

CFIB Survey - Green Response

1. During better economic times back in 2018, a Small Business Task Force Report was sent to government for action. The recommendations at that time were important to the survival of small business; now, they are critical. Several themes from the Task Force include minimizing the impact of the Employer Health Tax on small businesses, revising the Provincial Sales Tax, and expanding the Province's Regulatory Impact checklist. Will you commit to implementing the short-term recommendations within a year?

The BC Greens know that small business is a cornerstone of our economy. With the COVID-19 pandemic, small businesses across the province face new and significant challenges that require government support to navigate. The BC Greens are committed to working with small businesses and would meet with stakeholders as a priority to review the Small Business Task Force Report in the context of COVID-19, and put together an action plan for implementing agreed upon recommendations to help support businesses through the upcoming months and beyond.

2. Some provinces are returning to tighter business restrictions due an increase in COVID-19 positive cases. What support, programs, or grants will you offer to small businesses if they are forced to close again?

The provincial government has not done enough to address the challenges that are facing our small businesses and our tourism sector. They have not shown that they understand the reality facing businesses as we go into the winter. In the face of a second wave and a renewed closure of businesses, the BC Greens would work with our federal government partners to re-establish key programs from the first wave and ensure that lessons are learned from programs that did not function as intended.

In addition we would create a 6 month rent subsidy program for small businesses to make support businesses over these crucial winter months, allocating \$300 million in new spending for the program. For qualifying businesses, we would cover 25% of the rental costs. We know that rent is one of the most significant costs that businesses face and that programs to date have not delivered. Our goal would be to keep the qualifying criteria as simple as possible to facilitate access to the program and minimize the amount of time that businesses owners, who are already stretched, would need to spend applying.

3. Property tax unfairness has been an issue for small business owners for over a decade. For example, in 2018 commercial properties made up just 12.2% of total assessment in

BC's 20 largest municipalities but accounted for 29.3% of property tax revenues. See CFIB Property Tax Report here for more detail. Will you pass legislation which allows Municipal governments to apply a lower, separate tax rate for small businesses hardest hit by large increases to property value derived from speculative development potential (a policy known as Split Assessment)? In addition, will you commit to lower the school tax portion of property taxes for commercial property?

Split assessments are a tool that can help significantly with reducing the impact of soaring property taxes on small businesses, particularly in our hottest real estate markets where they are impacted by development potential. We would work with municipal governments to design a permanent solution that allows for a more equitable distribution of property taxes, including through split assessments, to ensure that property taxes are not hurting the viability of independent businesses in our cities. There have been far too many stories of local businesses, particularly in Vancouver, being forced to close because of various aspects of the escalating cost of land, speculation and development potential. We know that this has been a priority of businesses and local governments for years, and yet we haven't seen the government prioritize a permanent fix. We need to find a solution that keeps local government revenues whole and deals with the unintended negative consequences of our status quo assessment tools.

4. The latest budget projections are forecasting a \$12.8 billion deficit in the province for 2020- 21 fiscal year. Will you commit to developing a plan to lower the deficit, and in what year will your government plan to reach a balanced budget?

In the face of COVID-19 and the unprecedented economic disruption, we know that government must prioritize support for people and businesses to help them navigate the path ahead. Given impacts on government revenue, the only way to finance these necessary investments will be to run a deficit. It would be premature to make specific commitments to eliminate the deficit and return to a balanced budget on a specific timeline, until we have a timeline for a vaccine and for a return to a normal level of economic activity. Prior to this, there may be multiple waves that require government intervention and support. However, ensuring that we do not simply saddle future generations with debt is a priority for the BC Greens - so we would develop a plan to responsibly lower the deficit over time, as well as ensuring that our policies do not simply address the short term challenges, but also ensure a long term sustainable economy can be developed. We must ensure that all spending is strategic and deliberate, focussed on helping people and businesses whether the pandemic but not spending unnecessarily on things that won't actually help.

5. Reducing red tape is a top priority for small business owners. While the regulatory requirements count has allowed BC to continue reducing the overall burden, bold leadership is needed to continue identifying areas for improvement. Will your government commit to extending the Net Zero Increase commitment beyond 2022? In addition, how will your government commit to reducing red tape for small businesses?

The regulations that we have need to be smart and effective, addressing a specific challenge, but not unduly burdensome on small businesses. We would commit to routinely reviewing the regulatory environment facing small businesses, in order to ensure that regulations remain relevant, efficient and effective.

Furthermore, the Emerging Economy Task Force outlined an opportunity for BC to become a world leader in “smart” regulations. The BC Greens would act on this recommendation, leveraging both new technologies and better data to ensure less prescriptive and more time-sensitive regulatory regimes for B.C. companies. The goal of becoming a smart jurisdiction is to promote innovation in BC companies while maintaining high standards.