



NEWS RELEASE

INCREASING COSTS, FALLING REVENUES LEAVE BC'S LOCAL GOVERNMENTS UNDER INCREASING FINANCIAL PRESSURES

Study recommends ramping up dialogue between UBCM and the province to find solutions to keep local governments financially resilient

Vancouver, B.C. (September 9, 2021): Increasing costs for local governments, and a rapidly changing economy that is impacting revenues has a Union of BC Municipalities (UBCM) committee seeking a partnership with the provincial government, to prevent BC's local governments from becoming financially unsustainable.

A comprehensive [report](#) on the issue has been released by UBCM's *Select Committee on Local Government Finance* ahead of next week's annual convention. The report has identified three priority cost drivers affecting local and provincial governments alike. The committee recommends having all levels of government work together to develop solutions in these three cost areas:

1. **Attainable Housing** - There is a growing expectation for local governments to financially support more market and non-market attainable housing by contributing land, reducing servicing costs, Development Cost Charge (DCC) exemptions, waivers or reductions, and property tax exemptions. Local governments also bear the cost of wide-ranging community, legal and policing services related to homeless encampments and the issue of homelessness overall.
2. **Community Safety** - A broad range of service demands are emerging for local governments in addition to services already downloaded to them by the province, resulting in significant financial impacts for local governments. These include emergency management, gaps in protective services (policing, justice, fire, ambulance services), costs and responsibilities associated with cannabis legalization, and protection against increasing cybercrime. The Municipal Insurance Association of BC says ransomware attacks targeting local governments have gone up by 60 per cent since 2018.
3. **Climate Change Mitigation and Adaptation** – Significant capital investments and operating expenses are required by local governments to reduce emissions and create weather resilient communities. These include supports for emergency management, housing and buildings, transportation/transit, and solid waste management.

“The world was changing even before the COVID-19 pandemic, and now as we start to emerge from it, it's clear municipal governments will need to become more flexible to remain financially stable,” says Brian Frenkel, president of the Union of BC Municipalities and a Councillor with the District of Vanderhoof.

“The report calls for joint action by UBCM and the province to find solutions that focus on two key areas; addressing local government cost drivers and making the property tax system fairer, sustainable, and more adaptable as the economy shifts.”

The report notes BC’s rapidly emerging new economy, which is accelerating due to the COVID-19 pandemic, is shifting way from tangible assets in favour of more intangible ones, thus lowering commercial property tax bases and resulting in increasing pressures on residential property taxes. Other factors include high housing prices and high mortgage costs which will constrain available future room for property tax increases, and taxes from gasoline may drop in future with growing electrification of vehicles.

The report calls for joint action with the province on solutions that will make the local government property tax system fairer, sustainable, and more adaptable as the economy shifts. Delegates at the convention are scheduled to vote September 15th on the Select Committee’s recommendations which include:

- Establishing a strong partnership with the province, since solutions to the identified issues cannot be achieved by an individual level of government.
- Common or shared goals by provincial and local government that lead to ‘win-win’ solutions.
- Focusing on solutions/outcomes where local governments can help achieve the outcome more effectively than the province.
- Building awareness as to why changes are needed to provide local governments with new sources of revenue.

Download the complete report [here](#).

The 118th annual UBCM Convention will be virtual and runs from September 14-17, 2021. All sessions will be streamed live to delegates around B.C. Convention details are available at <https://www.ubcm.ca/convention-resolutions/2021-convention/program>.

Twitter: [@ubcm](#)

Media Contact:

Paul Taylor
Director of Communications, UBCM
250-893-8476