

To: Fraser Valley Regional District Board  
From: Paul Gipps, Chief Administrative Officer

Date: 2018-03-27

**Subject: Provincial Speculation Tax**

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### **INTENT**

This report is intended to advise the Fraser Valley Regional District Board of information pertaining to the new provincial Speculation Tax which is to be implemented for the 2018 tax year. Staff is not looking for a recommendation and has forwarded this information should members want more clarification to discuss the item further.

### **BACKGROUND**

The Province of British Columbia has announced they will be instituting a new "Speculation Tax" in 2018 intended to address vacant properties that are not part of the long-term rental housing stock. The areas for which this new tax initiative is being considered includes the Fraser Valley. A number of Electoral Area Directors have expressed concern over potential impacts to their communities.

Staff are looking into the potential impacts and unintended consequences of this tax and have received comments from other jurisdictions that have expressed these same concerns, please see attached an excerpt of the staff report from the City of Kelowna.

Staff have not done a comprehensive review of these concerns and as such cannot fully comment on the impacts within our jurisdiction. Having said that, I think it is imperative that the Board consider communicating to the Province that, at the very least, the implementation of this new tax be postponed for one year and further communication with local government be undertaken to ensure any unintended consequences are addressed.

Also attached to this report is a Question and Answer sheet from the Province on the Speculation Tax.

**COMMENT BY:**

**Mike Veenbaas, Director of Financial Services**

Reviewed and supported.