IN THE HOUSE

Provincial Budget Highlights of Interest to Local Government

Released February 15, 2005

FUNDING FOR LOCAL GOVERNMENT AND COMMUNITIES

• Small Community Protection and Regional District administration grants maintained.
• An additional $207 m for municipal and regional infrastructure funding which includes $97 m for the recently announced Community Water Improvement Program and yet to be announced Community Development Initiative.
• $95 m over four years in additional funds for Traffic Fine Revenue Sharing. Traffic fine revenue for 05/06 will be $39.1 m. (down slightly from $42 m this year)
• $12 m over 3 years provided to libraries for new programs and initiatives including broadband internet, a 24-hour virtual reference desk and the one card system.
• $122 m for community safety including 215 new RCMP officers and increased support for courts and corrections.
• $50 m for regional sports facilities.
• $16 m to support economic diversification planning for pine beetle and wildfire affected communities.

REVENUE/TAXATION MEASURES

• Home Owner Grant threshold is increased to $685,000; rate of phase-out is reduced to $5 per $1,000 assessed value from $10 per $1,000.
• Average residential school taxes before the Home Owner Grant will increase by the rate of inflation (2%). Actual rates will be announced later, but they are expected to fall in many school districts because of rising assessments.
• Non-residential school taxes will increase by 2%. Rates will be adjusted to reflect relative changes in values by class. The new rates, which have remained unchanged since 1999, will be announced later.
• Average rural residential taxes will increase by 2% but the rate will fall to reflect increased assessments.
• Non-residential provincial rural tax rates will be adjusted so that the change in total non-residential rural area tax revenues will be limited to inflation plus new construction.
• Property purchase tax exemption threshold will be raised by 18% for first time home buyers (actual amounts vary by region).

Property Tax exemptions:
• Cabinet can now make regulations to provide school tax exemptions for alternative energy power projects.
• The Health Authorities Act is amended to clarify the series of property tax exemptions that apply to public hospitals managed directly or as public-private partnerships.

Provincial Sales Tax Exemptions include:
• Up to a $2,000 PST exemption for cleaner running hybrid passenger vehicles with a 3-year time limit;
• A $2,000 increase to the PST vehicle tax surcharge threshold; now will apply to vehicles valued at more than $49,000;

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• PST exemption on energy efficient residential heating equipment until 2007;
• PST exemption on smoke/fire alarms increased from $50 to $250.

OTHER EXPENDITURES OF INTEREST TO COMMUNITIES

Transportation
• $32 m for airports and ports improvements including Prince Rupert and Prince George.
• $438 m for highways rehabilitation throughout the province.
• $225 m for Interior and rural roads.
• $14 m for replacement of bridges that provide access to remote communities.

Arts
• Creating a $25 m Arts and Culture Endowment and Development Fund that will leverage private sector support to build endowments for arts and cultural organizations.

Housing
• $36 m additional funding for social housing, over 3 years.
• $48 m additional funding for emergency shelters for homeless persons, over 4 years.

Health
• $100 m over 3 years for public health, including Act Now BC, a community health promotion and prevention initiative.
• $100 m increase in ambulance services funding.
• Increased funding for nurse recruitment and better access to home care and residential care.

Forests
An additional $266 m for initiatives including:
• $50 m increase in the Forest Revitalization Trust;
• $14 m for rural recreation access;
• $85 m for a new reforestation program targeting areas affected by pine beetle epidemic and forest fires;
• Community Wildfire Protection Funding continued.

Mining
• $17 m funding for additional oil and gas initiatives, including community and stakeholder engagement.
• 10 year extension of the mining exploration tax credit to 2016 and $20 m to support mining exploration.

Tourism
• An additional $81 m for community initiatives.

Environment
• An additional $150 m to enhance environmental protection including:
• $91 m for Crown land contaminated sites investigation and remediation;
• $8 m to implement the Drinking Water Protection Act;
• $8 m to implement the BC Trust for Public Lands;
• $30 m to support land use planning activities including completion and implementation of Land and Resource Management Plans;
• Environmental levies on batteries and tires must now be paid to government.