

HOME OWNER GRANT ACT

2016 THRESHOLD

I. ISSUE

Whether to maintain the current Home Owner Grant threshold.

II. BACKGROUND

The Home Owner Grant Program (HOG) allows qualifying homeowners to offset some of their property tax once a minimum tax payment is made. The basic grant is \$570. An additional grant of \$275 is available to qualifying seniors, veterans of older wars or their spouses, low-income veterans, and some homeowners where a person with disabilities resides in the home. In areas outside the Capital Regional District, the Greater Vancouver Regional District and the Fraser Valley Regional District, grants are increased by up to \$200. This Northern and Rural Homeowner Benefit was introduced in 2011 as a carbon tax offset.

In 2014, the HOG threshold was reduced from \$1,295,000 to \$1,100,000.

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Lowering the threshold

affected 17,000 new homes that were not previously affected, most of them moving from a full grant to a partial grant; and another 10,000 homes lost some or all of a partial grant. The new threshold covered 93.2 per cent of homes. Savings were about \$11 million.

In 2015, the threshold remained at \$1,100,000.

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Maintaining the threshold at \$1,100,000

saved about \$6 million in program costs. Affected homes lost up to \$350 in grants compared to a threshold of \$1,175,000.

| | IN CRD, GVRD, FVRD | | OUTSIDE CRD, GVRD, FVRD | |
|---------------------|--|--------------|-------------------------|--------------|
| 2015 | BASIC GRANT | HIGHER GRANT | BASIC GRANT | HIGHER GRANT |
| Minimum Tax | \$ 350 | \$ 100 | \$ 350 | \$ 100 |
| Maximum Grant | \$ 570 | \$ 845 | \$ 770 | \$ 1,045 |
| Phase-out threshold | \$ 1,100,000 | \$ 1,100,000 | \$ 1,100,000 | \$ 1,100,000 |
| Phase-out range | \$ 114,000 | \$ 169,000 | \$ 154,000 | \$ 209,000 |
| Phase-out complete | \$ 1,214,000 | \$ 1,269,000 | \$ 1,254,000 | \$ 1,309,000 |
| Phase-out formula | Minus \$5 for every \$1000 above the threshold | | | |

BC Assessment estimates that higher-end housing in Greater Vancouver has appreciated 15 to 20 per cent this year.

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III. OPTIONS

Option 1.

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Option 2.

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Option 3.

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IV. EVALUATION

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To be eligible for a home owner grant, the owner must be a permanent resident or citizen of Canada. This excludes foreign owners whether or not the property is above the threshold.

In 2013, and prior years, the threshold was announced in early January when assessment notices go out. In 2014 and 2015, it was a Budget announcement.

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V. RECOMMENDATION

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VI. DECISION

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Option 1 / Option 2 / Option 3

HOME OWNER GRANT ACT
2016 THRESHOLD FOLLOW-UP

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Option 1 / Option 2 / Option 3

Appendix A (from the initial note)

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Page 08 to/à Page 11

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