

RECOMMENDATION

COMMUNITY SERVICES

Restoration of the Business Vote

Preamble

Under the Community Charter in BC, municipalities are being given significantly more authority today than in the past, with no commensurate level of accountability. British Columbia business collectively pays an increasingly larger percent of municipal taxes.

The corporate vote existed in BC prior to 1973. The Municipal Act read as such: *“The name of a corporation shall not be entered on the list of electors unless there is on file with the Clerk a written authorization naming some person of the full age of nineteen years who is a Canadian citizen or other British subject to be its agent to vote on behalf of such corporation.”* In 1973, the legislation was repealed, and rewritten. The legislation was considered flawed in that it violated the principle of “one person – one vote” and the imprecise language caused confusion.

In 1976, the corporate vote was reinstated for family corporations. The Municipal Act read as such: *“A Corporation shall not be registered or vote unless it files a written authorization with the clerk naming as its agent to vote a person 19 years of age who is a Canadian citizen. The person is not entitled to vote as agent of more than one corporation in the municipality... In this section, “corporation” means a corporation that is not a reporting company under the Company Act, and of which all the shares or more than 50% of the voting shares are owned or controlled by one individual or by him and one or more other individuals connected to him by blood relationship, marriage or adoption. For the purpose of this section, those individuals shall be deemed to control the corporation.”*

The legislation was repealed in 1993 via the Local Election Reform Act, which states: *“For clarification, no corporation is entitled to be registered as an elector or have a representative as an elector and no corporation is entitled to vote.”* This Bill was the responsibility of Robin Blencoe, then minister of municipal affairs. On second reading, Blencoe stated that by eliminating the business vote, this bill *“removes the possibility, for example, of people simply leasing parking spots and storage lockers to vote.”*

Business owners have become the silent taxpayers. They are the easiest group on which to increase taxes because they no longer have a vote. Many business owners live outside their jurisdiction and cannot be part of the election process or vote in a referendum which may impact their business directly. This gives them no voice in the community in which they pay the highest taxes. It’s taxation without representation.

It is important to note that currently, in BC, if land is held in the name of an individual (or sole proprietorship), that individual can apply to vote in the jurisdiction with proof of ownership. The individual may apply for only one vote regardless of the number of properties owned in the jurisdiction.

Notwithstanding the property owner vote, most leases are triple-net. In effect, the tax is being paid by the lessee not the lessor. Additionally, business license fees are a form of taxation.

It is a given fact that an incorporated business is recognized as a person under the law. Hence an incorporated business is afforded all the rights of a person and is liable under law as a person. In addition, the business pays tax in basically the same manner as a person. Every right and law recognizes the corporation as a person except the right to vote.

The challenge with proceeding with producing a fair business vote without affording the owner the right to use this as a chance to produce two votes becomes problematic. The fact remains that business needs to have a say in local (municipal) governance, especially with the added local autonomy given to municipalities under the Community Charter Legislation. Where a business is locally incorporated, an ability to vote and have a voice must be allowed.

THE CHAMBER RECOMMENDS

That the Provincial Government;

1. allow business a greater say in municipal elections through their vote; and
2. work with the Chamber through the Community Charter process to develop legislation that includes a clear and workable legal definition for a business vote.