

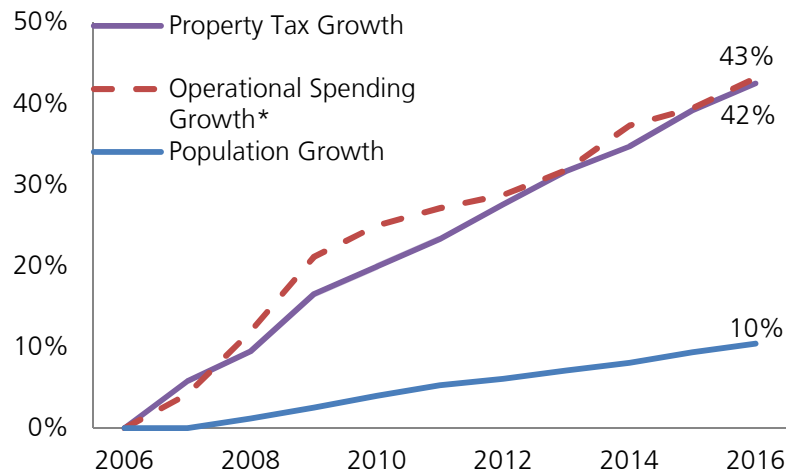
BC Municipal Election 2018: Stand Up for Local Business!

CFIB's challenges municipal candidates to adopt six policy pillars

1. Limit Municipal Spending:

Figure 1:

BC Municipal Operating Spending Growth (adjusted for inflation) vs. Population Growth, 2006–2016



*Adjusted for inflation

Source: Ministry of Community, Sport & Cultural Development. 2016. Local Gov't Stats. Tax Rates & Tax Burden. Total Taxes & Changes. SCH703_2006-2016; BC Stats, CPI.

2. Control Municipal Wages:

The major driver of operational spending growth? Municipal wages and benefits.

Not only is municipal public sector compensation nearly 17 per cent higher than private sector equivalents, it is also growing up to two or even three times faster than inflation! Current collective bargaining and arbitration practices are a major contributing factor. A review of these flawed practises is required to limit the ongoing damage to municipal finances.

Municipal governments are not allowed to carry a deficit. That means that when municipalities increase spending, business owners and residents face hikes in property taxes and fees.

Currently, operating spending by most local governments is outpacing inflation and population growth, and as a result property taxes have been skyrocketing. Municipalities must get off this unsustainable path and constrain their spending to inflation plus population growth.

“

Total slap in the face when you have to compete with government wages and benefits for good employees since we are the ones paying for both.

CFIB Member, Prince George

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3. Fair Property Taxes:

Figure 2:

**How have rising property taxes impacted your business?
 (Select as many as apply)**



Source: CFIB, BC Municipal Election and New Provincial Payroll Tax Survey, April 2018, 783 responses

While property taxes have increased for residential property owners in recent years, municipal governments place an even bigger burden on BC independent businesses.

In the 20 largest municipalities, commercial properties account for just over 10 per cent of total property values, yet pay nearly 30 per cent of the total tax bill! Municipalities need to make the system fairer for business owners.



Reduce property taxes on commercial buildings; the current rates are unsustainable and unfair rates for commercial properties. These high property taxes are especially driving out and eliminating small businesses. For example, I'm in a single storey building, but my property tax is based on the "potential" of the lot. How is this fair?

CFIB Member, Victoria



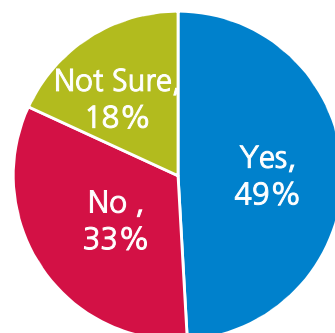
4. Reduce Red Tape:

...I feel one issue being overlooked is the current state of our municipalities. They have become bloated, sluggish and covered in red tape. The current cost required to keep these municipalities afloat is astronomical - leading to property taxes that are not sustainable...

CFIB Member, Comox

Figure 3:

Does your local government do a good job on fair bylaws and regulations?



Source: CFIB, Our Members' Opinions, BC, July - December 2017, 1403 respondents.



5. Construction Mitigation:

While necessary, construction projects can be very disruptive to local businesses. Roads and sidewalks are being shut down, deadlines extended, and debris and noise problems scare away customers. Disruption caused by road construction can also cause additional stress for business owners.

Municipalities need to develop a construction mitigation strategy that contains compensation measures for business owners directly affected by local construction projects.

6. Municipal Business Vote:

Many entrepreneurs in BC live in a different municipality than the one they run their business in. Despite the fact many pay property taxes in both, they are not able to vote in municipal elections where their business operates. Adding insult to injury, property taxes paid by small businesses are often many times more than those paid by residents, even though businesses typically consume fewer services than residents.

This is not fair! That's why we are asking municipalities to introduce a municipal business vote, so local businesses can have their voice heard. Business owners deserve representation with taxation.

Figure 4:

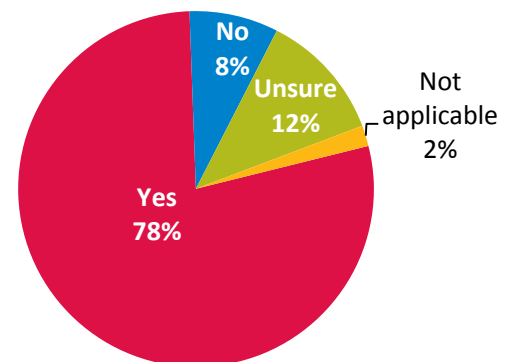
How were you and/or your business affected by local construction projects over the last 5 years?



Source: CFIB Municipal Issues Survey, National Data. Breakout specific to B.C., July 2017. n= 244 (B.C.)

Figure 5:

Should legislation be changed so that business owners are allowed to vote in the municipality that their business is based?



Source: BC Provincial and Municipal Issues Survey, based on 792 responses, January-February 2018.