

Ministry of Finance
BRIEFING DOCUMENT

To:	Lori Wanamaker Deputy Minister of Finance	Date Requested:	July 24, 2019
		Date Required:	August 16, 2019
Initiated by:	Jim Hopkins ADM, Provincial Treasury	Date Prepared:	August 9, 2019
Ministry Contact:	Jason Lewis Director, Capital Markets, DMB	Phone Number:	250-387-7132
		Email:	jason.lewis@gov.bc.ca
		Cliff #:	383899

TITLE: Debt Management Branch's Guidelines for Non-Syndicated Bond Issuance in the context of the Province's Borrowing Strategy

PURPOSE:

(X) FOR INFORMATION

COMMENTS: Information Note on the intention and use of non-syndicated bond issuance in the context of the Province's Borrowing Strategy.

DATE PREPARED: August 9, 2019

TITLE: Debt Management Branch's Guidelines for Non-Syndicated Issuance

ISSUE: Clarification of the intention and use of non-syndicated bond issuance in the context of the Province's Borrowing Strategy.

s.13

DISCUSSION:

- Non-syndicated bond issuance includes bond issues that may originate as Medium-Term Notes, Private Placements or Private Direct Transactions. These are bonds that are issued without the use of a wide syndicate of underwriting dealers but rather by one or a small number of dealers acting as agents, or by no dealer intermediary at all.
- In contrast to the Province's syndicated benchmark issuance program, non-syndicated bond issuance is a peripheral, opportunistic component of the Province's broader borrowing program. Through it, attractive alternative funding opportunities can be taken advantage of that present relative cost savings to the syndicated benchmark curve pricing but at the potential expense of benchmark sizing and lesser secondary market liquidity.
- Non-syndicated bond issuance is typically addressing investment interest from a single or small number of investors who have specific needs in a particular currency, maturity or structure. These unique terms can match the needs of DMB's specific requirements.
- The unique nature of the reverse inquiries often support the broadening of our investor base, reaching markets and investors that may otherwise not have access to BC bonds.
- Dealer fees for these transactions are less than for syndicated benchmark issues providing further cost savings with these transactions.

s.17

s.17

•s.17



- Select examples of non-syndicated issuance undertaken by Debt Management Branch:
 - *Eur130 million 25-year Euro Medium Term Note (EMTN) due April 25, 2044, priced in April 2019*
 - Reverse inquiry came from two German Insurance Companies via s.17
 - Secured C\$195 million Long Term funding for s.17 at a cost savings to indicative domestic funding costs

- *C\$37 million 20-year Direct Placement due November 10, 2038, priced in November 2018.*
 - Canada Pension Plan (PP) direct issued Non-Marketable Bond
 - Secured refinancing of maturing CPP issue for Capital Client (Schools) at a less-costly rate than domestic funding costs as there were no dealer fees.
- *AUD\$70 million 10-year Australian Medium Term Note (AMTN) due February 26, 2027, priced in March 2017*
 - Reverse inquiry from ^{s.17} indicating strong Australian market interest for BC credit at attractive relative pricing, convincingly more so than a similar pitch received from ^{s.17}
 - Secured C\$71 million Long Term funding for Capital Client (Schools) at a very attractive savings to domestic funding cos. Employed a cross-currency swap with the transaction to hedge the associated foreign-exchange risk.
- *CHF375 million 8.75-year EMTN due December 27, 2017, priced March 2009*
 - Reverse inquiry from ^{s.17} indicating cost savings for swapped issuance to receptive Swiss investors
 - Secured C\$400 million for warehouse in face of inclement domestic market conditions
- *C\$300 million 7-year Floating Rate Note due August 19, 2022, priced in August 2015*
 - Reverse inquiry from ^{s.17} indicating relative cost savings and a sizable investor demand for a longer-dated FRN from BC
 - Secured C\$300 million with a cost savings (as it was negotiated that no dealer commissions were paid) for natural floating rate debt interest for ^{s.17}

Ministry of Finance
BRIEFING DOCUMENT

To: Honourable Carole James
Minister of Finance
and Deputy Premier

Date Requested: August 21, 2019
Date Required: August 27, 2019

Initiated by: Heather Wood
Associate Deputy Minister

Date Prepared: August 27, 2019

Ministry Contact: Hugo Belanger
Treasury Board Analyst

Phone Number: 778-698-8405
Email: Hugo.Belanger@gov.bc.ca
Cliff #: 384370

TITLE: s.13

PURPOSE:

(X) FOR INFORMATION
s.13

COMMENTS:
Changes to s.13 that have fiscal impacts require Treasury Board approval.

Executive Director approval: _____

ADM approval: _____

DM approval: _____

DATE PREPARED: August 27, 2019

TITLE: s.13

ISSUE:
s.13

-

- s.12; s.13

CONTEXT:

- s.12; s.13

DISCUSSION:

- s.12

-

s.12; s.13

Executive Director approval: _____

ADM approval: _____

DM approval: _____

s.12; s.13

Executive Director approval: _____

ADM approval: _____

DM approval: _____

s.12; s.13

Implications for Other Decisions/Initiatives

s.12; s.13

Other Considerations

s.12

Executive Director approval: _____

ADM approval: _____

DM approval: _____

Carole James
Minister and Deputy Premier

Date

Executive Director approval: _____

ADM approval: _____

DM approval: _____

s.12; s.13

Appendix B – Ministry of Attorney General Contingency Approvals & High Probability Pressures (as of July 4, 2019)

(\$ millions)		
Contingencies Approvals	Formal	Approval-in-Principle
s.12		

(\$ millions)	
Some items that have a high probability of materializing	Amount

s.12; s.13

Ministry of Finance

BRIEFING DOCUMENT (R Final.1)

To: Honourable Carole James
Minister of Finance
and Deputy Premier

Date Requested: July 26, 2019
Date Required: August 16, 2019

Initiated by: Doug Foster
FIN DMO

Date Prepared: August 16, 2019

Ministry Contact: Doug Foster
FIN DMO
Jim Hopkins
Provincial Treasury

Phone Number: 250 387 9022
Email: Doug.Foster@gov.bc.ca
Cliff #: 384374

TITLE: s.13

PURPOSE:
(X) DECISION REQUIRED

DATE PREPARED: August 16, 2019

TITLE: s.13

ISSUE: The *Public Accounts* show that there was a bottom-line surplus of \$1.5B as of March 31, 2019. The Fund's legislation prescribes that if there is a surplus in the *Public Accounts* for the government reporting entity for a fiscal year, Treasury Board may, on or before September 15 following the end of the fiscal year, direct that an amount not exceeding that surplus be transferred from the government's main account (the General Fund) to the Fund.

BACKGROUND:

- The Prosperity Fund (Fund) stood at \$521.0M at March 31, 2019, consisting of:
 - An inaugural payment of \$100M to establish the Fund in *Budget 2016*;
 - \$400M transferred in September 2016, based on the 2015/16 final audited surplus; and
 - * – Accumulated external investment earnings of \$21.0 million.
- s.13
- The Fund is established under section 47 of the *Financial Administration Act* and intended to:
 - Help reduce the Province's taxpayer-support debt over time;
 - Make capital and operating investments in health care, education, transportation, family supports and other government priorities; and
 - Preserve a share for future generations.
- The Fund is simply another component of the government's Consolidated Revenue Fund. Annual revenue (e.g. investment income) and spending (excluding debt reduction) of the Fund are included as part of government's bottom line reported in the annual *Budget, Estimates* and *Public Accounts*.
- Under legislation, uses for the Fund are controlled by Treasury Board as follows:
 - 25% of the total of all amounts that have been transferred to or earned by the Fund must be retained by the Fund;
 - 50% (or 2/3 of the remaining 75%) must be used for reducing the debt of the taxpayer-supported government reporting entity; and
 - * – 25% will be available for priority spending including capital and operating improvements in health care, education, transportation and job training, and providing family supports.
- The Fund has real assets which are externally invested by Provincial Treasury following Treasury Board approved policies. As at March 31, 2019, funds are currently held in accounts at two chartered Canadian banks:
 - \$400 million of Fund principal is invested with RBC; and
 - \$100 million of Fund principal is invested with HSBC.

-

s.13

- The Fund has two primary investment objectives:
 - Capital preservation – to protect against decreases in Fund asset values; and
 - Income generation –

s.13

-

s.13

- On an annual basis, Provincial Treasury reviews the performance of the Fund's investments, asset allocation framework, and asset class policies to ensure that the investments are managed prudently.

-

s.13

-

- The Fund's legislation (under the FAA) says that if there is a surplus reported by the Comptroller General in the Public Accounts for the government reporting entity for a fiscal year, Treasury Board may, on or before September 15 following the end of the fiscal year, direct that an amount not exceeding that surplus be transferred from the government's main account (the General Fund) to the Fund.
- In respect of the 2016/17 fiscal year surplus, the outgoing Treasury Board decided NOT to make additional transfers to the Prosperity Fund, and – through a Treasury Board directive – required that all surplus General Fund cash balances at March 31, 2017 would be used to help reduce government's direct operating borrowing requirements and debt.

-

s.13

DISCUSSION:

2018/19 Final *Public Accounts* Results

- The audited *Public Accounts* show that there was a bottom-line surplus of \$1.5B as of March 31, 2019. Table 1 shows this was \$1.3B higher than budget and \$1.2B higher than the revised forecast in February 2019, as part of *Budget 2019*.

Table 1

Item	Estimated/Forecast/Actual Balances at March 31, 2019 (\$ millions)	A	B	C	C - A	C - B
		Budget 2018	Revised Forecast (Feb 2019)	Public Accounts (July 2019)	PAs Change from Budget	PAs Change from Revised Forecast
1	General Fund Surplus (Deficit)	52	1,245	1,936	1,884	691
2	Prosperity Fund Surplus (Deficit)	8	11	11	3	0
3	CRF Surplus/(Deficit)	60	1,256	1,947	1,887	691
4	Summary Accts Surplus/(Deficit)	219	374	1,535	1,316	1,161
5	General Fund Cash/Temp Invest Balances	s.13				
6	Prosperity Fund Cash/Temp Invest Balances	-				
7	CRF Cash/Temp Invest Balances	---				
8	Summary Accts Cash/Temp Invest Balances	2,790	2,546	3,029	239	483

Source: Public Accounts and TBS Estimates group.

- The bottom-line surplus includes results of central government, Crown corporations and agencies, school districts, universities, colleges and the health sector. Some of that combined budget surplus may be reflected in surplus year-end cash balances of central government and the broader Crown corporations and agencies sector.
- Under the *Financial Administration Act*, Treasury Board has direct authority to determine use of surplus cash balances of central government (the General Fund and CRF) – but not the broader provincial public sector.
-

s.13

- Provincial Treasury manages central government's cash flows carefully to ensure that new borrowing requirements are minimized. Additionally, Provincial Treasury is able to utilize surplus cash balances of broader public sector agencies when they voluntarily participate in the Centralized Deposit Program (CDP).
- Table 2 shows that taxpayer-supported debt at the end of 2018/19 was about \$2.5B lower than assumed in *Budget 2018*. This resulted in part from the use of the underlying cash component of the 2018/19 CRF surplus.

s.13

Table 2

(\$ millions)	Budget 2018	Opening Balance Adjustment ²	Updated Budget 2018	Actual 2018/19	Actual 2017/18
Taxpayer-supported debt					
Provincial government direct operating	-	-	-	-	1,156
Other taxpayer-supported debt (mainly capital)					
Education facilities	14,582	54	14,636	14,274	14,236
Health facilities	8,184	(81)	8,103	7,968	7,903
Highways and public transit	17,781	(239)	17,542	16,767	16,154
Other	4,651	193	4,844	3,672	4,158
Total other taxpayer-supported debt	45,198	(73)	45,125	42,681	42,451
Total taxpayer-supported debt	45,198	(73)	45,125	42,681	43,607
Self-supported debt					
Power generation and transmission	23,244	(254)	22,990	22,764	20,709
Other	580	82	662	517	603
Total self-supported debt	23,824	(172)	23,652	23,281	21,312
Forecast allowance	350	-	350	-	-
Total provincial debt	69,372	(245)	69,127	65,962	64,919
Debt to GDP					
Taxpayer-supported	15.5%		15.3% ³	14.5%	15.5%
Total	23.8%		23.4% ³	22.3%	23.0%

¹ Provincial debt is prepared in accordance with Generally Accepted Accounting Principles and presented consistent with the Debt Summary Report included in the *Public Accounts*. Debt is shown net of sinking funds and unamortized discounts, excludes accrued interest, and includes non-guaranteed debt directly incurred by commercial Crown corporations and debt guaranteed by the Province.

² The opening balance adjustment reflects actual balances at March 31, 2018 (the *Budget 2018* projection was based on a forecast for 2017/18).

³ Revised to reflect Statistics Canada's Provincial Economic Accounts update released on November 8, 2018.

Funds Management for the Prosperity Fund

s.13

Table 3

s.13

•

•

OPTIONS:

2018/19 Final *Public Accounts* Results

s.13

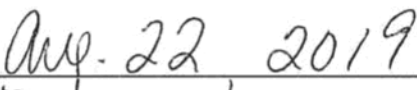
s.13

Recommendation:

s.13



Carole James
Minister and Deputy Premier



Date

Ministry of Finance
BRIEFING DOCUMENT

To: Honourable Carole James
Minister of Finance
and Deputy Premier

Date Requested:
Date Required:

Initiated by: Tonya Young
Manager
ITA, Related Programs

Date Prepared: August 1, 2019

Ministry
Contact: Francis Camilleri
Executive Director
Income Taxation Branch

Phone Number: 778 698-1793
Email: Francis.Camilleri@gov.bc.ca
CLIFF# 383754

TITLE: Definition of Employer Health Tax lien form

PURPOSE: FOR INFORMATION

The *Employer Health Tax Act* includes administrative provisions for registering a lien against the title of a property, in the case of an outstanding tax debt.

The legislation requires the administrator to use the form prescribed in the *Employer Health Tax Regulation* (the regulation). This OIC amends the regulation to prescribe the definition of that form.

COMMENTS: The anticipated form is identical in its essential content to the form prescribed in the *Provincial Sales Tax Act* and the *Speculation and Vacancy Tax Act*.

DATE PREPARED: August 1, 2019

TITLE: Definition of Employer Health Tax lien form

ISSUE: OIC is required to amend the *Employer Health Tax Regulation* to define the prescribed form to register a lien on a property with respect to a debt under the Employer Health Tax

BACKGROUND: The *Employer Health Tax Act*, in force from November 2018, states at s.84(2) "...the commissioner may register a lien (a) against the real property [of a person, associated corporation or related individual] by registering a certificate of lien in the prescribed form in the appropriate land title office in the same manner that a charge is registered under the *Land Title Act*".

The prescribed form, as in general practice, is to be defined by the act's associated regulation: in this case, the *Employer Health Tax Regulation* (B.C. Reg. 268/2018). As of this date, the regulation does not contain that definition.

DISCUSSION:

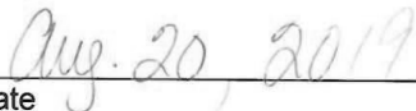
The OIC amends the regulation to add a new section and a new schedule, which read in concert provide a definition of the form to be used for registering a lien.

The form is necessary in order to register a lien. Without the ability to place a lien on a property in the case of a tax debt, the possibility exists that an indebted owner may sell their property and leave the province, abandoning the debt.

This form has been designed to mirror the form used for Provincial Sales Tax and Speculation and Vacancy Taxes¹⁴ and by the Receivables Management Office of the Ministry of Finance Revenue Division, the work unit to whom Ministerial authority to perform this action will be delegated.



Carole James
Minister of Finance and Deputy Premier



Date

Ministry of Finance

BRIEFING DOCUMENT

To: Honourable Carole James
Minister of Finance
and Deputy Premier

Date Requested: July 26, 2019

Date Required: August 1, 2019

Initiated by: Chris Dawkins
A/Assistant Deputy Minister
Policy and Legislation Division

Date Prepared: July 30, 2019

Ministry Contact: Timothy Prisiak
A/Director, Securities Policy
Financial and Corporate Sector
Policy Branch

Phone Number: 778-698-5268

Email: Tim.Prisiak@gov.bc.ca

Cliff #: 383697

TITLE: Exemptive Relief Affecting Self-Regulatory Organizations in the Securities Industry

PURPOSE:

(X) FOR INFORMATION

DATE PREPARED: July 30, 2019

TITLE: Exemptive Relief Affecting Self-Regulatory Organizations in the Securities Industry

ISSUE: An e-mail was sent to Paul Bretscher by Laura Paglia, a lawyer from Borden Ladner Gervais, regarding potential impacts of her clients' requests for regulatory fee relief from the Mutual Fund Dealer's Association (MFDA). This note discusses the related issues.

BACKGROUND:

On July 26, 2019, Laura Paglia, a lawyer from Borden Ladner Gervais, indicated that her clients, a group of companies including several credit unions in BC, would be seeking exemptive relief that may "give rise to wider considerations regarding the future role of ... self-regulatory organizations in British Columbia." She also indicated that she believes these "considerations would involve the Ministry of Finance." However, she was unwilling to provide details about the nature of the exemptive relief.

The securities industry in British Columbia is regulated by the independent, arm's length British Columbia Securities Commission (BCSC). Although the BCSC is accountable to the Minister of Finance as an independent Crown corporation, the Ministry of Finance does not direct its operations or interfere in its statutory decision-making. Where the Minister of Finance does have a direct role is through the rule-making process. Through this process, every rule that the BCSC creates must receive approval-in-principle from the Minister of Finance, go through a public consultation process of at least sixty days, and be provided again to the Minister for final approval of the proposed text.

The BCSC has provided two formal recognition orders through its own order-making power for two self-regulatory organizations (SROs) in the securities industry in BC. The SROs are IIROC and the MFDA. IIROC regulates investment dealers and their representatives and the MFDA regulates mutual fund dealers. Some firms in the securities industry are members of both IIROC and the MFDA.

Each SRO is recognized across the country by nearly all of the 13 provincial/territorial regulators. Each SRO also has a principle regulator among the provincial regulators – the BCSC is the principle regulator for the MFDA. As the principle regulator, the BCSC oversees the MFDA and helps it to meet its obligations, including:

- reviewing information filed by the MFDA under its recognition orders;
- reviewing and approving new and amended rules, policies and other similar instruments and by-laws of MFDA;
- performing periodic reviews of the MFDA's regulatory functions; and
- dealing with matters or issues raised by MFDA Members, investors and other stakeholders with respect to the regulatory activities of the MFDA.

Both the MFDA and IIROC charge fees to member firms and dealers to operate in the securities industry in British Columbia.

DISCUSSION:

In a discussion on July 29 with Ms. Paglia, ministry staff asked her to clarify the concerns she expressed in her e-mail. She indicated that her clients, who are members of both the MFDA and IIROC, would be seeking exemptive relief that would allow them to redirect their fees to IIROC instead of the MFDA. As these clients form a significant part of the fee revenue for the MFDA in BC, she believes this exemptive relief will have a material impact on the MFDA's bottom line which may impact its ability to operate. Since the BCSC is the principal regulator of the MFDA, she believes the Minister of Finance should be made aware of the impact to the MFDA.

Ministry staff reinforced with Ms. Paglia that the BCSC is an independent regulator established at arm's length and that the Ministry does not interfere with its regulatory decisions, unless it is an exceptional circumstance. She indicated that the proposed exemptive relief that her clients are seeking would not require a change to the BCSC's rules or a change to the BCSC's recognition orders for either the MFDA or IIROC.

Page 04 of 41 to/à Page 14 of 41

Withheld pursuant to/removed as

s.13 ; s.14

Page 15 of 41 to/à Page 17 of 41

Withheld pursuant to/removed as

s.13 ; s.14 ; s.16

SPECULATION AND VACANCY TAX: AREA OF THE TAX

I. ISSUE

Should the boundaries of the tax be expanded or reduced?

II. BACKGROUND

The SVT applies in specified areas of the province; currently these areas are municipalities within the Capital Regional District and municipalities within the Metro Vancouver Regional District (excluding the village of Lion's Bay), the cities of Abbotsford, Chilliwack, Kelowna, Nanaimo, West Kelowna, the Districts of Mission and Lantzville and the University of British Columbia Lands and University Endowment lands.

The Mayors of Belcarra, West Kelowna and Langford have been strong advocates of their communities being removed from the SVT.

III. DISCUSSION

The SVT areas can be changed to add or remove a specified community by regulation. The STV areas were chosen to limit the impact on BC residents who own vacation homes and cottages in rural settings. The urban centers which have been chosen are ones with significant vacancy and affordability issues.

Belcarra

Belcarra is a small municipality that is a 20 minute drive from Coquitlam and a 10 minute boat ride from North Vancouver. Given its proximity to North Vancouver and other city centres in the Metro Vancouver Regional District, it was determined that Belcarra should be within the SVT area. Since the imposition of the tax, both the mayor and the residents of Belcarra have complained that the tax is an unfair burden on them.

s.13; s.16

s.13; s.16

West Kelowna

The Kelowna area is an urban center with a large resident population and a public university. It also serves as a recreational area for other BC residents and Canadians. Kelowna and West Kelowna were included in the speculation and vacancy tax because of severe rental shortages and housing affordability issues.

s.13; s.16

Langford

The Mayor of the Town of Langford has also come forward to oppose the tax. Langford is one of the few communities which has changed their development approval process to ensure that new housing is created as quickly as it can be built. s.13; s.16

s.13; s.16

s.13; s.16

IV. OPTIONS**OPTION 1:** s.13; s.16

s.13; s.16

OPTION 2: s.13; s.16

• s.13; s.16

•

•

V. EVALUATION

s.13; s.16

s.13; s.16

VI. RECOMENDATION

OPTION 1: ^{s.13; s.16}

VII. DECISION

Option 1 / Option 2 ^{s.13; s.16}

SPECULATION AND VACANCY TAX: MILITARY EXEMPTION

I. ISSUE

Canadian Forces members who have extended tours may not qualify for a principal residence exemption under the *Speculation and Vacancy Tax Act*.

II. BACKGROUND:

s.13

The temporary absence exemption is available for one year out of every ten.^{s.13}

s.13

s.13

s.13 The two active CF bases in BC are located in Comox and Esquimalt. Esquimalt is inside the SVT area, and Comox is outside. The various reserve units are based in cities across BC, including Metro Vancouver and the Capital Regional District.

III. DISCUSSION:

Tax Policy Branch is aware of two types of situations that have generated complaints about the SVT:

1. The home of a CF member is subject to the tax

A home is owned directly by a CF member or a CF member's spouse and is subject to the tax due to an absence caused by the CF member's military service. But for their military service, the CF member would qualify for the principal residence exemption. Tax Policy Branch is aware of eight complaints from the public that would fall under this category.

s.13

s.13

First Scenario:

s.13

Second Scenario:

s.13

Administration and Implementation

The declaration is currently being reviewed for amendment. It is possible to make changes for the 2019 tax year in time for the declaration process in January 2020.

s.13; s.15

IV. OPTIONS:**OPTION 1:** ^{s.13}

- s.13
-

OPTION 2: ^{s.13}
s.13

- s.13

-
-

-

-

OPTION 3: ^{s.13}
s.13

s.15

VI. EVALUATION:

s.13

VI. RECOMMENDATION:

s.13

VIII. DECISION:

Option 1 / Option 2 / Option 3

SPECULATION AND VACANCY TAX: REFUGEES

I. ISSUE

Should a specific exemption for individuals who have refugee status be created?

II. BACKGROUND

Refugee status is determined by the Federal Government. Once a refugee has been granted Convention Refugee/Protected Person status, they are able to live and work in Canada. Although individuals with refugee status are eligible to become permanent residents of Canada, there is no requirement that they do so. Also, there is no time limit for how long a refugee can remain with only refugee status while living in Canada.

For the purposes of the SVT, a refugee is considered a foreigner unless they have obtained permanent resident status. There is currently no specific exemption for individuals who have refugee status. They do however, qualify for any exemption available to foreign individuals, including the income tax credit available to foreigners who work and pay taxes.

Tax Policy has been made aware of one refugee who has appealed their SVT bill.

III. DISCUSSION

s.13

s.13

s.22

s.13; s.22

IV. OPTIONS

OPTION 1: s.13

- s.13

-

OPTION 2: s.13

- s.13

-

-

-

V. EVALUATION

s.13; s.22

VI. RECOMMENDATION:

s.13

VII. DECISION:

Option 1 / Option 2

SPECULATION AND VACANCY TAX: RESTRICTED ACCESS PROPERTIES

I. ISSUE

Should properties that are only accessible by water be exempt?

II. BACKGROUND

The regions of the speculation and vacancy tax were chosen in part because they had a limited impact on "cabins" owned by British Columbians. However, there are some regions like Belcarra within the SVT areas that contain a number of summer properties or cabins that are not easily accessible.

Some taxpayers have complained that it is unfair to have the tax apply to a secondary property that is only accessible by water. One area that has generated complaints is Belcarra. Belcarra is a small municipality that is a 20 minute drive from Coquitlam and a 10 minute boat ride to North Vancouver. (See Appendix A)

Given its close proximity to Vancouver and the relative ease of access to both downtown Vancouver and other urban centres, Belcarra is subject to the SVT.

III. DISCUSSION

The SVT does not apply to islands that are only accessible by water. This was intended to exempt remote island areas within the SVT boundaries, which were more likely to contain cabins and recreational properties where commuting to work is not feasible.^{s.13}

s.13

s.13

s.15

s.15

IV. OPTIONS

OPTION 1: ^{s.13}
s.13

OPTION 2: ^{s.13}
s.13

V. EVALUATION

s.13

s.13

VI. RECOMMENDATION

s.13

VII. DECISION

Option 1 / Option 2

APPENDIX A:

Copyright

APPENDIX B:

s.22

APPENDIX C:

s.22

SPECULATION AND VACANCY TAX: SEASONAL PROPERTIES

I. ISSUE

Should seasonal properties be exempt?

II. BACKGROUND

The regions of the speculation and vacancy tax were chosen in part because they had a limited impact on summer "cabins" owned by British Columbians. However, there are some regions within the SVT areas that contain a number of summer properties or cabins that may not be currently liveable year-round

Some taxpayers have complained that it is unfair to have the tax apply on a property that cannot be lived in year-round, due to a lack of heating, electricity or running water. Some complaints have come in from areas like Belcarra and areas on the border of the SVT area, such as the northern edge of Maple Ridge. Tax Policy is aware of only two such complaints regarding seasonal properties not capable of being lived in year-round.

Given their proximity and the relative ease of access to downtown Vancouver, both Belcarra and Maple Ridge are subject to the SVT.

III. DISCUSSION

The SVT does not apply to islands that are only accessible by water. This was intended to exempt remote island areas within the SVT boundaries, which were more likely to contain cabins and recreational properties where commuting to work is not feasible.^{s.13}

s.13

Residents from the community of Belcarra and Maple Ridge have complained that their properties are not habitable year-round because they do not have insulation, running water, consistent maintained road access to properties or a sewer system.^{s.13}

s.13

s.13

s.22

s.22

IV. OPTIONS

OPTION 1: s.13
s.13

OPTIONS 2: s.13
s.13

V. EVALUATION

s.13

s.13

VI. RECOMENDATION

s.13

VII. DECISION

Option 1 / Option 2

APPENDIX A:

s.22

APPENDIX B

s.22

s.22