

The infographic features a central large light blue gear with a white circle in the middle. Surrounding this central gear are several other gears of different sizes and colors: teal, orange, and green. Some of these surrounding gears have white circles in their centers. The background is a light blue gradient with faint white dashed circles. The text is distributed within these white circles and in the central gear's center.

Local
Government
in BC

A COMMUNITY EFFORT

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

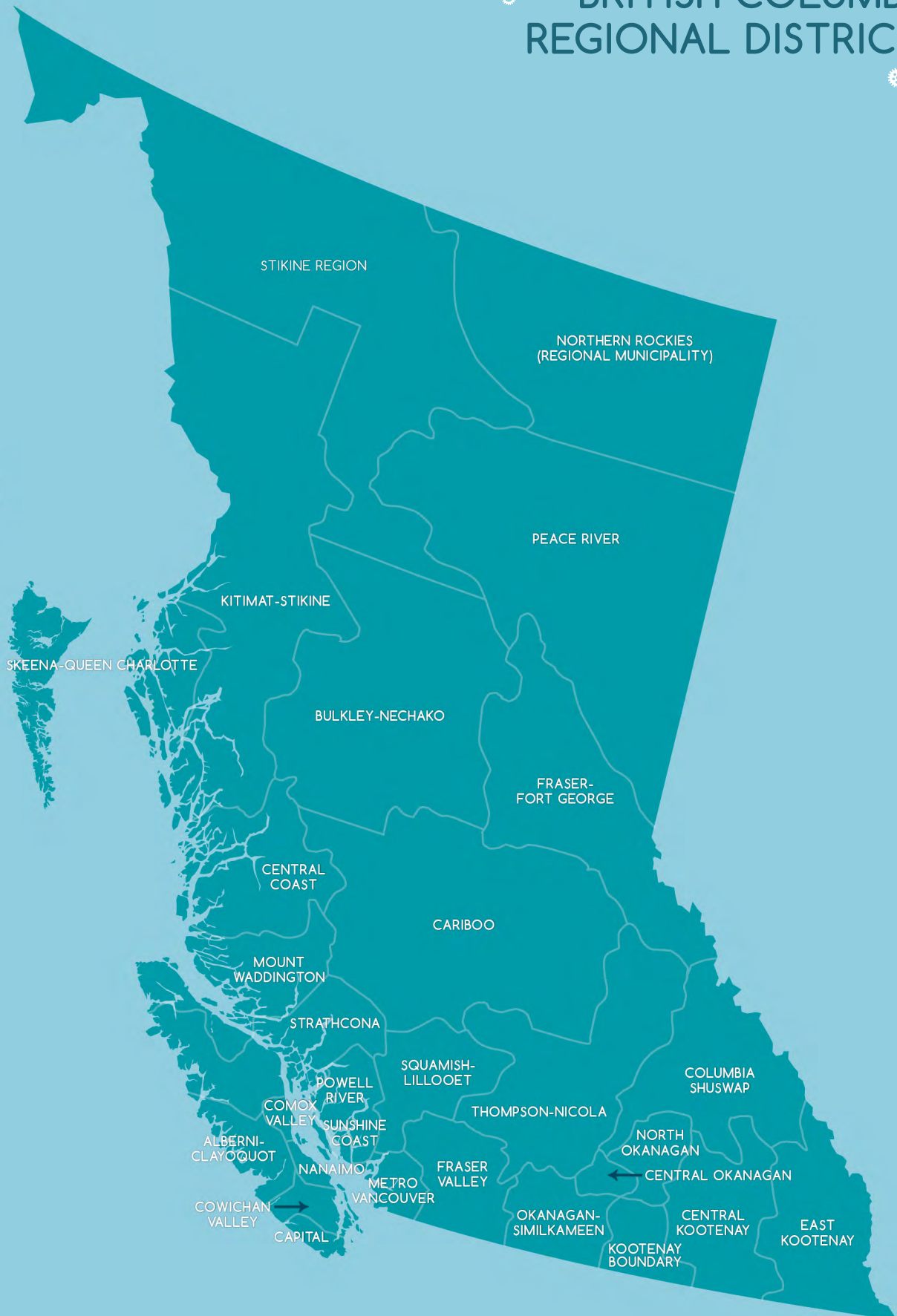
Updated 2015

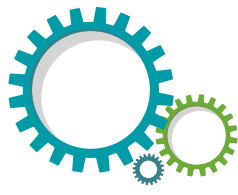


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BRITISH COLUMBIA REGIONAL DISTRICTS





INTRODUCTION



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.



ADVISORY GROUP

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



COLLECTIVE POPULATION BY LOCAL GOVERNMENT TYPE

VILLAGES:	45,000
TOWNS:	213,000
DISTRICTS:	713,000
CITIES:	2,926,000
RD ELECTORAL AREAS:	607,000

LOCAL GOVERNMENT

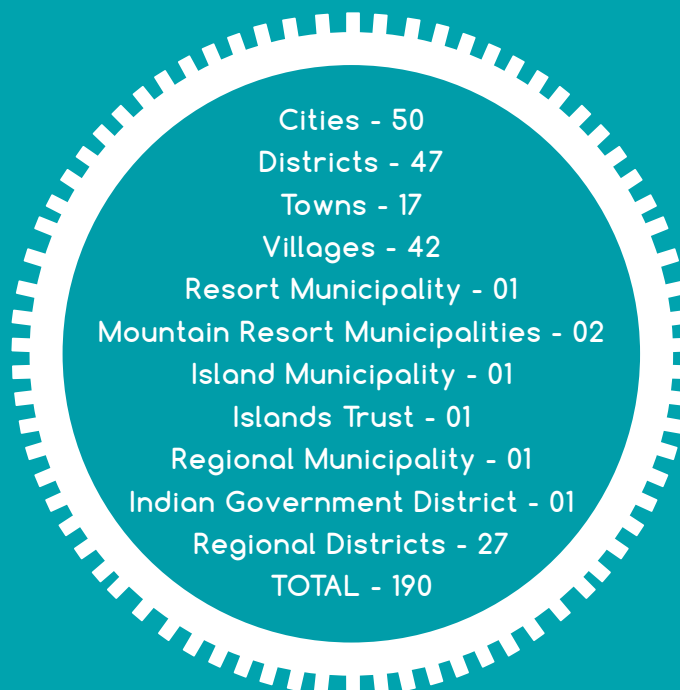
Local government is the most accessible and responsive level of government. The municipal councils and regional boards are local citizens elected by the community and local government staff are community members. Together with the citizen volunteer and advisory groups, local government is you and your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

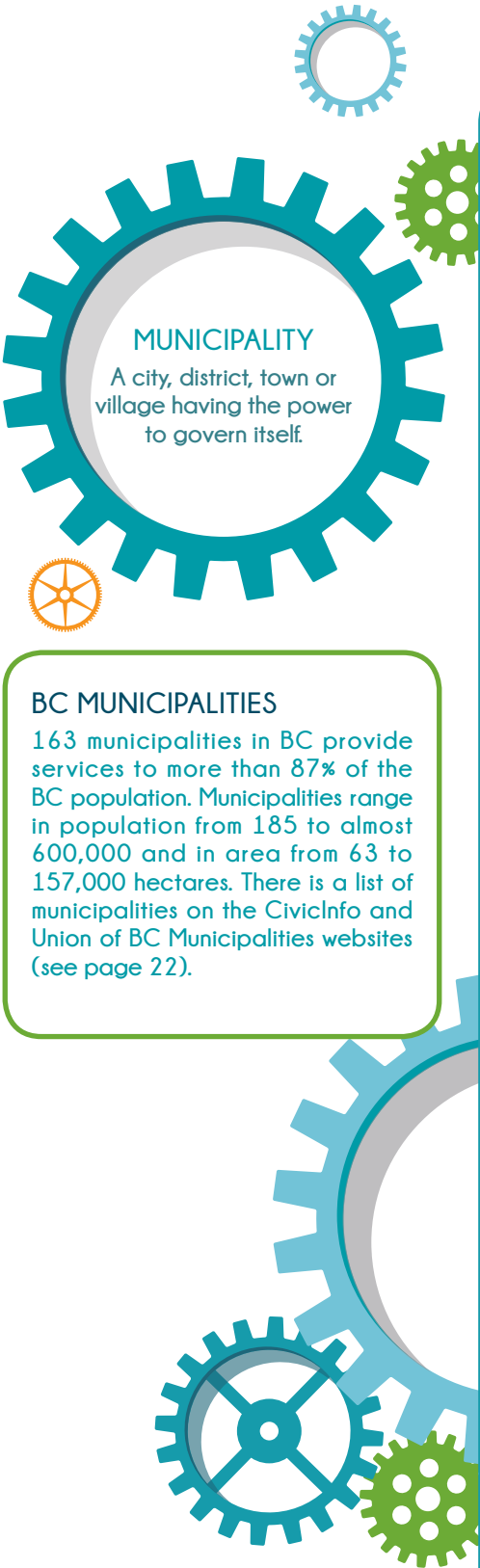
INFORMATION

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.

NUMBER OF LOCAL GOVERNMENTS IN BC BY TYPE







MUNICIPALITY

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

BC MUNICIPALITIES

163 municipalities in BC provide services to more than 87% of the BC population. Municipalities range in population from 185 to almost 600,000 and in area from 63 to 157,000 hectares. There is a list of municipalities on the CivicInfo and Union of BC Municipalities websites (see page 22).

LOCAL GOVERNMENT IN BRITISH COLUMBIA

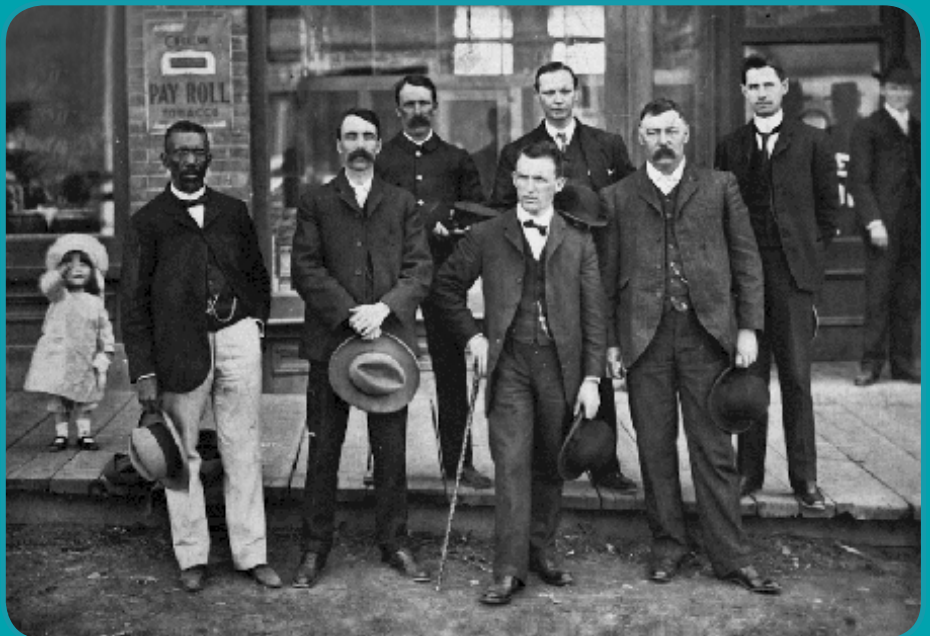
Local government can mean either municipalities or regional districts. Municipalities were first formed in the late 1800s when residents of the Lower Mainland, Vancouver Island and the Kootenays saw the need for their growing communities to have the benefit of locally provided, and locally controlled, 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 three functions: to deliver local services to rural areas outside of municipalities; to provide a way for municipalities and rural areas to jointly fund services which benefit the entire region; and to provide sub-regional services.

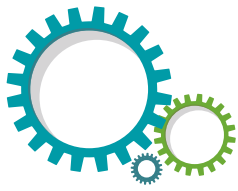
Some treaty First Nations in BC are empowered to operate similar to local governments. Their members elect a council which sets bylaws and policies; levies taxes; and provides local services.

However, the authorities of these treaty First Nations are not set out in the *Community Charter* or *Local Government Act* - different legislative frameworks apply.



Kamloops City Council, 1905.

Image C-08771 courtesy of the Royal BC Museum, BC Archives



MUNICIPALITIES

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. There is a provincial ministry 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 provincial ministry responsible for local government. 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*.

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 municipality or regional district; boundaries are established; and it is given power to govern itself.

ACT

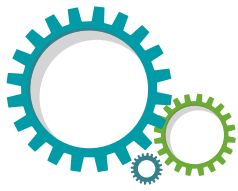
A product, such as a statute, decree, or enactment, resulting from a decision by a legislative or judicial body.

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.



REGIONAL DISTRICTS

REGIONAL DISTRICT

A federation of rural areas, municipalities and in some cases First Nations, empowered to work together to plan, provide services and deal with issues on a regional scale.

ELECTORAL AREAS

Areas in a regional district outside of municipal boundaries. Each area is represented by a directly-elected representative, called an "Electoral Area Director."

THE REGIONAL DISTRICT SYSTEM

Most of BC's territory consists of rural areas outside municipal boundaries. These rural areas are home to 13 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 area voters (those outside of municipal boundaries) and serve four-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.

RURAL

13% of the total population votes to elect electoral area directors for a 4-year term on the regional district board

MUNICIPAL

87% of the total population votes to elect municipal council members for a 4-year term. Municipal council appoints directors to the regional district board

REGIONAL BOARD

Selects one of the directors as chair, deals with regional issues and services, such as planning and environmental management



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 other examples of services delivered by regional districts.

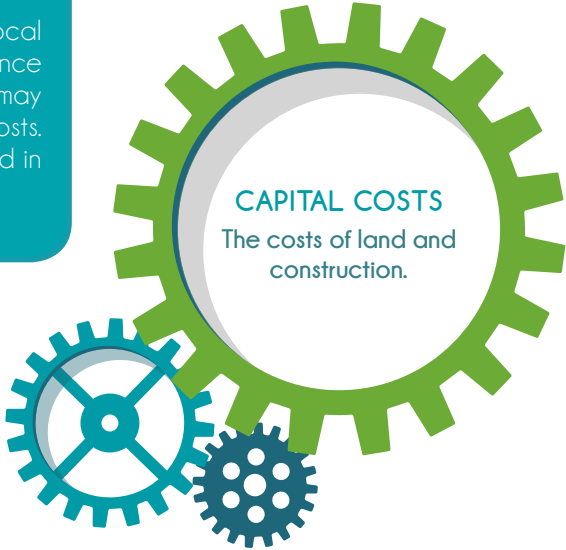
REGIONAL HOSPITAL DISTRICTS

Regional Hospital Districts (RHDs) are separate bodies that provide the local share for financing hospital construction, operating in all areas of the province except Metro Vancouver. They ensure that all the residents of an area that may receive hospital services make an equitable contribution to its capital costs. RHDs do not fund or direct the operations of hospitals; they are only involved in financing the hospitals' construction.

SPANNING THE PROVINCE

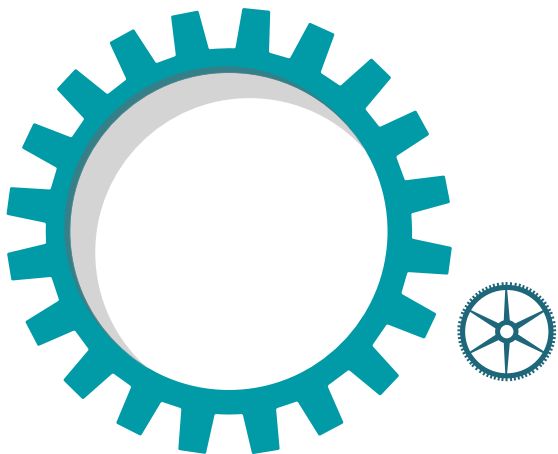
BC's 27 regional districts represent all of the province's municipalities and rural areas (except the Stikine region in the northwest of BC). Regional districts are very diverse. Their estimated populations range from 2.3 million in Metro Vancouver to the Central Coast with 3,200 residents. They serve from 2,008 square km in Nanaimo to 120,000 square km in Peace River.

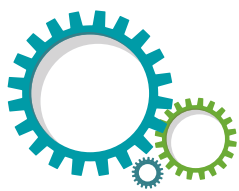
Spanning both municipal and rural boundaries, regional districts deliver services to wide areas with common needs. Typically they coordinate services that a single municipality cannot provide, such as a large recreational complex, or a major sewage system.



CAPITAL COSTS

The costs of land and construction.





COMMUNITY PARTICIPATION

ELECTION

People in the community vote to select the municipal council or electoral area directors on the regional district 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 in an election or referendum.

PETITION

A formal request submitted to a government or other 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 four-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. Exceptions or reasons for disqualification, are detailed in the *Local Government Act* and *Community Charter*. 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 provincial ministry responsible for local government.

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 fourth year. 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 but the council or board is not required to act on the results of these referenda.

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.

Note that if property is owned by a corporation, even partially, no owner of that property is entitled to vote on behalf of the property.

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 by returning petitions in the time period provided, elected officials must reconsider the decision or hold a referendum. If less than 10% of eligible voters express opposition, the proposal may go ahead.

PARTICIPATING IN PUBLIC CONSULTATIONS & HEARINGS

Public consultations are informal opportunities for local governments to seek input and discuss and explain issues with members of the public. They 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.

A requirement for public consultation is also found in the *Community Charter*. The annual report of a local government must be considered at a council or board meeting or other public meeting, with opportunity for questions and submissions from the public.

ATTENDING COUNCIL OR BOARD MEETINGS

Council meetings and regional district board meetings are regularly occurring and usually held in the evening in the offices of the local government. The meeting frequency may differ between local governments, but the schedule will be available on the local government website and at the local government office.

Meetings are open to the public. In certain cases, however, a portion of the meeting may be closed to the public in order to discuss sensitive matters, such as personnel, legal actions or land negotiations.

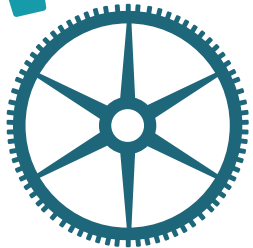
Most local governments provide time during meetings for residents to address the council or board. As the chair of the meeting, all comments and questions must be addressed to the Mayor or regional district board Chair, not to individual councillors or board directors. Persons addressing council or board are required to state their name and address for the record.

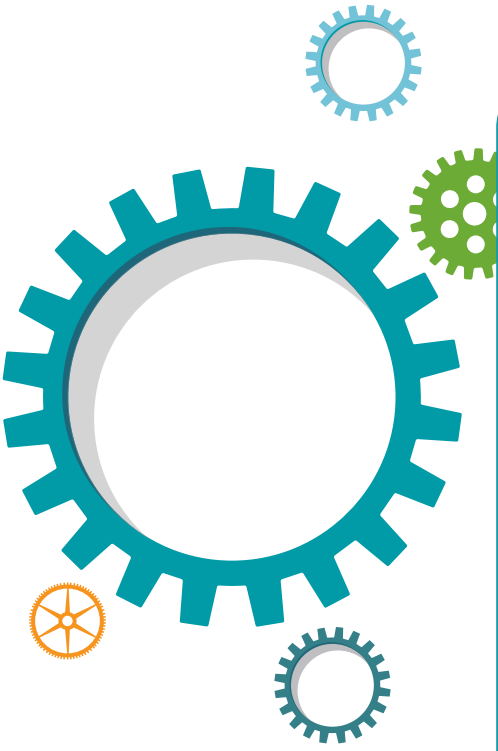
Minutes of the proceedings are recorded, and are formally adopted at the next meeting as the true and correct record of the meeting. The minutes of the meetings are open to public inspection, except for any portion of a meeting that was closed to the public for discussion of sensitive matters. Minutes are available on the website of most local governments, and at the local government office.

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, limit registration of electors to registration at the time of voting; or it may, by bylaw, provide the most current available provincial list of voters as the register of resident electors. 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 registering at the municipal or regional district office, or at a voting place on election day.



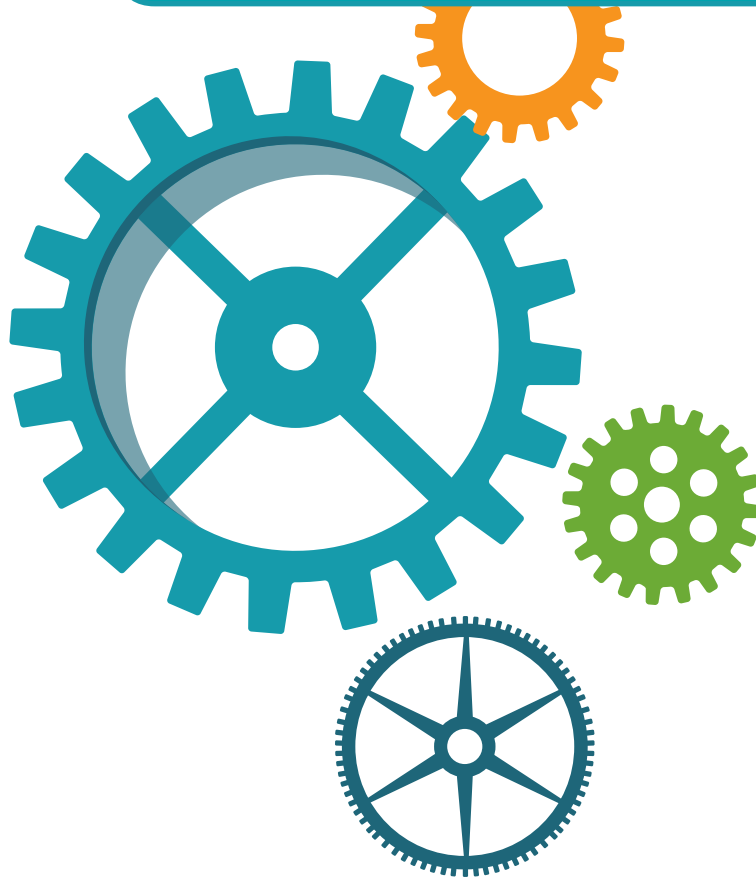


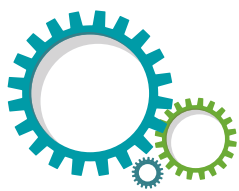
VOLUNTEERING FOR A LOCAL GOVERNMENT BODY

Volunteer committees and commissions help local government officials by making recommendations on certain types of discussions. 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.

MAKING YOUR VIEWS KNOWN

Residents may also make their views known to their local representatives by contacting local government officials and staff. 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.





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 five, seven or nine council members including the mayor, depending on population. The City of Vancouver has an eleven-member council consisting of the mayor and ten councillors.

The regional district board is comprised of elected rural representatives - electoral area directors - as well as representatives appointed from municipal councils. The board has administrative and legislative responsibilities similar to a municipal council.

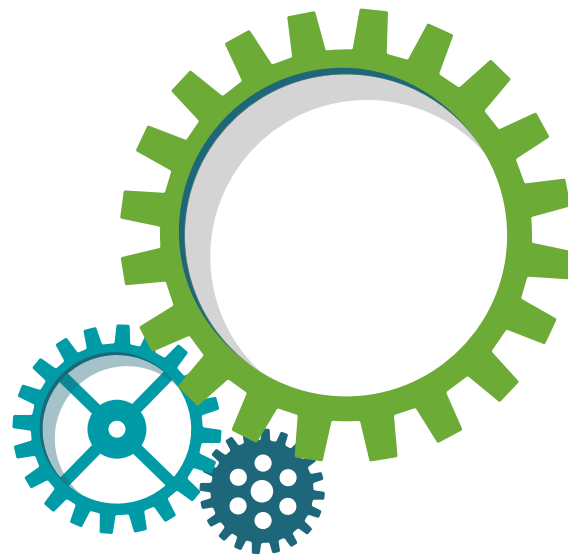
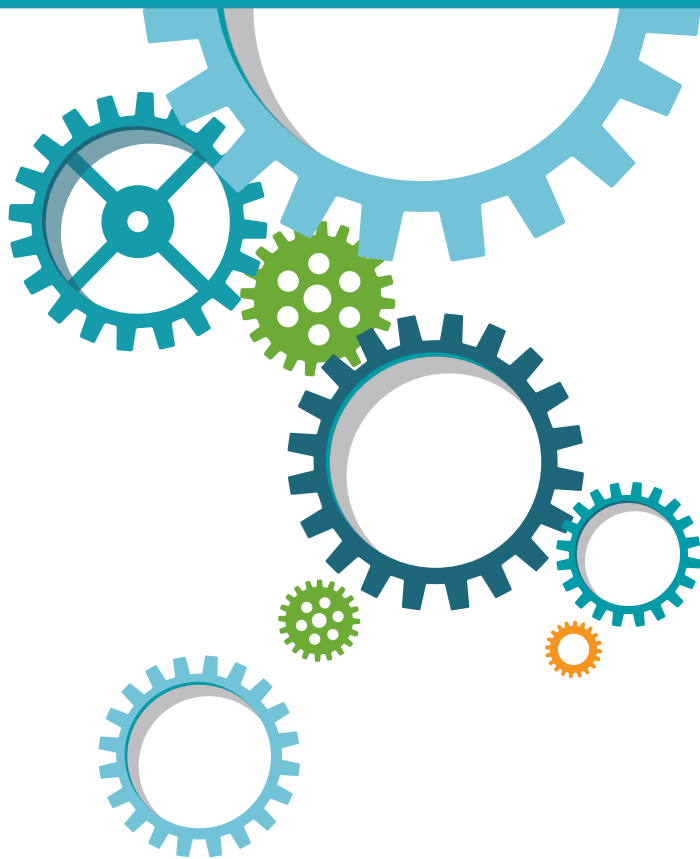
REMUNERATION

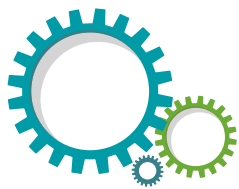
Money paid to a person in exchange for services rendered.

COUNCIL AND BOARD INDEMNITIES

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

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





POLICY



BYLAW

Law enacted by local government elected officials to govern and control the actions and services of a regional district or municipality.



RESOLUTION

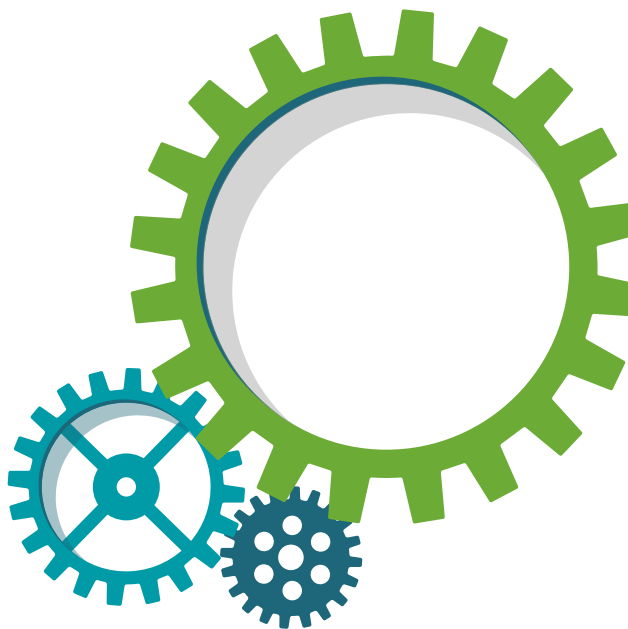
A decision, opinion, policy, or instruction of a regional district board or municipal council, expressed in a formal written document and decided by board or council vote.

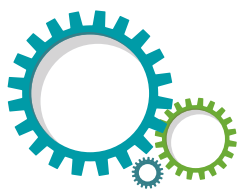
All powers of a council or regional district board are exercised by bylaws and resolutions. The *Community Charter* states that these decisions can only be made at regular or specially convened council or board meetings where there is a quorum, or fixed number of Council members present. A quorum is a majority of the council members – for example, six for Vancouver’s eleven-member council or 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 to other agencies or governments for review, they often consult with neighboring local governments, the provincial or federal government, or other organizations when the decisions might affect other bodies.





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 local governments this role may be combined with corporate and/or financial administration.

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.

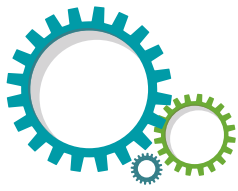
The corporate officer is the “expert” on procedures for meetings and advises the elected officials as required. Official correspondence is usually addressed to the corporate officer, who also has the authority to enter into correspondence on behalf of the council or board.

Financial Officer

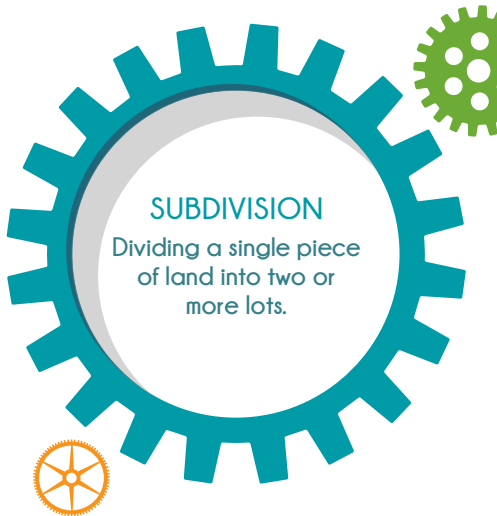
The financial officer is responsible for the local government’s finances. In addition to the usual accounting functions and the preparation of financial statements, the financial officer is responsible for the safekeeping of money and securities, investing funds and ensuring that local government expenditures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





ADMINISTRATION



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

LOCAL SERVICES

Basic services essential to the well-being of a community, including but not limited to water, sewage disposal, fire protection, garbage collection, roads, sidewalks, and street lights.

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.

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 criteria 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.

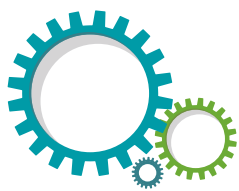
Recreation Director

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.



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 staff administer the services, regulation and land management that the board or council decides to undertake. They may build relationships and work collaboratively with other governments and agencies to do so.

EXAMPLES OF LOCAL SERVICES

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

REGULATION

Local governments provide regulation in several different areas:

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

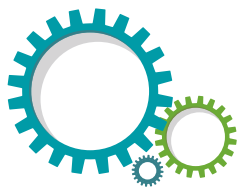
LAND MANAGEMENT

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.





FUNDING



BUDGET

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

EXPENDITURE

Money spent for a specific purpose.

CAPITAL EXPENDITURE

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

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.

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 close to \$7 billion annually. In addition, regional districts spend approximately \$1.4 billion a year in total.

Because local government is a service industry, it is not surprising that 60 percent of a typical local government budget goes to salaries. Local governments in BC employ some 61,000 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, others 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. 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 and other orders of government also pay grants to local government; grants which make up approximately 7-8 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.

STRICT BUDGET CONTROLS AND NO-DEFICIT FINANCING

Councils and boards direct the financial officer to prepare a five-year financial plan. The plan is adopted annually by bylaw each year prior to May 15 for municipalities and prior to March 31 for regional districts. 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 at the end of the year to the community on what they have done.

USER FEES

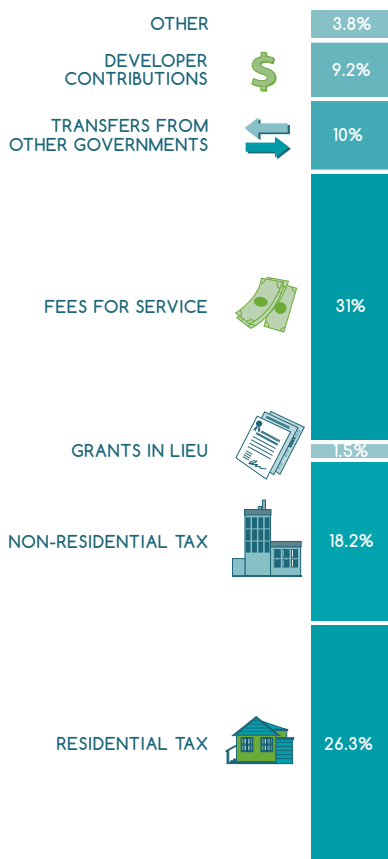
Fees charged to users of goods or services provided by the local government.

LOCAL GOVERNMENT BORROWING

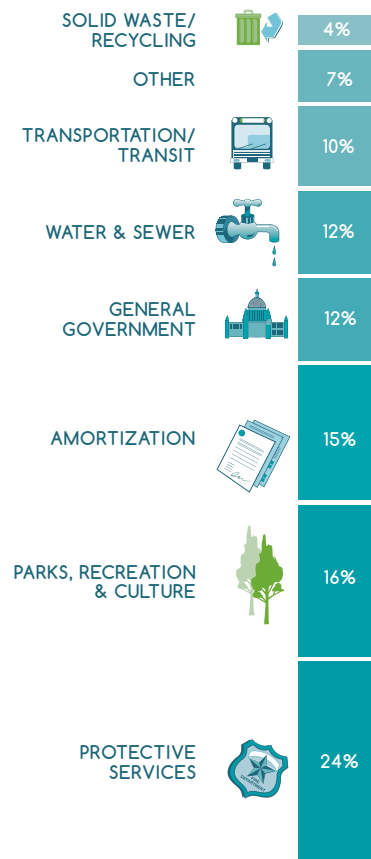
Local governments can borrow monies to finance capital projects, such as water and sewer system construction, recreation facilities, and roads. The amount they can borrow is limited by the *Community Charter*.

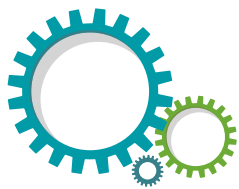
All local governments (except the City of Vancouver) finance long-term debt through the Municipal Finance Authority. The Authority, which is established under provincial law and managed by representatives of all regional districts, has an excellent credit rating, due to the security it can offer to lenders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

SOURCES OF GENERAL MUNICIPAL REVENUES



MUNICIPAL OPERATING EXPENSES





PROPERTY TAXATION AND ASSESSMENT

PROPERTY TAX: KEY FUNDS FOR LOCAL GOVERNMENT

Every property owner in British Columbia contributes to the funding of local government, by paying property tax. In BC, there are specific procedures for collecting and assessing property data, calculating and carrying out billing and payment of property tax. Collectively, this set of procedures forms the property assessment and taxation system. The three parts of the property assessment and taxation system - collection and assessment of property data; calculation of property tax; and billing and payment - are handled by particular groups.

Assessment

The BC Assessment Authority (BC Assessment), an independent agency is responsible for the first part of the process - collecting data, and assessing, real property. It determines the assessed value and the correct classification for every home, business, farm and industry in BC. It then produces a list of all properties and their assessed value: the "Assessment Roll".

Calculation

The second part of the property assessment and taxation system, calculation of property tax, is carried out by taxing authorities. The main taxing authorities are the provincial government, municipalities, and regional districts. They use the data provided by BC Assessment, the Assessment Roll, in making their calculations.

Each year, property owners receive two notices - an assessment notice and a tax notice. Both notices inform the process of calculating each property owner's share of the local property tax base.

The assessment notice provides the assessed value of a particular property. The taxing authority then applies a tax rate to the assessed value of the property to determine the property taxes payable. Represented as a formula, here is the calculation:

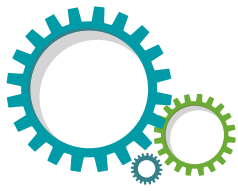
$$\text{assessed value} \times \text{tax rate} = \text{property tax payable}$$

Each amount - assessed value, tax rate and property tax payable - is given on the tax notice.

Billing and Payment

Tax billing agencies are responsible for sending out tax notices. They then work on behalf of taxing authorities to collect payment of property taxes. Municipalities serve as their own tax billing agencies. For unincorporated areas - regional district electoral areas - the provincial government serves as the tax billing agency.

TAX NOTICE: MUNICIPALITY		2014 Tax Notice	
To: Mr. John Doe 1234 Mt. Pleasant Road Port Somewhere B.C. V5T 1Z1 [Due: July 1, 2014]		Municipal Hall Port Somewhere B.C. V5T 1Z1	
PROPERTY TAX LEVIES		TAXABLE VALUE	TAX PAYABLE
Local School Tax - residential	65,000	7.69	499.85
Less: Home Owner Grant			(570.00)
Net School Taxes			29.85
General Tax - residential	65,000	10.23	664.95
Regional Dist - residential	65,000	.49	31.85
Hosp/BCAA/MPD - residential	65,000	.66	42.90
Water Frontage Tax	50	1.65	62.50
			802.20
			0.00
			802.20
			\$ 832.05



ASSESSMENT

PROPERTY ASSESSMENT IN GREATER DETAIL

Since 1974, all property assessments have been carried out by the BC Assessment Authority. The catalyst for establishing the BC Assessment Authority was the recognition of a lack of uniformity in assessments between local governments. The lack of consistency made it difficult for taxpayers to understand how property value was established. Today BC Assessment is an independent Crown corporation with 15 area offices province wide, and a database containing information on 2.1 million properties.

Annual Assessment Roll

On December 31 each year, BC Assessment releases the new assessment roll. The assessment roll lists every property in the province for which property tax can be levied, specifying the assessed value and the property class. The assessment notice sent to each property owner in BC is based on the data from the assessment roll.

Establishing the Assessed Value

The assessed value is based on the actual value of a property, the market value - estimated sale price - as of a specific date. To determine the actual value of a property, the assessor considers multiple factors including, but not limited to, location; land area and topography; size and age of building or improvements; replacement cost; condition; and the selling price of comparable properties in the area. The assessor may then apply exemptions to the actual property value, if any of the factors are seen to affect the property's worth. This adjusted figure (if adjustments are deemed necessary by the assessor) is the assessed value of the property.

Changes in assessed value reflect alterations in market value. A variety of factors might impact the market value of a property. For example:

- 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; or
- the local government may have altered zoning for the area.

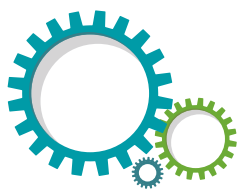
Assessments established by the BC Assessment Authority are subject to an extensive appeal procedure through the Property Assessment Review Panel, the Property Assessment Appeal Board and the BC Supreme Court. Assessments can be appealed immediately after BC Assessment mails the assessment notices. Appeals must be received by the end of January each year.

ASSESSMENT CLASSES

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

The nine classes are as follows:

1. Residential
2. Utilities
3. Supportive Housing
4. Major industry
5. Light Industry
6. Business and Other
7. Managed Forests
8. Recreational Property/Non-Profit Organization
9. Farm



PROPERTY TAXATION



REQUISITION
A formal request for payment.

SETTING TAX RATES

Local governments use a three-step process to determine the property tax rates for a given year.

1. Based on the budget for the local government, **determine the total amount of required revenue that will not come from other sources.**

Revenue required
to run the local
government

—

Total revenue
from other
sources

=

Total revenue
required from
property tax

2. **Allocate property tax to the different classes of property.** The total revenue raised across the different property classes should, when combined, equal the total revenue required from property tax. Different amounts of revenue may be required from different classes of property.

3. **Calculate the tax rate for each property class**, such that the required amount of property tax revenue is raised from each class. Here is an example of the calculation for a hypothetical property class, “Class A”:

Total revenue
required from
Property Class A

÷

Collective assessed
value of properties
in Class A

=

Tax rate for
Property
Class A

The property tax rate is expressed in dollars per \$1,000 of assessed value.

Sharing the Tax Burden – Variable Tax Rates

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

With prudent use of their legislative authority, councils and boards may make adjustments to compensate for a wide disparity of property value changes, while maintaining a stable share of the tax burden between the broad classes of property (e.g. residential, business, industry). For example, a council may, by bylaw, moderate the impact of substantial increases in land values by averaging the assessed value of land over three years, or by phasing in increases in land assessments.

Rural & Regional District Taxation

The property tax on properties in rural areas outside a municipality, the unincorporated areas, goes to two main authorities: the provincial government and the regional district. The provincial government may collect property tax on these properties to fund services that it provides in these areas.

Regional districts do not collect property taxes themselves, but submit requisitions to their member municipalities and to the provincial government. A requisition indicates the total property tax revenue required by the regional district from a municipality or from an unincorporated area. The municipality forwards the required amount to the regional district. For regional district unincorporated areas, the Province will collect the property tax and then forward the required amount to the regional district.

Property Tax Relief

Property owners may be eligible for property tax reduction through grants or deferrals. All residential homeowners are eligible for a provincial Home Owner Grant, unless the assessed value of their property exceeds a specified limit. Beyond the basic Home Owner Grant, an additional grant amount is available for those over age 65, or for certain other categories of homeowners, such as war veterans or disabled persons. Other programs, such as the Northern and Rural Homeowners Benefit, may also raise the maximum grant amount.

In addition to grants, homeowners over age 60 or who are disabled may apply for a deferral of property tax. The Province pays the taxes owing, and the taxpayer repays the Province at a future date, such as when the property is sold. Interest, at a rate set by the provincial government, is applied to the deferred taxes.

Other property classes may be eligible for other exemptions – for example, a commercial assessment exemption or a tourism assessment exemption. As another example, the *Community Charter* provides that certain properties – for example, churches – may be exempt from property taxes.

Who Can Tax Your Property?

While local governments and the provincial government are the main authorities that levy property tax, several other bodies also have the authority to levy property tax in BC. The following list of these taxing authorities explores the ways that they use property tax revenue.

Municipalities provide a range of local services such as policing, fire protection, water, sanitary and storm sewers, streetlights, roads, libraries, garbage collection, parks and recreation, or cemeteries. The size of a municipality and the preferences of its residents determine which services it provides.

Regional districts provide local services to unincorporated rural areas. For reasons of cost effectiveness, they may also provide joint services for a consortium of their municipal and rural areas – for example, fire protection, water, or recreation.

Some **First Nations** are empowered to tax land and improvements within their boundaries.

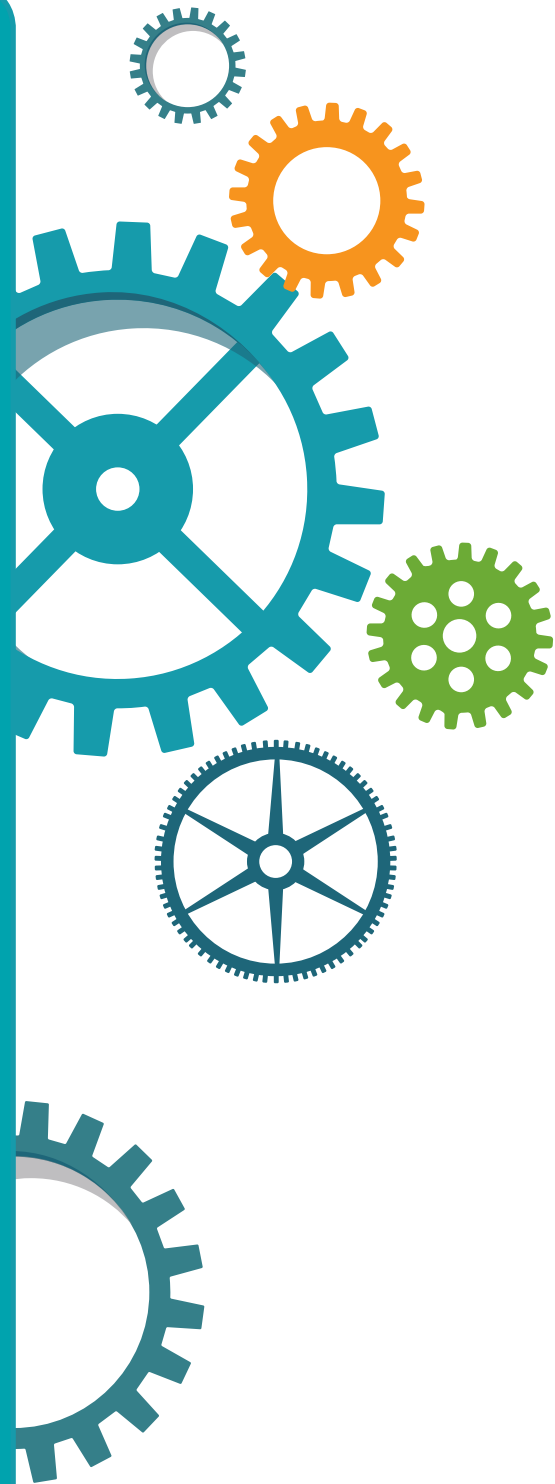
The **provincial government** provides policing and road services in unincorporated rural areas and provides a portion of the funding for schools. The Province is responsible for setting tax rates for unincorporated rural areas, and for collecting school taxes.

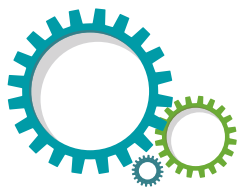
School districts provide kindergarten to grade 12 education using provincial funding. Some of this funding comes from the school taxes that the Province collects on behalf of the school districts.

Regional hospital districts provide a share of capital funding for hospitals. The other share of hospital capital funding comes from the provincial government, through the regional health authorities.

Improvement districts may provide services such as water or fire protection in unincorporated rural areas.

Finally, the **BC Assessment Authority** and the **Municipal Finance Authority** each levy a small tax to fund a portion of their budgets.





FOR FURTHER INFORMATION

PUBLICATIONS

Legislation [bclaws.ca]

Community Charter

Local Government Act

Ministry of Community, Sport and Cultural Development Publications [cscd.gov.bc.ca/lgd/]

Candidate's Guide – Local Elections in British Columbia

Development Cost Charges: A Best Practices Guide

Improvement District Manual

Voter's Guide – Local Elections in BC

Union of BC Municipalities Publications [go to ubcm.ca and select Services & Publications]

Local Government Fact Sheets

Local Government in British Columbia [book]

Regional District Toolkit

Union of BC Municipalities: The First Century

ORGANIZATIONS

BC Assessment Authority

bcassessment.ca

BC School Trustees Association

bcsta.org

CivicInfo BC

civicinfo.bc.ca

Government Finance Officers
Association of BC

gfoabc.ca

Local governments

Listed on CivicInfo BC and
UBCM websites

Local Government
Management Association

lgma.ca

Ministry of Community, Sport &
Cultural Development

gov.bc.ca/cscd

Municipal Finance Authority

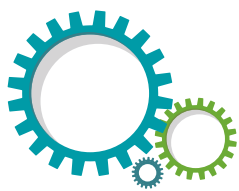
mfa.bc.ca

Municipal Insurance Association of BC

miabc.org

Union of BC Municipalities

ubcm.ca



ACKNOWLEDGEMENTS

LOCAL GOVERNMENT IN BC: A COMMUNITY EFFORT

Has been prepared by:

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, and selected First Nations. 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.

ubcm.ca

60 – 10551 Shellbridge Way, Richmond, BC V6X 2W9
t. 604.270.8226 f. 604.270.9116

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.

lgma.ca

7th Floor, 620 View Street, Victoria, BC V8W 1J6
t. 250.383.7032 f. 250.383.4879

Ministry of Community, Sport and Cultural Development

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.

cscd.gov.bc.ca/lgd/

Local Government Department, Advisory Services
P.O. Box 9839 Stn. Prov. Govt., Victoria, BC V8W 9T1
t. 250.387.4020 f. 250.387.7972

