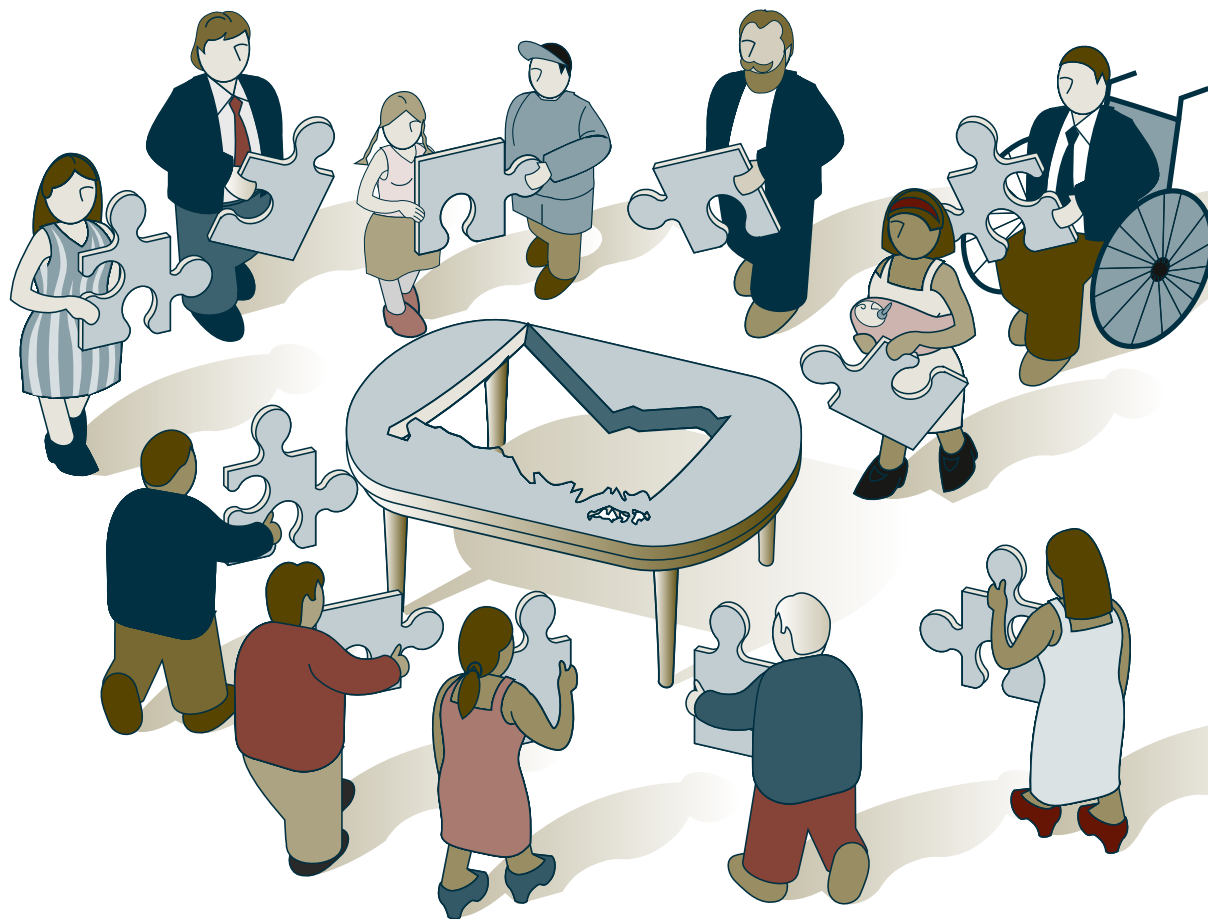


LOCAL GOVERNMENT IN BRITISH COLUMBIA

*A Community Effort*





## TABLE OF CONTENTS

INTRODUCTION	I
<i>Local Government</i>	2
<i>Information</i>	2
<i>Local Government in British Columbia</i>	4
MUNICIPALITIES	5
<i>Municipalities</i>	5
<i>How Municipalities are Created</i>	5
REGIONAL DISTRICTS	6
<i>The Regional District System</i>	6
<i>The Function is Service</i>	7
<i>Regional Hospital District</i>	7
COMMUNITY PARTICIPATION	8
<i>Running for Office</i>	8
<i>Voting</i>	8
<i>Alternate Approval Process</i>	9
<i>Participating in Public Consultations and Hearings</i>	9
<i>Attending Council/Board Meetings</i>	10
<i>Volunteering for a Local Government Body</i>	11
<i>Making Your Views Known</i>	11
ELECTED OFFICIALS	12
POLICY	13
ADMINISTRATION	14
SERVICES TO THE COMMUNITY	17
FUNDING	19
PROPERTY TAXATION AND ASSESSMENT	20
<i>Property Taxation</i>	21
<i>Assessment</i>	24
FOR FURTHER INFORMATION	26



**Q:** HOW MANY PEOPLE DOES IT TAKE TO MAKE A LOCAL GOVERNMENT?

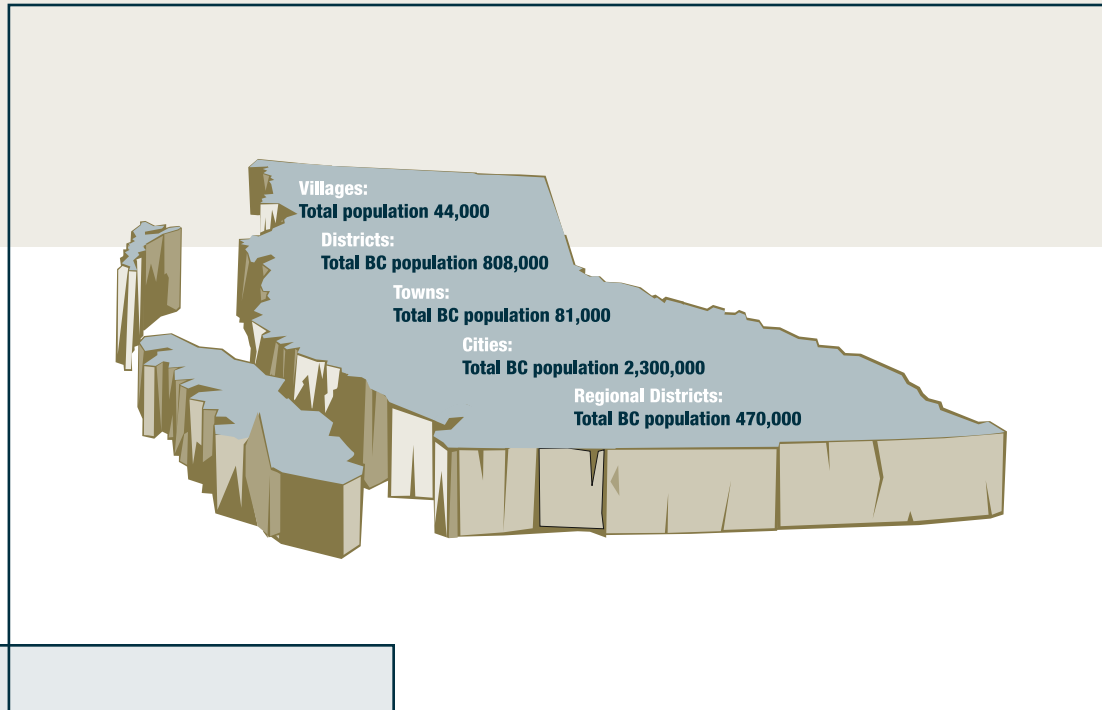
**A:** HOW MANY PEOPLE ARE IN YOUR COMMUNITY?



In British Columbia, local government is a community effort. No matter where you live in BC, you and your neighbours benefit from local government.

Local government provides and maintains the community's basic essential services – clean water, garbage collection, sewer systems, roads and sidewalks, streetlights, and fire and police protection. Your local government may also provide other services including libraries, parks, and recreational facilities such as skating rinks, gymnasiums and swimming pools. Your local government also shapes your community through policies and land-use planning. Whether you live in a rural area, in a small village or town, or in a large urban centre, local government is responding to your community's needs and planning for your community's future.

## 2 INTRODUCTION



### *The terms we use:*

**ADVISORY GROUP** *Groups of people from the community who help their local government make decisions.*

<i>Cities</i>	48
<i>Districts</i>	52
<i>Towns</i>	15
<i>Villages</i>	42
<i>Regional Districts</i>	27
<i>Islands Trust</i>	1
<b>TOTAL</b>	<b>185</b>

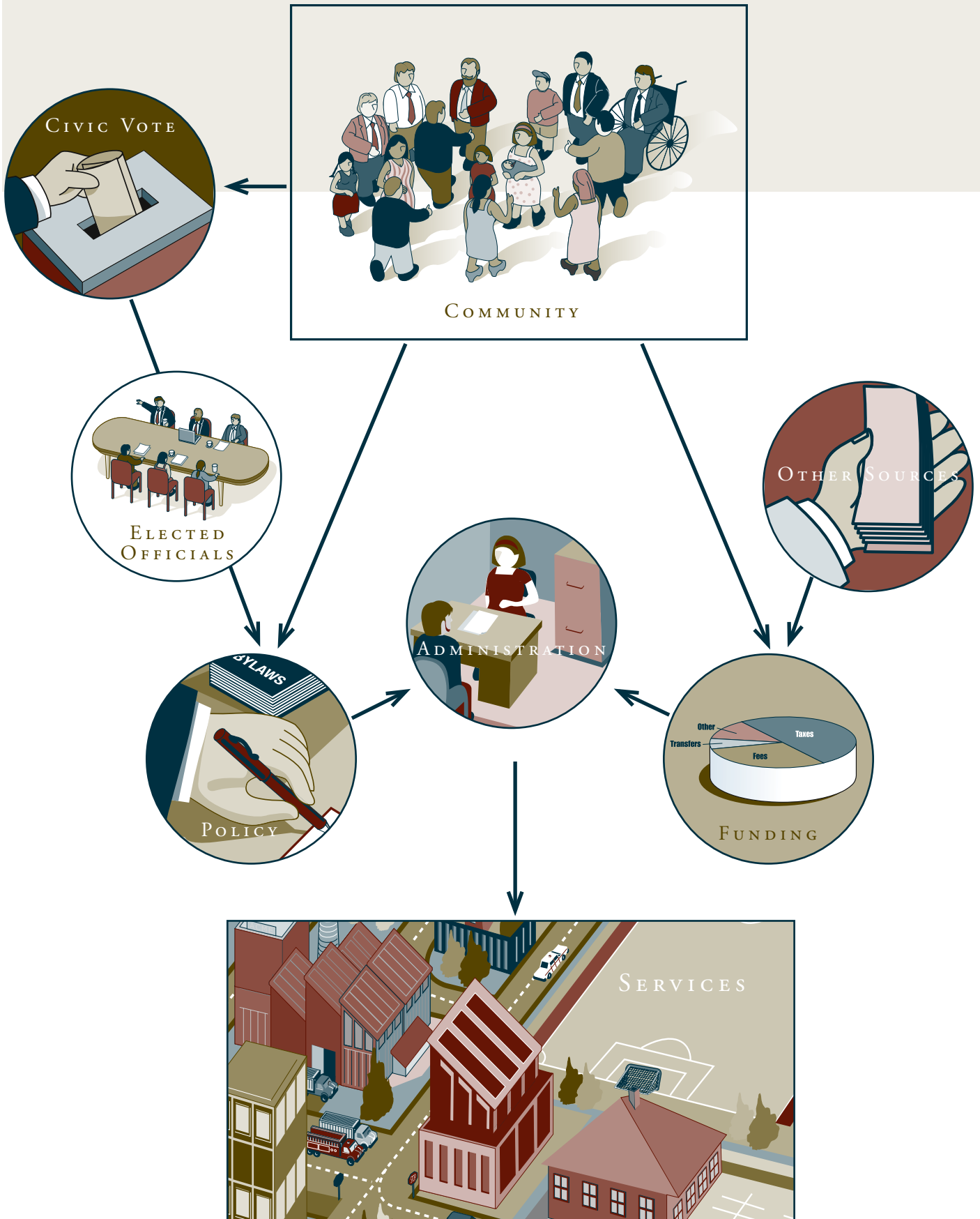
### LOCAL GOVERNMENT

Local government is the most accessible and responsive level of government. The municipal councils and regional boards are local citizens elected by the community and local government staffs are community members. Together with the citizen volunteer and advisory groups, local government is you and your neighbours – a community effort.

The diagram on the facing page shows how the COMMUNITY is the centre of local government. The COMMUNITY provides direction through their CIVIC VOTE, which elects the ELECTED OFFICIALS. The ELECTED OFFICIALS, with input from the COMMUNITY, set the POLICY which guides the ADMINISTRATION. The ADMINISTRATION, in turn, oversees the operation of the SERVICES which are the visible part of the work of local government. FUNDING for local government comes in large part from the COMMUNITY through property taxes and fees for services, but there are also funds from OTHER SOURCES such as the provincial and federal governments.

### INFORMATION

Local governments provide a wide variety of information on their websites and in their offices. This includes council, board and committee meeting minutes, community plans and maps, bylaws, staff reports and studies and information on local government responsibilities and services. Municipalities are also required to prepare an annual report, which includes information on finances, taxes, services and operations and objectives and measures met during the year and those set for the next year.





*Vancouver Public Library (1889)*

### *The terms we use:*

**MUNICIPALITY** *A city, district, town or village having the power to govern itself.*

### *BC Municipalities*

*157 municipalities in British Columbia provide services to more than 85% of the BC population. Municipalities range in population from 250 to almost 600,000 and in area from 60 to 155,000 hectares. There is a list of municipalities on the CivicInfo and Union of BC Municipalities websites (see page 26).*

## LOCAL GOVERNMENT IN BRITISH COLUMBIA

Local government can mean either municipalities or regional districts. Municipalities were first formed in the late 1800s when residents of the Lower Mainland, Vancouver Island and the Kootenays saw the need for their growing communities to have the benefit of locally provided, and locally controlled, services.

Over the years the roles and responsibilities of municipalities have grown and shifted. Now, municipalities are no longer responsible for providing for the poor as they were at the beginning, but they have taken on additional and more complex services. They also represent community interests to the region and province.

Regional districts were formed in the mid-1960s to perform two functions: to deliver local services to areas outside of municipalities and to provide a way for municipalities and rural areas to jointly fund services which benefit the entire region.



## MUNICIPALITIES

*The terms we use:***LOCAL GOVERNMENT ACT AND COMMUNITY CHARTER**

*Provincial laws that set out the legal framework for municipalities and regional districts. They provide the legislative authority for local governments to create bylaws, budgets and undertake local services.*

**LEGISLATION** *Laws made by the local government, provincial government or federal government.*

**INCORPORATION** *A community is given the status of city, town, district, village or regional district; boundaries are established, and it is given power to govern itself.*

**ACT** *A product, such as a statute, decree, or enactment, resulting from a decision by a legislative or judicial body.*

**LETTERS PATENT** *Specify the name of the municipality or regional district, its boundaries, area and class; make provision for the election of the first council or board; cover the financial set up of the newly incorporated municipality or regional district.*

**LIEUTENANT GOVERNOR IN COUNCIL** *A formal meeting of the lieutenant governor and the members of the executive council (cabinet) to ratify decisions made by the premier and cabinet. In practice, this formal ratification usually takes place through an exchange of documents rather than a meeting.*

Under the Canadian Constitution, local government can only be established and granted its powers by the provincial government. Historically this meant that the provincial government provided a list of things that local governments could do and anything not on the list was not allowed. In BC this began to change with the 1996 *Protocol of Recognition*, which recognized local governments as an independent, autonomous and accountable order of government. The 2004 *Community Charter* made those principles law, recognizing municipalities “as an order of government within their jurisdiction that is democratically elected, autonomous, responsible and accountable.” This new level of maturity in the local-provincial relationship means local governments can provide any service the community feels is needed.

The provincial government sets out the legal framework and foundation for the establishment and continuation of local governments in provincial laws called the *Local Government Act* and the *Community Charter*. These Acts provide local governments with the authority necessary for fulfilling their purposes and with the flexibility to respond to the different needs and changing circumstances of their communities. The Ministry of Community Services is the body responsible for local government in British Columbia.

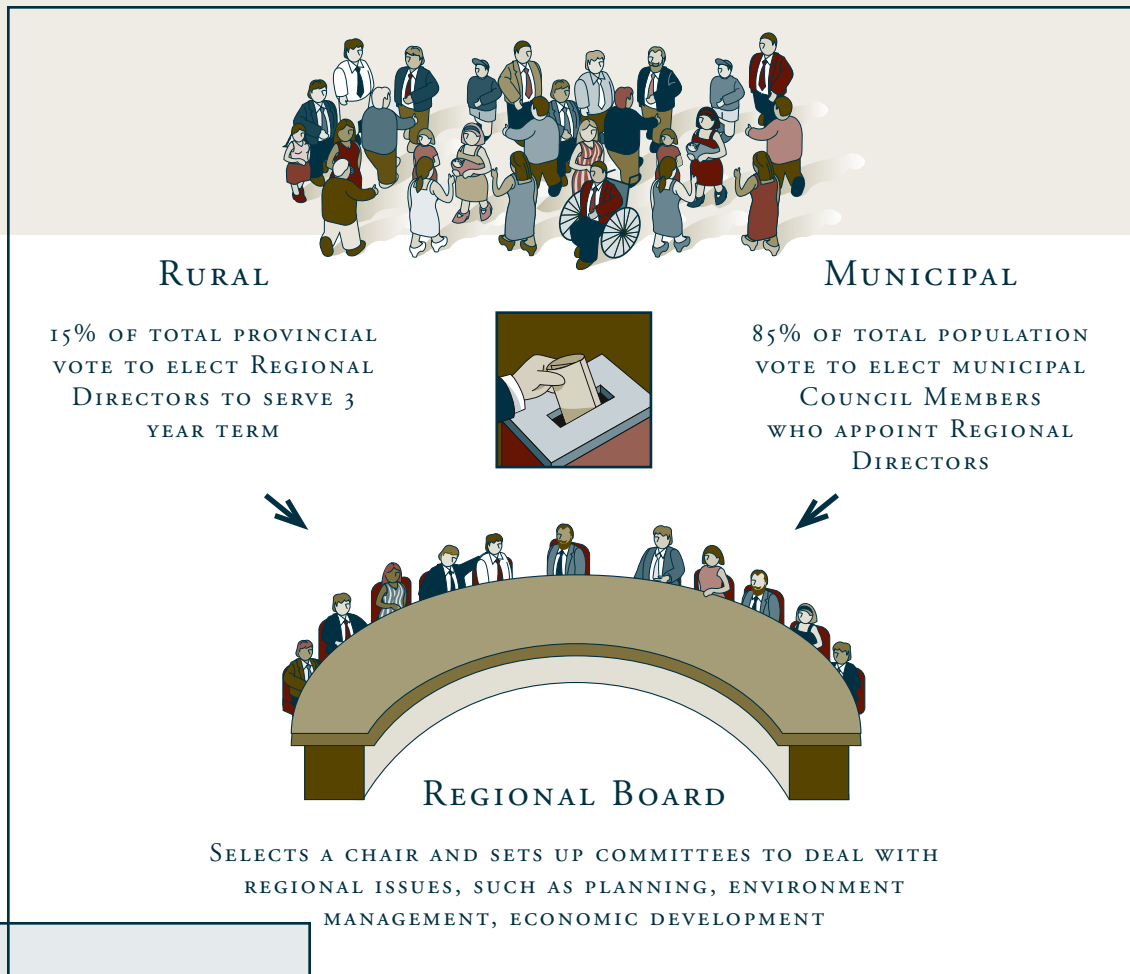
## HOW MUNICIPALITIES ARE CREATED

Municipalities are created when a community desires to provide and develop its own services. A municipality is created through one of the most basic processes of democracy – a community vote.

If a community in an unincorporated area wishes to incorporate it follows several steps. First, residents make a request to the provincial government for assistance in forming a local government – this assistance is provided through the Ministry of Community Services in Victoria. Then, boundaries are set and a poll of residents is taken. Over 50 percent of the votes cast must be in favour of incorporation. Finally, the incorporation of the area is granted through letters patent by the Lieutenant Governor in Council (the Cabinet) according to provisions in the *Local Government Act*.

For further information, see the Ministry of Community Services publication *A Guide to Incorporation*.

## 6 REGIONAL DISTRICTS



### *The terms we use:*

**ELECTORAL AREAS** *Areas in a regional district outside of municipal boundaries. They are represented by a directly-elected representative, called an "Electoral Area Director."*

**CAPITAL COSTS** *The costs of land and construction.*

### THE REGIONAL DISTRICT SYSTEM

Most of BC's territory consists of rural areas outside municipal boundaries. These rural areas are home to 15 percent of the total population. Regional districts provide these residents with an effective form of local government while also representing municipal residents on regional issues. They also ensure that all residents have access to commonly needed services, no matter where they live. BC's regional form of government began in 1965 and is one of the most innovative local government systems in Canada.

The regional district functions as a partnership of the municipalities and electoral areas within its boundaries. These local governments work together through the regional district to provide and coordinate services in both urban and rural areas.

The services offered by regional districts in British Columbia are varied and could include: fire protection and emergency programs; recreation and libraries; water supply and waste disposal systems.

Regional districts are governed by a board consisting of two types of directors. Electoral area directors are elected directly by rural

### *Spanning the Province*

*BC's 27 regional districts represent all of the province's municipalities and rural areas (except the Stikine region in the northwest of BC). Regional districts are very diverse. Their estimated populations range from 2.1 million in Greater Vancouver Regional District to the Central Coast with 4,000 residents. They serve from 2,070 square km in Nanaimo to 120,000 square km in Peace River.*

*Spanning both municipal and rural boundaries, regional districts deliver services to wide areas with common needs. Typically they coordinate services that a single municipality cannot provide, such as a large recreational complex, or a major sewage system.*

area voters (those outside of municipal boundaries) and serve three-year terms. Municipal directors are first elected to a municipal council and are then appointed by the council to the regional district board.

The board selects its own chair, who generally sets up committees to deal with issues such as administration, finance, planning, environmental management, or economic development.

### THE FUNCTION IS SERVICE

Regional district boards respond to locally expressed needs for service and consult with residents about which services they can provide, where they are to be provided, and how the services are to be financed. A variety of forms of consultation are used, including referenda and the receipt of petitions.

Some services may be provided to only part of an electoral area, while others are provided region-wide. Costs are recovered by billing the taxpayers benefitting from the services.

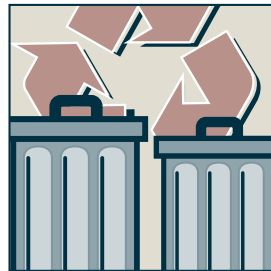
A typical regional district service line-up might include:

- > planning
- > recreation and libraries
- > fire protection and regulation
- > street lighting
- > solid waste disposal
- > water supply and distribution
- > sewage collection and disposal

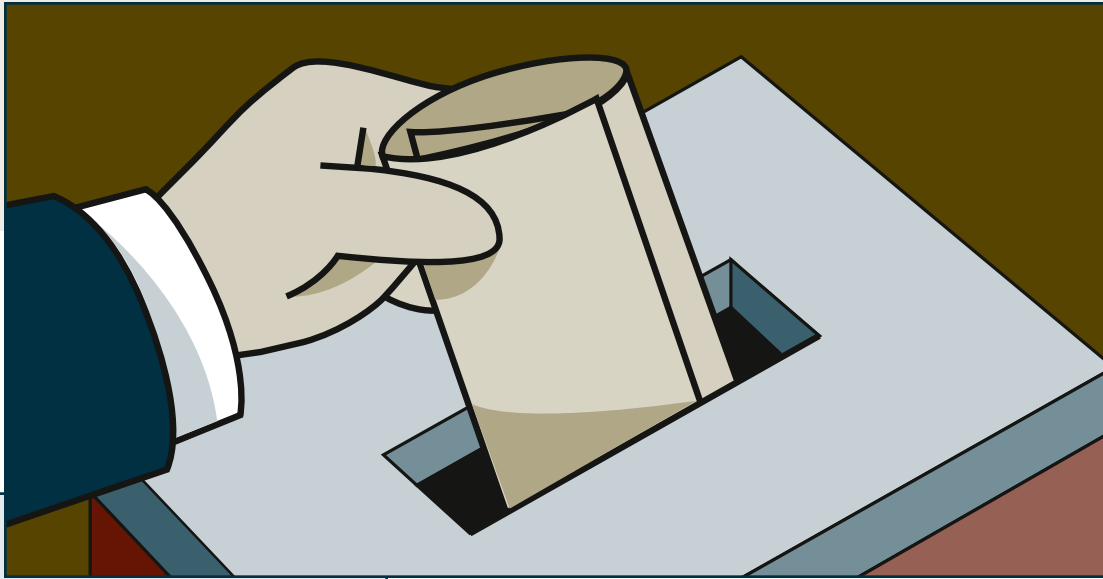
Emergency telephone systems (911) and curbside recycling programs are good examples of services delivered by regional districts.

### REGIONAL HOSPITAL DISTRICTS

The regional hospital district is a separate body. These districts provide the local share for financing hospital construction. They ensure that all the residents of an area that can receive hospital services make an equitable contribution to its capital costs. Regional hospital districts do not fund or direct the operations of hospitals; they are only involved in their construction. They only exist outside of Greater Vancouver.



## 8 COMMUNITY PARTICIPATION



### *The terms we use:*

**ELECTION** *People in the community vote on who they want on their council or regional board.*

**BY-ELECTION** *A special election held between general elections to fill a vacancy*

**REFERENDUM** *People vote on issues such as whether or not they want a swimming pool, a new arena or fire protection.*

**ELECTOR** *A person who is qualified to vote at an election or referendum.*

**INDICTMENT** *A written statement accusing a person of a crime.*

**PETITION** *A formal message requesting something that is submitted to an authority, often signed by many members of the community.*

### **RUNNING FOR OFFICE**

All mayors, councillors, and regional district electoral area directors are elected for a three-year term. Any Canadian citizen who is eligible to vote in the province of British Columbia is qualified to run for election as a council or board member unless he or she works for local government (unless a leave of absence is taken to run and the person agrees to resign if elected); is a Provincial Court, Supreme Court or Court of Appeal judge; or has been disqualified under the *Community Charter* or *Local Government Act* or any law in force in British Columbia. Candidates do not need to live or own property in the area in which they are running, though they must have resided in British Columbia for six consecutive months. For more information, please refer to the *Candidate's Guide*, which is available from the Ministry of Community Services.

### **VOTING**

There are several opportunities to vote on matters of local importance, including elections, by-elections and referenda. Elections for municipal councils and regional boards are held throughout the province every third year on the third Saturday in November. By-elections are held as necessary to fill vacancies on these bodies. Referenda are held on questions on which municipal councils and regional boards have the power to act – they may be held at the same time as local elections or at other times. Referenda can be binding or non-binding. Binding referenda mean that the council or board must follow the will of the electors, and they must be held on certain significant issues such as incorporation, certain bylaws, or disposal of public assets. Non-binding referenda can be held to determine the opinion of the electors and can influence decision-making, but the council or board is not required to act on the results of these referenda.

### *Are you on the List of Registered Electors?*

*Each municipality and regional district is responsible for preparing and maintaining a list of electors. Instead of maintaining an ongoing register of resident electors, a local government may, by bylaw, provide the most current available provincial list of voters as the register of resident electors. This list will contain, so far as available, the name and address of every person who is qualified to vote in the election as a resident elector. Non-resident electors, those who own property in the municipality or electoral area but don't live there, may also register and vote in local elections.*

*Any citizen can ensure that his or her name is on the list of electors by filling out a registration card at the municipal or regional district office. Both non-resident electors and resident electors may also register on election day. In order to register, all electors need to show two pieces of identification; non-resident electors also need to provide proof of property ownership. For more information, please refer to the Voter's Guide available from the Ministry of Community Services.*

An individual is entitled to be registered as an elector and vote in local elections and referenda if he or she:

- > is at least 18 years of age;
- > is a Canadian citizen;
- > has resided in British Columbia for 6 consecutive months prior to seeking registration as an elector;
- > has either resided or owned property in the municipality or electoral area for 30 days prior to registration;
- > is not under sentence for an indictable offence or currently in custody or in prison;
- > has not been found guilty of an elections offence such as double voting or buying votes;
- > has not been disqualified under the *Local Government Act* or any law in force in British Columbia.

### ALTERNATE APPROVAL PROCESS

For certain actions which require public approval, local governments can use an alternate approval process instead of the voting process. In this case, the government advertises its proposed action in local papers. If 10% of eligible voters oppose the proposal in the time period provided, elected officials must reconsider the decision or hold a vote. If there is not significant opposition the proposal may go ahead.

### PARTICIPATING IN PUBLIC CONSULTATIONS AND HEARINGS

Public consultations are opportunities for governments to seek input and discuss and explain issues with members of the public. They are not formal sessions and can include surveys, opinion polls, community forums and workshops.

Public hearings are formal sessions that local governments must hold when making certain decisions, especially around planning and land use. The *Local Government Act* specifies which decisions require a public hearing as well as how the hearing is to be advertised and what happens afterward. Residents can speak or submit written comments on how the proposed changes would affect them. Elected officials must consider these comments when making decisions. Persons wishing to appear at a public hearing are not normally required to make an appointment. However, if the hearing is expected to involve a large number of speakers, appointments may be necessary. The corporate administrator's office can provide information on the procedures to be followed.

The *Community Charter* also requires that the council or board consider the annual report at a council or board meeting or other public meeting, along with questions and submissions from the public on the report.

## 10 COMMUNITY PARTICIPATION



### ATTENDING COUNCIL/BOARD MEETINGS

Council and regional district board meetings are usually held in the evenings in the offices of the local government. Regular meetings vary, however, from weekly to bi-weekly to monthly. The schedule is available at local government offices and usually on local government websites.

Meetings are open to the public, although the public may be excluded from certain limited parts because items to be discussed are of a sensitive nature, such as personnel matters, legal matters and land negotiations. The meeting is then said to be “in-camera”.

Most local governments provide time for residents to address the council or board. When appearing before council, the usual practice is to preface your remarks by acknowledging the mayor and council: “Your Worship, Members of the Council” is the form of address used. As the chair of the meeting, all comments and questions must be addressed to the Mayor and not to individual members of the council. The mayor is usually addressed as “Your Worship” in recognition of the importance and dignity of the office. Persons addressing council are required to state their name and address for the record.

## COMMUNITY PARTICIPATION II

Minutes of the proceedings are recorded in a minute book. The minutes are formally adopted at the next meeting as the true and correct record of the meeting. The minutes of meetings, except for in-camera meetings, are open to public inspection, and copies of the minutes are available for a nominal charge and are sometimes accessible online.

### VOLUNTEERING FOR A LOCAL GOVERNMENT BODY

Volunteer committees and commissions help local government officials with making decisions by making recommendations. Those who wish to volunteer apply to be appointed. Committees and commissions can be standing, which means they exist on an ongoing basis, or select, to deal with a specific issue. Volunteers often serve on boards of variance - these are required for local governments that have zoning bylaws and are able to grant minor variances based on narrow criteria.

### MAKING YOUR VIEWS KNOWN

There are several other ways residents can make their views known to their local representatives. Contacting the local government officials and staff is often the best way. It is usually best to begin with the specific department or key staff member, but if concerns cannot be resolved most local governments have procedures so that residents can meet with their elected officials to discuss unresolved problems or to make presentations on matters of importance to the community. The corporate administrator's office is usually responsible for arranging appointments and will also advise on the procedures to be followed.

However, there are other methods of becoming involved in local governance, including community groups, petitions, reviews and court challenges. Community groups often work on specific issues and meet with elected officials and staff to present their viewpoint. Petitions are either formal or informal. Formal petitions can be used to ask for new or improved services and must include the full name and address of each signatory. Informal petitions can be on anything, but are not binding. Reviews may be conducted by the Ombudsman, an independent officer of the BC Legislature, at the request of citizens. The Ombudsman reviews the fairness of the local government in an impartial and confidential way, generally only after the resident has tried approaching the local government. Court challenges can concern bylaws or elected officials. Bylaws are usually challenged on the process of their development. Elected officials can be challenged in court by 10 or more electors under the ethical standards in the *Community Charter*. Elected officials can also be made to pay back any money they made by violating these standards.

## I2 ELECTED OFFICIALS



### *Council and Board Indemnities*

*Municipal councils and regional boards can provide for an annual indemnity for the mayor, councillors, or board members to be paid out of general revenue. A portion of the remuneration can be paid as an allowance for expenses incidental to the discharge of the duties of office.*

*The indemnity, or money paid, is made in recognition of the time council members must spend away from their families, businesses or employment in order to fulfill the requirements of public office.*

### ELECTED OFFICIALS

The basic responsibility for local government services and decisions lies with municipal councils and regional district boards. Once a municipality is incorporated, a mayor and council are elected to determine its policies and oversee its responsibilities. The council is the governing body of the municipality and is responsible for ensuring that its powers are used for the benefit and protection of its citizens. A municipality can have four, six, eight or ten councillors depending on its population. The City of Vancouver has an eleven-member council consisting of the mayor and ten councillors. The council of cities or districts having a population of more than 50,000 people will usually consist of a mayor and eight councillors. Any other city or district will usually have a council consisting of a mayor and six councillors. Towns and villages are represented by a mayor and four councillors.

The regional district board is comprised of elected rural representatives and appointed municipal representatives (see page 6) – the board has the same administrative and legislative responsibilities as a municipal council.

### *The terms we use:*

**INDEMNITY** *Money paid.*

**REMUNERATION** *Money paid to a person in exchange for services rendered.*

**EXPENSES INCIDENTAL TO THE DISCHARGE OF DUTIES** *What it costs a person for things such as meals, gas, accommodation etc. when on government business.*





### *The terms we use:*

**BYLAW** *Laws enacted by locally elected officials to govern and control municipal and regional district actions and services.*

**RESOLUTION** *A decision, opinion, policy, or instruction of a municipality or regional district, expressed in a formal written document and voted on.*

### **POLICY**

All powers of a council or regional district board are exercised by bylaws and resolutions. The *Community Charter* states that these decisions can only be made at regular or specially convened council or board meetings where there is a quorum, or fixed number of Council members present. A quorum is a majority of the council members – for example, six for Vancouver’s eleven-member council and three for a five-member council.

Meetings are generally scheduled in advance, and are advertised and open to the public. At council and board meetings, members discuss, debate and make decisions, taking into account different points of view expressed by both council/board members and members of the public. These decisions become local government policy.

Councils and boards establish policies for the community and adopt bylaws or resolutions based on these policies. They must then ensure that these policies are executed by the local government’s administration in the day-to-day business of the community.

Although councils and boards are not required to submit their decisions for review to other agencies or the provincial government, they often do consult with their neighbours and provincial and federal ministries and agencies when the decisions concern them.

## I4 ADMINISTRATION



### *The terms we use:*

**PROTOCOL** *Correct procedure to be followed at meetings.*

### ADMINISTRATION

While elected officials are responsible for setting policy, the actual work of providing local services is carried out by local government employees. The number of employees depends on the size of the municipality or regional district and the types of services they provide.

In all but the smallest local government offices, the staff is organized into departments. Most medium to large offices have departments for Public Works, Finance, Personnel, Fire, Planning, Building, Licences, Parks and Recreation, and an officer in charge of corporate administration.

Local governments employ people with a variety of skills. In addition to the more usual jobs of engineers, accountants, electricians, plumbers, truck drivers, secretaries and carpenters, there are some unique jobs such as firefighters, animal control officers and sewage treatment plant operators.

Some of the key people who are working on your behalf to make your community a better place to live are listed on the following pages.

### *Chief Administrative Officer*

The chief administrative officer of a municipality or regional district may be called the administrator or manager. In smaller jurisdictions this role may be assumed by the person handling corporate and/or financial administration.

Regardless of title, this person is the individual charged with the overall efficient delivery of policy and services throughout the municipality or region. The administrator reports directly to the council or board. In addition, the administrator often provides business advice to the council or board and acts as its representative in negotiations with other government bodies; businesses and property owners.

### *Corporate Officer*

The corporate officer acts as the link between the public, staff, and the council or board. He or she is responsible for preparing agendas, keeping minutes of meetings, publishing official notices, drawing up bylaws, safeguarding public documents, and providing public information.

The corporate officer is the “expert” on protocol and procedure and advises the elected officials as required. Official correspondence is usually addressed to the corporate officer, who also has the authority to enter into correspondence on behalf of the council or board.

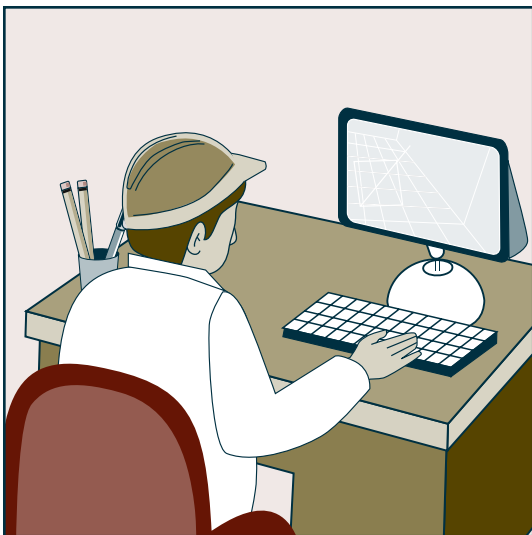
### *Financial Officer*

The financial officer is responsible for the local government’s finances. In addition to the usual accounting functions and the preparation of financial statements, the financial officer is responsible for the safekeeping of money and securities, investing funds and ensuring that local government’s expenditures are made in accordance with its policy and the law.

The financial officer is responsible for the preparation of five-year plans which include both operating and capital expenditures. He or she is the elected officials’ financial adviser and is expected to provide advice on financing capital projects, developing the five-year plan, the legality of expenditures, and taxation policy.

### *Engineer*

The engineer is responsible for what generally is termed “public works”. This might include the planning for, construction of, and operation and maintenance of a wide variety of local government services such as roads, garbage disposal and water and sewer systems



## 16 ADMINISTRATION



### *Planner*

Most large offices have a planning department, which is responsible for planning the development of the community and for preparing and administering land use regulations and bylaws. The planning department gathers statistical information on the community and often acts as a source of information for people who are interested in local investment.

### *Approving Officer*

The approving officer has authority to approve subdivision plans and is appointed by the council and, where authorized, the board. Although the council or board establishes the standards for subdivisions, the approving officer is responsible to the provincial government and must base approval on legislation that is set out in the *Land Title Act*, *Local Government Act*, *Strata Property Act* and *Limitation Act*.

### *Building Inspector*

Every municipality and regional district that regulates building construction appoints a building inspector who is responsible for approving plans, issuing building permits and inspecting construction. The building inspector is often called upon to provide advice to builders on the interpretation of codes, and works closely with the agencies responsible for electrical, gas and sewage disposal permits and inspections.

### *Recreation Director*

In many municipalities and regional districts, a parks and recreation director is responsible for the planning, development and management of the parks and recreational facilities. The director is also required to provide a technical advisory service to volunteer leisure organizations and is responsible for leisure facility programs.

### *Auditor*

Every council or board must appoint an auditor. The auditor is an accountant and cannot be an employee of the local government. He or she is an independent adviser, whose major duty is to audit the accounts and financial transactions of the local government and to report on the state of the accounting. The auditor can also look into any expenditure to see if it complies with the law.

The auditor must be given complete and free access to all of the local government's financial records.



*The terms we use:*

**LOCAL SERVICES** *Water, sewage disposal, fire protection, roads, and sidewalks, garbage collection, street lights, and any other service essential to the well-being of municipal or rural communities.*

**SUBDIVISION** *Dividing a single piece of land into two or more lots.*

**SERVICES TO THE COMMUNITY**

Local government provides essential basic services – clean water, garbage collection, fire and police protection, street lighting, libraries, recreational facilities and parks, local roads, water and sewer systems, and planning for the future economic growth of the community. The range of local services provided by BC’s local governments is as diverse as the provincial landscape and is decided by each individual council and board.

**Administration**

Local government staffs administer the services, regulation and land management that the council decides to undertake. They also maintain relationships with other governments and agencies.

**Service Provision**

Typical services provided by local governments are:

- > Policing
- > Fire protection
- > Parks and recreation
- > Garbage collection and recycling
- > Water, sanitary and storm sewers
- > Local roads
- > Sidewalks
- > Street lights
- > Libraries
- > Cemeteries
- > Transit
- > Emergency planning
- > Community programs



## *The terms we use:*

**BUDGET** *A detailed plan showing where the local government will get its money (revenue) and what that money will be spent on (expenses).*

**CAPITAL EXPENDITURE** *Money spent on items of high value that have a useful life of more than one year (e.g. buildings, recreation equipment).*

**DELINQUENT TAXES** *Taxes remaining unpaid on December 31 of the year after the year in which they were due.*

**EXPENDITURE** *Something money is spent on.*

**OPERATING EXPENDITURE** *Money spent on ongoing administration and services*

**DEFICIT** *The amount by which a sum of money falls short of the required or expected amount; a shortage.*

**“TRIPLE A” RATING** *Long-term credit ratings are denoted with a letter: a triple A (AAA) is the highest credit quality.*

**RATEPAYER** *A person who pays local taxes (especially a householder).*

**USER FEES** *Fees charged to users of goods or services provided by the local government.*

## *Regulation*

Local governments provide regulation in several different areas:

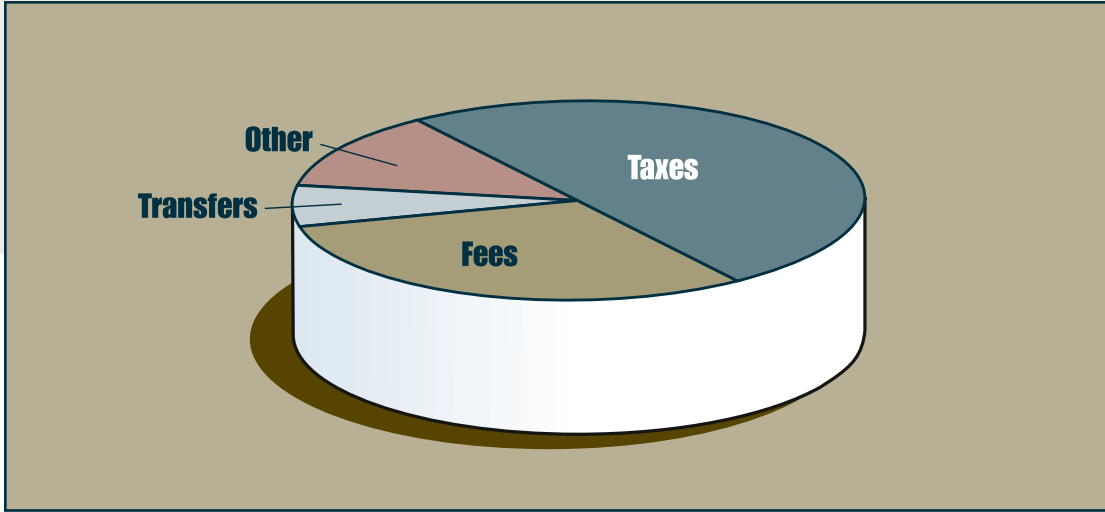
- > Business licensing
- > Building permits and inspection
- > Commercial vehicle licensing
- > Dog licensing

## *Land Management*

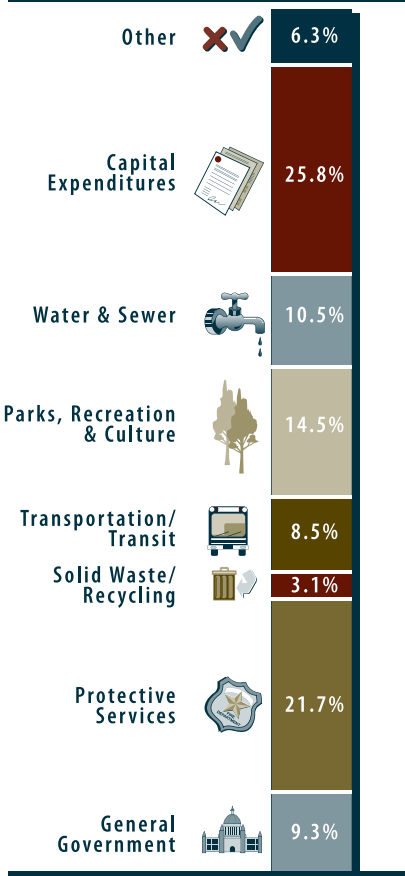
Local governments can control the development and use of private land in order to avoid incompatible uses and to help communities manage change. They can do this through planning, regulation and subdivision approval.

Municipalities and regional districts have Official Community Plans, which are used to guide growth and development. A good community plan helps to organize development so that the costs of services, such as roads, water and sewer can be minimized. A plan informs people about what kind of activities are likely to occur in their neighbourhood and makes it possible for residents to play a larger role in determining how their community will develop. Regional districts can also prepare a Regional Growth Strategy for long range planning on a regional basis.

Zoning bylaws provide the regulation for Official Community Plans. They can determine what gets built and how, as well as the area's density. Subdivision approval relates to the process whereby property boundaries are changed.



**MUNICIPAL OPERATING EXPENDITURES**



**FUNDING**

Services are provided through a variety of sources of funding. Slightly more than one-half of the average tax bill goes to pay for municipal services – most of the rest goes to pay for schools. Local government is big business. Overall municipal operating expenditures in BC are approximately \$3.7 billion annually. In addition, regional districts spend approximately \$760 million a year in total.

Because local government is a service industry, it is not surprising that 60 percent of a typical municipal budget goes to salaries. Local governments in BC employ some 37,000 individuals.

The most expensive services are typically police and fire protection, public works and recreation. Cost varies between municipalities depending upon whether they actually provide the service and the level of service they provide. For example, while some municipalities have full-time fire departments, most rely on volunteer fire departments.

The portion of the budget that goes to recreation can vary widely depending on what type of facility each community has decided it wants and can afford. Some examples of where the money goes are shown to the left. The diversity in expenditure patterns only serves to underline the strength of local government and its ability to reflect local needs.

*Four Sources to Fund Services*

Local government has the ability to raise funds to provide and maintain services and amenities within the community. These revenues are raised from four main sources:

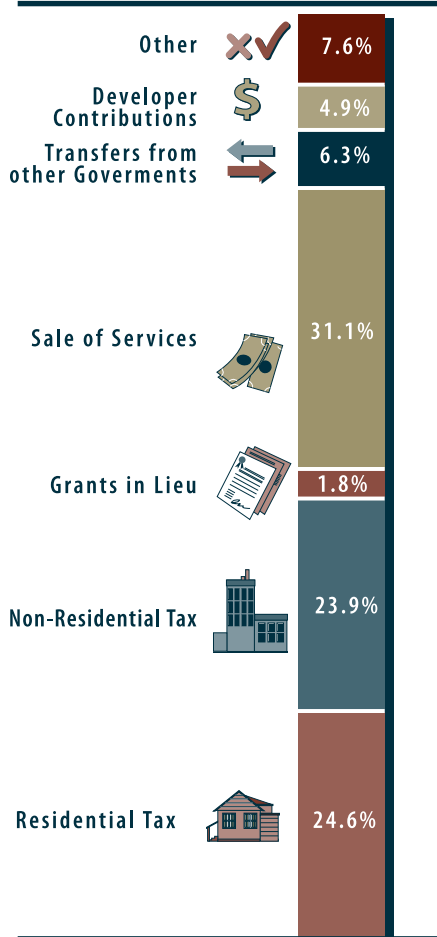
- > Property taxes
- > Grants from other levels of government
- > Special user charges
- > Partnerships

On average, 48 percent of the money needed each year to provide and maintain services is raised through property taxes. The federal and provincial governments provide grants-in-lieu of taxes for land they own within a municipality. The provincial government also pays grants to local government; grants which make up approximately 6.5 percent of the average municipal budget.

Local government also raises revenue by renting, selling or otherwise charging fees for the use of its facilities or services. Some of these charges include fees for garbage pickup, swimming pool and arena admission fees and fees for subdivision approvals. When services are only provided to one group of property owners, such as the provision of a sidewalk or a sewer system, these property owners can be charged a special kind of tax called a parcel tax. Developers also pay special charges to help pay for providing services to newly developed areas.

Local governments can also enter into partnerships with organizations, private companies, community groups, local agencies or other orders of government in order to finance projects that would be too expensive for the local government on its own.

## SOURCES OF GENERAL MUNICIPAL REVENUES



### *Strict Local Government Budget Controls and No-Deficit Financing*

Councils and boards direct the financial officer to prepare a five-year plan. The plan is adopted annually by bylaw each year prior to May 15 for municipalities and prior to March 31 for boards. The current year of the plan becomes the annual budget. An expenditure not provided for in the plan or in an amended plan is unlawful. The plan may only be amended by bylaw.

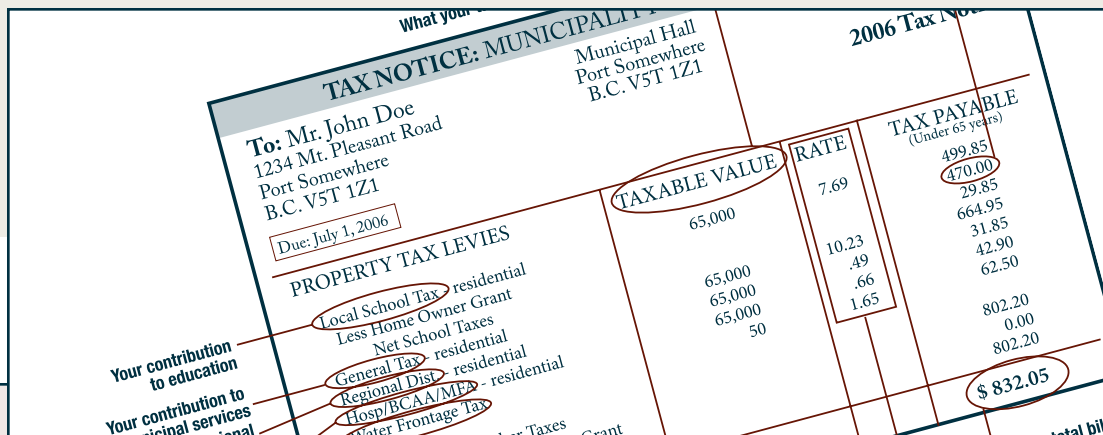
The five-year plan contains both operating and capital expenditures.

The plan will show proposed sources of funds and their application for capital projects such as building construction or land and equipment purchases.

The current year of the plan is the operating plan for the year. It tells staff and the public what types and quality of services are to be provided. The capital expenditure program is council's plan for the development and improvement of municipal facilities.

Local governments cannot run a deficit in their current operating accounts. Each year they must balance their budget. They must also provide an annual report to the community on what they have done.





### Keys to Municipal Borrowing – Limits, Ratepayer Involvement, and “Triple A” Rating

Local governments can borrow monies to finance capital projects, such as water and sewer system construction, recreation facilities, and roads. The amount they can borrow is limited by the Community Charter.

All municipalities and regional districts (except the City of Vancouver) finance long-term debt through the Municipal Finance Authority. The Authority, which is established under provincial law and managed by representatives of all regional districts, has an excellent credit rating, due to the security it can offer to lenders and the stable finances of local government in British Columbia. The result is that every municipality and regional district in the province, regardless of size and local circumstances, can borrow at rates that are usually only available to the largest governments and corporations.

### BASICS OF THE PROPERTY TAXATION & ASSESSMENT SYSTEM

Every property owner in British Columbia contributes to the funding of local government. Each year, property owners are sent two notices – an assessment notice and a tax notice. Both notices reflect the process through which each property owner’s share of the local tax base is calculated.

Calculation of property tax is a two-step process. The first step is to set the value of the property (the “assessed value”). The second step is to apply a tax rate to the assessed value of the property to determine the property taxes payable. The amount of tax a property owner will pay is calculated as:

$$\text{ASSESSED VALUE} \times \text{TAX RATE} = \text{PROPERTY TAX PAYABLE}$$

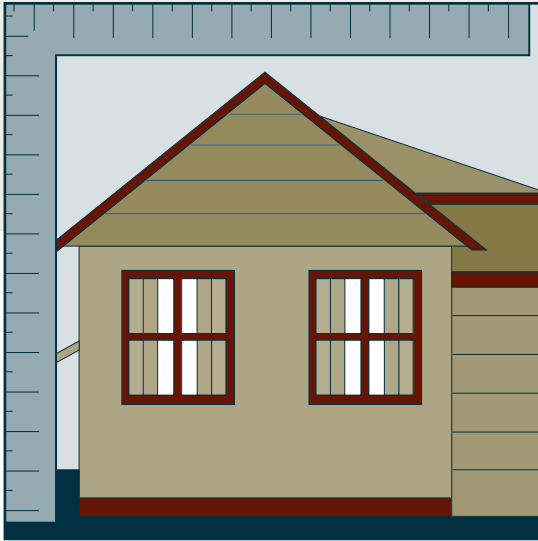
Three groups are involved in assessment and property taxation: the BC Assessment Authority, the taxing authority and the tax billing agency. The main taxing authorities are the provincial, municipal and regional governments. Municipalities and (for unincorporated areas) the provincial government are the tax billing agencies.

The Assessment Authority is responsible for the first part of the process – real property assessment. The taxing authorities are responsible for the second part of the process – establishing the tax rates. The tax billing agencies are responsible for sending the tax notices out and collecting the taxes on behalf of the taxing authorities.

The Assessment Authority is an independent agency that determines the assessed value and the correct classification for every home, business, farm and industry in BC. It then provides taxing authorities with a list of all properties and their assessed value. This list is known as the “Assessment Roll”.

Once the taxing authorities have determined the amounts they will receive from provincial transfers and other sources (such as user fees), the taxing authorities set tax rates sufficient to raise their required revenues. These tax revenues, collected by either a municipal authority or the provincial government are then used to provide roads, schools, hospitals, sewers, a police force, fire and many other local services.

## 22 PROPERTY TAXATION



### PROPERTY TAXATION

#### *How Are Tax Rates Set?*

Local governments arrive at their tax rates through a three-step process:

1. Expenditures minus all other revenue sources = total property tax to be raised.
2. Total property taxes are then split to give the taxes to be raised by each class of property (e.g. residential, commercial).
3. Assessed value for that class divided into taxes to be raised by that class will equal the tax rate (converted to \$ per \$1,000 of assessment) to be levied.

#### *Sharing the Tax Burden – Variable Tax Rates*

Councils and boards have the power to set tax rates for each class of property for general purposes. These rates are applied to the actual value of the property, less any tax exemptions. The allocation of the tax burden between classes has therefore largely become a local responsibility.

Councils and boards can now compensate for a wide disparity of property value changes and yet maintain a stable share of the tax burden between the broad classes of property (residential, business, industry). Councils may, by bylaw, moderate the impact to substantial increases in land values by averaging the assessed value of land over three years or by phasing-in increases in land assessments within the limits set out in the Community Charter.

#### *Property Tax Relief*

Taxpayers may be eligible to have taxes reduced through grants or deferrals. All residential homeowners are eligible for a provincial Home Owner Grant unless their property is worth more than a specified limit. The current basic Home Owners Grant is a

maximum of \$470 for homeowners under the age of 65, and a maximum of \$745 for those over that age and for certain other categories such as war veterans and disabled persons regardless of age. As well, homeowners over 60 years of age and the disabled may apply for a deferral of taxes. The province pays the taxes owing and the taxpayer repays the province at a future time, such as when the property is sold. Interest, at a rate set by the provincial government, is applied to the deferred taxes.

Other classes of properties may be eligible for other exemptions. For example, there is a commercial assessment exemption and a tourism assessment exemption. Taxing legislation, such as the Community Charter, provide that certain property (for example, churches) may be exempt from taxes.

### *Rural and Regional District Taxation*

Areas outside a municipality, the unincorporated areas, receive two main tax levies – those made by the provincial government and those made by the regional district.

- > The province levies property taxes in these areas to fund services.
- > Regional districts do not collect property taxes themselves, but submit requisitions to the province and to the municipalities in the regional district. If an area in a regional district falls under provincial jurisdiction, the province will levy a property tax and then forward the required amount to the district.

### *Who Can Tax Your Property*

Who are the taxing authorities and what do they do?

*Municipalities*, depending on their size and resident desires, can provide police, fire, water, sanitary and storm sewers, streetlights, libraries, garbage collection, parks and recreation, cemeteries, etc.

*Regional Districts* provide local services to rural areas and provide services to municipal and rural areas that are most economically done on a joint basis (fire, water, recreation, etc.).

*Provincial Government* provides police and local road services in rural areas and provides a part of the funding for schools. The province is also responsible for setting tax rates and receiving monies that are raised by school taxes.

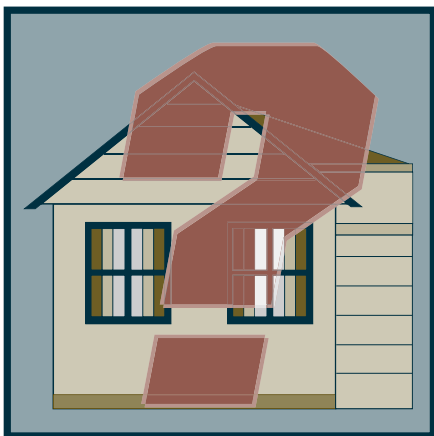
*School Districts* provide kindergarten to grade 12 education using provincial funding.

*Regional Hospital Districts* share capital funding of hospitals with the provincial government through regional health authorities.

*Improvement Districts* provide water, fire protection, etc., generally in rural areas.

*Indian Bands* can tax lands and improvements within their boundaries.

*British Columbia Assessment Authority* and *Municipal Finance Authority* each levy a small tax to fund a portion of their budgets.





### *The terms we use:*

**REQUISITION A** *A formal request for payment*

### *Who Assesses Properties?*

Since 1974, all property assessments have been carried out by the British Columbia Assessment Authority (BCAA). The BCAA is responsible for determining actual value assessments for all homes, businesses, farms and industry in the province. Establishment of the BCAA came following recognition that there was a lack of uniformity in assessments from municipality to municipality and that it was difficult for taxpayers to understand how the value of property was established. Today's Assessment Authority is an independent Crown corporation with 19 area offices province wide, and a database containing information on 1.7 million properties.

### *Annual Assessment Role*

A new assessment roll is completed on the 31st day of December in each year. This roll lists every property liable to assessment in the province under the appropriate property class.

A copy of each entry (the assessment notice) is sent to the owner every year.

### *How Are Assessment Values Established?*

Assessed values are established by determining the actual value of a property. Actual value of residential property is the market value (estimated sale price) as of a specific date. To determine the actual value of a property, the assessor takes into account the location, size, topography, shape, replacement cost, age, condition, sale price of comparable properties in the area, and any other factors that might affect the property's value.

The assessed value of a property is determined by subtracting exemptions where appropriate from the actual property value.

### Assessment Classes

Properties are assigned to one of eight classes for assessment purposes. The taxing authorities can set a different tax rate for each class of property.

The eight classes are as follows:

- > Residential
- > Utilities
- > Major industry
- > Light Industry
- > Business and Other
- > Managed Forests
- > Recreational Property/Non-Profit Organization
- > Farm

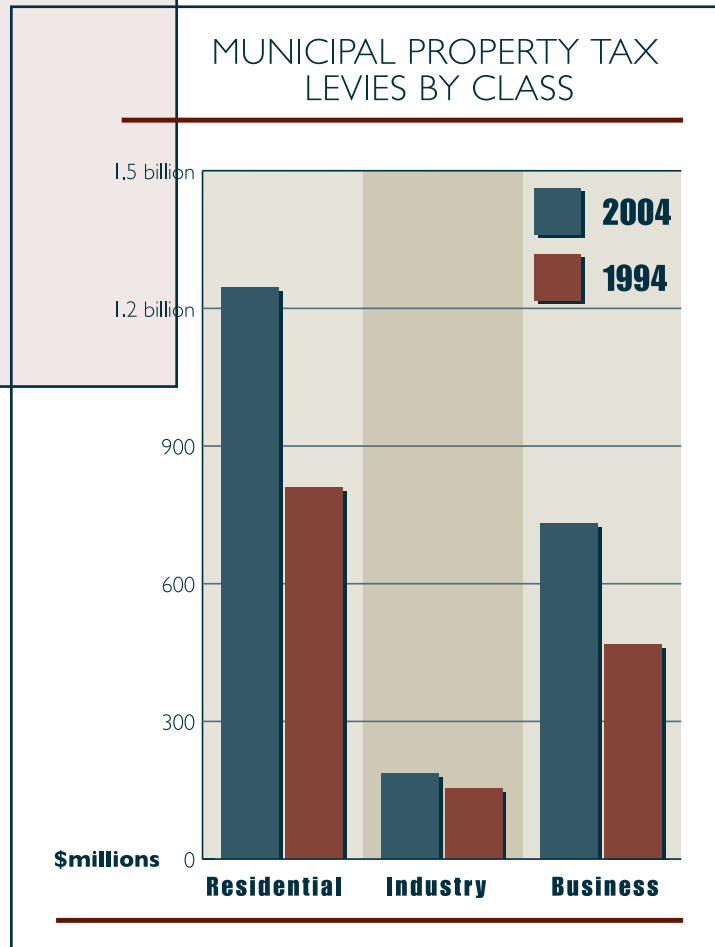
### Assessments can be Appealed

Although there is no legislative provision for appealing property taxes, assessments established by the BC Assessment Authority are subject to an extensive appeal procedure through the Property Assessment Review Panel, the Property Assessment Appeal Board and the BC Supreme Court. Assessments can be appealed at the time the assessment notice is mailed by the Assessment Authority.

### Why do Actual Values Increase or Decrease?

Changes in assessed value reflect changes in market value. The market value of a property can change for many reasons:

- > the owner may have improved the property by adding a garage or finishing the basement;
- > demand for property in the area may have caused prices and market values to change;
- > the municipality could have altered the zoning for the area.



## PUBLICATIONS

Legislation (go to [www.qp.gov.bc.ca/statreg](http://www.qp.gov.bc.ca/statreg))

*Community Charter*

*Local Government Act*

Ministry of Community Services Publications  
(go to [www.cserv.gov.bc.ca/lgd](http://www.cserv.gov.bc.ca/lgd) and use Search)

*Candidate's Guide – Local Elections in British Columbia*

*Citizen's Guide to Local Government in British Columbia*

*Development Cost Charges: A Best Practices Guide*

*A Guide to Incorporation*

*Improvement District Manual*

*Voter's Guide – Local Elections in BC*

Union of BC Municipalities Publications  
(go to [www.civicnet.bc.ca](http://www.civicnet.bc.ca) and select Publications)

*Local Government Fact Sheets*

*Local Government in British Columbia*

*Regional District Toolkit*

*Union of BC Municipalities: The First Century*

## ORGANIZATIONS

BC Assessment Authority	<a href="http://www.bcassessment.gov.bc.ca">www.bcassessment.gov.bc.ca</a>
BC School Trustees Association	<a href="http://www.bcsta.org">www.bcsta.org</a>
CivicInfo BC	<a href="http://www.civicinfo.bc.ca">www.civicinfo.bc.ca</a>
Government Finance Officer's Association of BC	<a href="http://www.gfoabc.ca">www.gfoabc.ca</a>
Local governments	see CivicInfo and UBCM websites for links
Local Government Management Association	<a href="http://www.lgma.ca">www.lgma.ca</a>
Ministry of Community Services	<a href="http://www.gov.bc.ca/cserv">www.gov.bc.ca/cserv</a>
Ministry of Small Business & Revenue (Home Owners Grant)	<a href="http://www.rev.gov.bc.ca/hog">www.rev.gov.bc.ca/hog</a>
Municipal Finance Authority	<a href="http://www.mfa.bc.ca">www.mfa.bc.ca</a>
Municipal Insurance Association of BC	<a href="http://www.miabc.org">www.miabc.org</a>
Surveyor of Taxes	<a href="http://www.rev.gov.bc.ca/Rpt/contact_us.htm">www.rev.gov.bc.ca/Rpt/contact_us.htm</a>
Union of BC Municipalities	<a href="http://www.civicnet.bc.ca">www.civicnet.bc.ca</a>

## LOCAL GOVERNMENT IN BRITISH COLUMBIA

– a community effort

*has been prepared by:*

### THE UNION OF BC MUNICIPALITIES

The Union of BC Municipalities (UBCM) is an association that represents the interests of every municipality and regional district in the province. Through its Executive, which is composed of mayors, councillors and regional district directors from communities throughout the province, it works with both provincial and federal governments in an effort to improve upon current legislation, regulations and funding arrangements.

60 – 10551 Shellbridge Way, Richmond, BC V6X 2W9  
phone: 604.270.8226 fax: 604.270.9116

### THE LOCAL GOVERNMENT MANAGEMENT ASSOCIATION OF BC

The Local Government Management Association (LGMA) is an association of local government management officials. Its objectives include the improvement of administration and management and professional development for local government officials. The Association provides professional training to local government officials through seminars and by encouraging the provision of courses at community colleges and universities.

737 Fort Street, Victoria, BC V8W 2V1  
phone: 250.383.7032 fax: 250.383.4879

### MINISTRY OF COMMUNITY SERVICES

The Ministry is responsible for the legislation governing local government, providing certain types of financial assistance, and providing advice and assistance to local governments and the general public.

Local Government Department, Advisory Services  
P.O. Box 9839 Stn. Prov. Govt., Victoria, BC V8W 9T2  
phone: 250.387.4020 fax: 250.387.7979

