



MAYOR DARRYL WALKER
OFFICE OF THE MAYOR
WHITE ROCK, BC CANADA

June 26, 2019

To the Union of British Columbia Municipalities:

RE: PROPOSED VACANCY TAX

On June 24, 2019, White Rock City Council considered a corporate report from the Director of Financial Services titled "Proposed Vacancy Tax" (attached). Discussions stemming from this report reinforce the need for local governments to address this matter directly.

I am writing on behalf of White Rock City Council, to canvass your support of our resolution requesting UBCM work with the Province in amending the *Community Charter*. If supported, the amendment would permit municipalities the authority to impose, by bylaw, an annual vacancy tax on taxable residential and commercial properties. The City of Vancouver has set a precedent for this authority through the *Vancouver Charter*. Our resolution reads as follows:

WHEREAS The City of Vancouver has authority through the *Vancouver Charter* to implement an Annual Vacancy Tax

WHEREAS The City of White Rock is governed through the *Community Charter* where there is no current authority to implement a Vacancy Tax and it is believed that there are a number of vacant residential and commercial properties in the City of White Rock

THEREFORE BE IT RESOLVED THAT the City of White Rock request that UBCM work with the Province of British Columbia to amend the authority given to Local Governments through the *Community Charter* permitting municipalities the authority to impose, by bylaw, an annual vacancy tax on taxable residential and commercial properties, and that the criteria and administrative requirements be similar to those of the *Vancouver Charter*.

We believe that providing local governments this authority is one step closer towards addressing BC's affordable housing crisis.

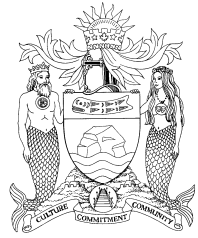
A copy of the resolution has been included with this correspondence for inclusion in your agenda packages.

We appreciate your time in considering our request, and look forward to connecting at the UBCM Convention this Fall.

Sincerely,

Darryl Walker
Mayor

THE CORPORATION OF THE
CITY OF WHITE ROCK
CORPORATE REPORT



DATE: June 24, 2019

TO: Governance and Legislation Committee

FROM: Sandra Kurylo, Director of Financial Services

SUBJECT: Proposed Vacancy Tax

RECOMMENDATION

THAT the Governance and Legislation Committee receive for information the corporate report dated June 24, 2019 from the Director of Financial Services, titled “Proposed Vacancy Tax”.

INTRODUCTION

This corporate report is in follow-up to Council’s resolution of January 28, 2019, that directed staff to prepare a corporate report on a proposal that the City of White Rock implement a vacancy tax, similar to the City of Vancouver, with certain considerations. The motion states that the proposed vacancy tax be 5% of the tax assessed level of the property municipal levy on commercial and residential properties and include a 2.5% municipal levy on the sale of assignments (“flipping”). As well the motion states that all such receipts be earmarked for the acquisition and construction of affordable (or below market rate) housing in White Rock.

ANALYSIS

The first step in considering a plan for a vacancy tax is to determine if the City has the legal authority to impose it. The City has confirmed that, with the exception of the City of Vancouver who have their own Charter, local governments in British Columbia do not have the authority to impose a vacancy tax.

Section 193 (1) of the *Community Charter* states that a municipality may not impose a tax unless it is expressly authorized to do so by statute. The *Community Charter* provides the City with the authority to impose certain types of taxes, such as property value taxes, parcel taxes and local services taxes. However, there is no express authority in the *Community Charter* to impose a vacancy tax.

Unlike other municipalities in the province, the City of Vancouver is governed by the *Vancouver Charter*, rather than the *Community Charter*. Prior to imposing a vacancy tax, it was first necessary for them to work with the Province, to amend the *Vancouver Charter* granting them the authority to impose a vacancy tax. This was done as of July 2016.

If White Rock Council wanted to pursue a similar amendment to the *Community Charter*, an appropriate process would be through a UBCM resolution. The deadline for submitting

resolutions to the UBCM for debate at their fall conference is June 30, 2019. There are specific requirements for the drafting of such resolutions, and they must be adopted by the respective municipal councils before being submitted.

UBCM staff have advised that if resolutions are received past the June 30 deadline, they will be reported to the "Resolutions Committee" but not necessarily recommended to go forward for debate at the conference. All late resolutions are published and distributed to conference attendees, for information.

Another option is to submit a Council endorsed resolution to the LMLGA 2020 spring conference, which if supported, will be forwarded to the 2020 UBCM conference for consideration, if the City wishes.

CONCLUSION

It is recommended that the information contained in this corporate report be received.

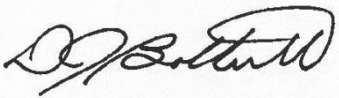
Respectfully submitted,



Sandra Kurylo
Director of Financial Services

Comments from the Chief Administrative Officer:

This corporate report is provided for information.



Dan Bottrill
Chief Administrative Officer

RESOLUTION FOR UBCM FOR CONSIDERATION

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