Kimberley: \$686

Kitimat: \$476

## Appendix 4

The variable tax rate does not represent the full tax bill in municipalities—often there are other municipal charges, such as parcel taxes and local area service charges that are also levied. The following table lists how the total tax bill (representing 100 per cent) among all property classes is divided among variable rate taxes and other municipal charges. Across the province, other municipal charges represent 14.6 per cent of the total tax bill. These charges are not captured in the property tax gap calculations.

Municipality	Total Variable Rate Taxes	Total Other Municipal Charges
100 Mile House	86.5%	13.5%
Abbotsford	81.7%	18.3%
Alert Bay	62.1%	37.9%
Anmore	87.2%	12.8%
Armstrong	74.6%	25.4%
Ashcroft	67.0%	33.0%
Barriere	96.3%	3.7%
Belcarra	94.8%	5.2%
Bowen Island	81.7%	18.3%
Burnaby	90.2%	9.8%
Burns Lake	70.9%	29.1%
Cache Creek	68.4%	31.6%
Campbell River	81.9%	18.1%
Canal Flats	81.5%	18.5%
Castlegar	86.3%	13.7%
Central Saanich	76.9%	23.1%
Chase	75.8%	24.2%
Chetwynd	81.1%	18.9%
Chilliwack	84.2%	15.8%
Clearwater	86.9%	13.1%
Clinton	87.9%	12.1%
Coldstream	97.8%	2.2%
Colwood	97.2%	2.8%
Comox	72.7%	27.3%
Coquitlam	82.0%	18.0%
Courtenay	83.3%	16.7%
Cranbrook	78.1%	21.9%
Creston	75.6%	24.4%
Cumberland	79.8%	20.2%
Dawson Creek	77.9%	22.1%
Delta	77.5%	22.5%
Duncan	72.4%	27.6%
Elkford	89.1%	10.9%
Enderby	65.6%	34.4%
Esquimalt	98.9%	1.1%
Fernie	84.0%	16.0%
Fort St. James	81.6%	18.4%
Fort St. John	82.6%	17.4%
Fraser Lake	80.4%	19.6%
Fruitvale	64.3%	35.7%
Gibsons	73.7%	26.3%
Gold River	73.5%	26.5%
Golden	81.0%	19.0%
Grand Forks	49.2%	50.8%
Granisle	75.6%	24.4%

Greenwood	77.7%	22.3%
Harrison Hot Springs	82.4%	17.6%
Hazelton	56.0%	44.0%
Highlands	99.3%	0.7%
Hope	80.9%	19.1%
Houston	83.0%	17.0%
Hudson's Hope	93.5%	6.5%
Invermere	74.7%	25.3%
Kamloops	80.6%	19.4%
Kaslo	72.5%	27.5%
Kelowna	86.0%	14.0%
Kent	98.9%	1.1%
Keremeos	84.3%	15.7%
Kimberley	76.4%	23.6%
Kitimat	95.5%	4.5%
Ladysmith	80.3%	19.7%
Lake Country	78.6%	21.4%
Lake Cowichan	75.0%	25.0%
Langford	95.5%	4.5%
Langley C	83.1%	16.9%
Langley D	88.5%	11.5%
Lantzville	83.4%	16.6%
Lillooet	80.9%	19.1%
Lions Bay	74.3%	25.7%
Logan Lake	79.1%	20.9%
Lumby	80.1%	19.9%
Lytton	68.9%	31.1%
Mackenzie	86.5%	13.5%
Maple Ridge	84.2%	15.8%
Masset	69.3%	30.7%
McBride	78.7%	21.3%
Merritt	80.5%	19.5%
Metchosin	99.0%	1.0%
Midway	76.2%	23.8%
Mission	82.1%	17.9%
Montrose	57.4%	42.6%
Nakusp	78.2%	21.8%
Nanaimo	87.2%	12.8%
Nelson	78.3%	21.7%
New Denver	79.6%	20.4%
New Hazelton	76.1%	23.9%
New Westminster	80.2%	19.8%
North Cowichan	73.5%	26.5%
North Saanich	77.2%	22.8%
North Vancouver D	84.7%	15.3%
North Vancouver C	88.5%	11.5%
Northern Rockies	91.7%	8.3%
Oak Bay	96.1%	3.9%
Oliver	76.8%	23.2%
Osoyoos	72.3%	27.7%
Parksville	81.2%	18.8%
Peachland	72.0%	28.0%
Pemberton	68.4%	31.6%
Penticton	79.5%	20.5%
Pitt Meadows	79.5%	20.5%
Port Alberni	84.3%	15.7%
Port Alice	84.9%	15.1%
Port Clements	64.4%	35.6%
Port Coquitlam	85.0%	15.0%
Port Edward	92.8%	7.2%
Port Hardy	56.6%	43.4%
Port McNeill	76.7%	23.3%
Port Moody	82.9%	17.1%
Pouce Coupe	57.2%	42.8%
Powell River	81.4%	18.6%
Prince George	86.3%	13.7%
Prince Rupert	82.7%	17.3%
Princeton	77.9%	22.1%
Qualicum Beach	85.9%	14.1%
Queen Charlotte	65.8%	34.2%
Quesnel	86.8%	13.2%
Radium Hot Springs	71.9%	28.1%
Revelstoke	83.8%	16.2%
Richmond	86.7%	13.3%
Roseland	81.5%	18.5%
Saanich	96.4%	3.6%

Salmo	62.8%	37.2%
Salmon Arm	80.1%	19.9%
Sayward	70.3%	29.7%
Sechelt	84.6%	15.4%
Sechelt Indian Government	89.9%	10.1%
Sicamous	84.4%	15.6%
Sidney	80.2%	19.8%
Silverton	77.0%	23.0%
Slocan	79.7%	20.3%
Smithers	88.9%	11.1%
Sooke	87.9%	12.1%
Spallumcheen	98.4%	1.6%
Sparwood	84.9%	15.1%
Squamish	84.4%	15.6%
Stewart	67.2%	32.8%
Summerland	70.0%	30.0%
Surrey	76.8%	23.2%
Tahsis	77.0%	23.0%
Taylor	85.5%	14.5%
Telkwa	66.9%	33.1%
Terrace	85.9%	14.1%
Tofino	85.5%	14.5%
Trail	85.2%	14.8%
Tumbler Ridge	94.3%	5.7%
Ucluelet	81.2%	18.8%
Valemount	73.0%	27.0%
Vancouver	93.5%	6.5%
Vanderhoof	85.0%	15.0%
Vernon	83.8%	16.2%
Victoria	85.1%	14.9%
View Royal	90.8%	9.2%
Warfield	68.9%	31.1%
Wells	51.1%	48.9%
West Kelowna	86.0%	14.0%
West Vancouver	85.2%	14.8%
Whistler	81.3%	18.7%
White Rock	85.6%	14.4%
Williams Lake	81.2%	18.8%
Zeballos	84.4%	15.6%

Source: BC Ministry of Community and Rural Development, 2009 statistics.