



IN THE HOUSE

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Provincial Budget Highlights of Interest to Local Government

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 bet-

ter 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.