

STATEMENT | Delta Chamber Looks Forward to More Details on Upcoming Provincial Legislation for Interim Business Property Tax Relief

On January 17th the provincial government announced that it plans to introduce interim legislation during the 2020 Spring Session which would give municipalities the ability to exempt a portion of the value of a select number of commercial properties from the full effects of property taxation; easing the tax burden for their tenants responsible for property taxes through their commercial leases.

The current practice of assessing properties on their highest and best use for potential future redevelopment as designated in a municipality's official community plan, versus their current use, and of assessing total potential future property at a business rate can create a challenging situation for independent property owners who do not have the available capital to re-develop their property to its highest and best use now; nor to wait out the often multi-year municipal development approval process.

These situations can force property owners to either sell their properties to outside investors who do have the capital to wait out the development process or to pass along the increased costs to their small business commercial tenants through their triple-net lease rates.

"This is a complex issue that the Delta Chamber of Commerce has been advocating for over the past year and we appreciate the province taking steps to provide an opportunity for relief to our small business community here in Delta," said Delta Chamber of Commerce executive director Garry Shearer. "We're glad this issue is being addressed and look forward to learning more about the details of the proposed interim measures so that we can assess their impact in a more fulsome manner."

The Chamber stresses the need for an overarching, holistic solution to this complex challenge and reiterates its support for the BC Chamber of Commerce recommendations to:

1. Implement a pan-provincial system of split property assessments for commercial properties,
2. Create a "highest and best use" exemption for long-standing businesses to allow them to be valued and taxed on their current business use, and to
3. Explore the implementation of a business property tax deferral program to help businesses remain viable while bridging the time until redevelopment can begin.

The proposed legislation would apply to the 2020 tax year and be in effect for a maximum of five years. It is being designed to provide enough flexibility for municipalities to offer tax exemptions that target specific businesses and non-profit organizations to support those most impacted by the current framework, without changing an already complex assessment system.

For the BC government's news release, please click [here](#).