

September 29, 2021

Regina City Council

Re: Tax Policy and Affordability Report

Your Worship, members of Regina City Council, my name is John Hopkins, and I am the Chief Executive Officer of the Regina & District Chamber of Commerce. I am here today on behalf of our 1250 members to provide our thoughts and perspectives on the *Tax Policy and Affordability Report*.

I would like to begin my comments by thank you for the working relationship we have established over the past two decades. We may not have always agreed on issues before us but we have always found a way to move our great community ahead. I also want to thank your Administration for all the work that goes on behind the scenes including the work behind this report which is well done and provides some very good information.

So where are we in terms of affordability and competitiveness? According to the *2019 City of Calgary Property Tax and Utilities Survey* we are:

- **Second lowest** municipal property tax based on a representative bungalow at \$1,736
- 4th lowest when it comes to net property tax at \$2,861 which includes municipal, education and other levies
- 3rd lowest when it comes to the median property tax at \$3,104
- 4th lowest based on property tax per person

The report then addresses utilities and that is where our standing drops like a bomb primarily due to our water utility where we are the highest based on water alone, 5th highest on sewer, and highest on land drainage.

The report references the *Water Utility and Property Tax Affordability Survey* on many occasions. We responded to the survey and provided our perspective on the survey to Executive Committee. We found the survey to be leading particularly at the end of the survey.

There are many reasons we would strongly encourage you to not shift taxes from residential to commercial.

1. We are in the middle of a pandemic that has devastated many businesses in our community. Some of these businesses have been dealt catastrophic blows.
2. Shifting taxes to non-residential may have the exact opposite impact that we as a community are trying to achieve opportunity for our residents and for those who want to make our great city home. We want to encourage business to invest here, particularly those who offer mortgage paying jobs. We need more manufactures, more ag value ad, more warehousing, and more crushing facilities. It is these large players in the economy that drive the economy by creating not only jobs, but opportunities for small business.
3. There is talk within various circles including the business community who advocate that we should have the lowest taxes in the world. While there are some, the majority want to pay their fair share and be competitive. The report speaks to competitiveness. We concur it is an important consideration.

On the competitiveness front I would like to bring to your attention that Saskatoon, Calgary and Winnipeg are not the only competition. We also need to watch the RMs of Sherwood and Edenwold who are getting increasing numbers of new businesses, as well as business that use to be located in Regina.

4. Making comparisons between communities when looking at tax policy is not easy given there are very different methodologies used like annual, bi-annual or in our case revaluations every 4 years. Different revaluations lead to different base dates which may be very different from actual market conditions particularly on a 4 year cycle as compared to an annual cycle.
5. If our goals within both the OCP and Property Tax Policies is to encourage economic growth, shifting taxes would have the opposite effect.

There are many options to generate funding as outlined within the report including base tax, subclasses, and rebates among others. We would respectfully submit that if the property tax system we currently use is the fairest way to generate taxes. Why then would we not use the same methodology for an affordability program?

Thank you for the opportunity to be here today. I would be happy to answer any questions you may have.

John Hopkins

Chief Executive Officer