



Ministry of
Public Safety
and Solicitor General

POLICE FINANCING IN BRITISH COLUMBIA

A New Police Financing Model in Small Communities and Rural Areas

April 2006

INTRODUCTION

There is inequity in the way that local police services are financed across the province. Property taxpayers in municipalities over 5,000 population pay 70-100% of their policing costs, while those in municipalities under 5,000 population pay nothing. Rural property owners pay a rural property tax, but the amount raised from this tax does not make a significant contribution to policing.

In the last five years, the province has taken a number of steps to address the issue of police financing in small municipalities and rural areas:

- The former Solicitor General announced his intention to change the arrangement for police financing in BC in 2001.
- The discussion paper *Restructuring Police Financing in Municipalities under 5,000 population and Unincorporated Areas* was presented to a workshop at the 2002 UBCM Convention in Whistler. This report is available online at:

www.pssg.gov.bc.ca/police_services/publications/financing/UBCMDiscussion.pdf
- The discussion paper *Police Financing in British Columbia...a new approach* was distributed in June 2003.
- Nine regional consultation meetings on the new police financing approach were conducted during June and July 2003.
- The paper *Police Financing in British Columbia...a new approach - Response to Regional Consultations* was distributed at the 2003 UBCM Convention in Vancouver. This report is available online at:

www.pssg.gov.bc.ca/police_services/publications/financing/PoliceFinancingRESPONSE.pdf
- The former Solicitor General announced at the 2003 UBCM Convention that the new police financing arrangement for small communities would not be introduced until 2007.
- During various meetings with municipalities and regional districts at the 2005 UBCM convention in Vancouver, the Solicitor General confirmed plans to implement a new police financing model in 2007.
- The model to be implemented in 2007 is a revised and improved version of the model presented in 2003.

This paper describes the new police financing model, and highlights the changes made since 2003. Background information on police cost and apportionment calculations, and new estimates of police costs under the new model for each jurisdiction are set out in Appendices 1, 2, and 3.

KEY FEATURES OF THE NEW POLICE FINANCING MODEL

Under the new model, the province will recover 50% of its cost for providing local police services to municipalities under 5,000 population and rural areas. This level of recovery remains unchanged from the 2003 model. Using current data, this means that the province would recover approximately \$30 million of the total provincial cost of \$60 million for providing local police services to these communities.

The formula for apportioning police costs to each community has been improved to include population as well as property assessment values. The inclusion of population in the apportionment formula means that regional differences in residential property values will be moderated somewhat, resulting in a more uniform distribution of police costs throughout the province. The new apportionment formula still reflects ability to pay, and areas with strong tax bases will generally pay more on a home of average value than areas with weaker ones.

The method of requisitioning and collecting the amounts apportioned to each community has been changed to align it with the school tax. The Surveyor of Taxes will requisition municipalities under 5,000 population and rural property taxpayers directly. Regional districts will have no involvement in the requisitioning and collection processes.

The new model will, however, provide some flexibility for regionalization of police financing. Specifically, regional district will be able to request a change in the apportionment and tax rates to be applied in municipalities under 5,000 population and rural areas within the regional district boundaries. The province is committed to working with regional districts to bring about more effective and efficient police services.

The following table summarizes some of the key differences from the 2003 model:

Feature	2003 Model	2006 Updated Model
Percentage recovery of the province's cost for providing local police services	50%	No change – 50%
Apportionment method	Converted hospital assessments	Converted hospital assessments and population
Requisition and collection of apportioned amounts	Province invoices regional districts	The Surveyor of Taxes will requisition municipalities under 5,000 population and rural property taxpayers directly, in the same manner as the school tax

A number of commitments were made in 2003 in response to regional consultations. An update of these commitments under the new model is set out in Appendix "4". Generally, these commitments have been met or exceeded under the new model.

The financial impact of the new model on taxpayers in small communities will be mitigated in three ways:

- The expansion of the Ministry of Community Services small community and regional district grant programs, which will provide twice as much funding by 2009.
- The extension of the traffic fine revenue sharing program to these communities.
- The recently announced increases to the home owner grant program.

NEXT STEPS

The province plans to introduce the required amendments to the *Police Act* in the Spring 2007 legislative session. The legislation will be effective as of January 1, 2007, and the new model will be implemented in the 2007 calendar year.

The Ministry will arrange, in conjunction with the UBCM, further community consultations in 2006.

Ministry representatives will work with the RCMP and UBCM to develop and clarify procedures and best practices for small municipalities and rural areas to provide local input on police service levels, policing priorities and appropriate police responses to community issues.

Appendix 1: Estimating Local Police Costs

The following is a summary of how the province's cost for providing local police services to municipalities under 5,000 population and rural areas are estimated:

1. Determine the total number of general duty and investigative members that serve municipalities under 5,000 and the rural areas of the province. General duty and investigative members provide local, response-to-call police services. Members that perform highway patrol and specialized functions have been excluded. When the model is implemented in 2007, this step will use police strength data as of December 31, 2006.
2. Deduct the number of police members that serve non-taxable areas, including Indian Reserves and major parks, in the municipalities and rural areas of the province. This step uses data on the volume of criminal code offences to determine the number of police allocated to the non-taxable areas.
3. Determine the average annual per member cost for police services. For 2004, this figure is \$101,474, which is the average annual per member cost paid by municipalities between 5,000 and 15,000 population. This per member cost includes the municipalities' costs for RCMP personnel (i.e. the municipal 70% share), plus the municipal costs incurred for police buildings and civilian staff. When the model is implemented in 2007, the 2005 average annual per member cost will be used.
4. Multiply the net number of members in the province (from step 2) by the average annual per member cost (from step 3) to get the total provincial cost.

Appendix 2: Apportioning Police Costs

The following is a summary of how the province will apportion the cost for providing local police services to municipalities under 5,000 population and rural areas determined in Appendix 1:

1. Multiply the total provincial cost by 50%. This is the province-wide recovery amount.
2. Determine the shares of the province-wide recovery amount for each property class using the total converted assessment values in municipalities under 5,000 population and rural areas. Convert 50% of the share for the residential property class to a per capita amount (using the total populations in municipalities under 5,000 and the rural areas).
3. Apportion a share of the total amount to be recovered to each municipality under 5,000 population, electoral area, and the Stikine based on the local population and the local converted assessment for each property class.
4. The apportioned amounts will be raised using tax rates calculated from standard hospital base multiples.
5. A regional district will be able to request a change in the apportionment and tax rates to be applied in municipalities under 5,000 population and rural areas within its boundaries. The total amount apportioned to all communities within the regional district, however, will remain the same.

Appendix 3: Estimates of Police Costs by Community

The figures presented in this Appendix are estimates of the police costs apportioned to each community based on 2004 per member cost data and 2005 police strengths, population and assessment information.

When the model is implemented in 2007, the police cost amounts will differ from those presented in this Appendix because they will be based on 2005 per member cost data and 2006 police strengths, population and assessment information.

Note: Municipalities that exceed 5,000 population in the 2006 census will become responsible for providing policing in 2007. These municipalities will be removed from the model before its implementation in 2007, which means that the model will not include these municipalities in the calculations in Appendices 1 and 2.

Police Tax Apportioned Amounts and Estimated Tax on Average Value Residential Property

(APPENDIX to Police Financing Report - April 2006)

	Estimated 2005 Population	Police Tax Amount Apportioned to Jurisdiction	2005 Value of Average SFD/Res Property	Police Tax on Average SFD/Res Property
Alberni-Clayoquot				
Tofino	1,846	\$160,425	\$405,978	\$118
Ucluelet	1,900	\$93,654	\$165,919	\$56
Electoral Areas				
A	310	\$36,404	\$122,556	\$35
B	546	\$27,428	\$119,245	\$46
C	401	\$32,660	\$84,348	\$24
D	2,191	\$137,253	\$225,551	\$68
E	3,020	\$74,572	\$134,666	\$59
F	2,062	\$79,989	\$126,293	\$50
Bulkely-Nechako				
Burns Lake	2,005	\$64,748	\$91,028	\$45
Fort St. James	2,003	\$70,592	\$87,856	\$42
Fraser Lake	1,367	\$48,022	\$73,191	\$37
Granisle	353	\$7,488	\$35,233	\$24
Houston	3,733	\$122,339	\$85,439	\$42
Telkwa	1,439	\$33,702	\$105,482	\$58
Vanderhoof	4,727	\$160,534	\$108,614	\$49
Electoral Areas				
A	6,417	\$162,661	\$105,383	\$52
B	2,565	\$79,026	\$83,267	\$39
C	1,902	\$62,959	\$58,486	\$25
D	1,932	\$64,679	\$48,567	\$22
E	1,972	\$72,450	\$67,933	\$28
F	3,813	\$105,734	\$65,831	\$31
G	1,238	\$39,531	\$58,188	\$27
Capital				
Highlands	2,114	\$83,437	\$418,753	\$117
Metchosin	5,353	\$195,426	\$366,957	\$112
Electoral Areas				
F	10,603	\$614,355	\$393,055	\$99
G	4,922	\$408,794	\$268,920	\$60
H	4,527	\$310,360	\$296,800	\$85
Cariboo				
100 Mile House	1,826	\$128,444	\$100,462	\$39
Wells	248	\$7,714	\$39,058	\$20
Electoral Areas				
A	6,963	\$244,989	\$84,147	\$38
B	4,699	\$186,208	\$71,839	\$31
C	1,433	\$38,249	\$53,124	\$28
D	3,568	\$165,989	\$89,404	\$37
E	5,056	\$117,695	\$108,433	\$56
F	5,376	\$195,552	\$94,388	\$38
G	5,417	\$253,195	\$95,264	\$36
H	1,997	\$61,039	\$82,912	\$30
I	1,921	\$43,115	\$57,378	\$33
J	953	\$40,871	\$71,507	\$26
K	730	\$20,804	\$62,602	\$30
L	4,597	\$181,537	\$100,557	\$31

Police Tax Apportioned Amounts and Estimated Tax on Average Value Residential Property

(APPENDIX to Police Financing Report - April 2006)

	Estimated 2005 Population	Police Tax Amount Apportioned to Jurisdiction	2005 Value of Average SFD/Res Property	Police Tax on Average SFD/Res Property
Fraser Valley				
Harrison Hot Springs	1,585	\$100,842	\$222,468	\$69
Kent	5,680	\$202,111	\$179,279	\$69
Electoral Areas				
A	660	\$34,857	\$56,001	\$23
B	825	\$125,922	\$92,322	\$31
C	793	\$49,112	\$129,892	\$33
D	1,142	\$54,024	\$212,169	\$68
E	3,764	\$133,234	\$196,024	\$63
F	1,369	\$48,882	\$174,854	\$54
G	2,023	\$61,673	\$194,556	\$74
H	428	\$18,006	\$342,102	\$100
Central Kootenay				
Creston	5,097	\$163,309	\$108,398	\$47
Kaslo	1,075	\$32,251	\$98,464	\$43
Nakusp	1,779	\$54,601	\$103,109	\$46
New Denver	549	\$16,349	\$89,218	\$37
Salmo	1,133	\$28,466	\$75,614	\$41
Silverton	230	\$7,785	\$105,671	\$39
Slocan	357	\$11,995	\$59,714	\$28
Electoral Areas				
A	2,330	\$114,679	\$118,058	\$38
B	5,107	\$184,315	\$99,888	\$43
C	1,503	\$77,748	\$109,572	\$42
D	1,645	\$60,488	\$55,045	\$20
E	3,871	\$134,824	\$138,935	\$47
F	4,283	\$135,010	\$183,018	\$63
G	1,484	\$77,757	\$65,987	\$25
H	4,895	\$138,896	\$87,537	\$37
I	2,671	\$77,733	\$129,713	\$53
J	3,263	\$93,716	\$104,913	\$45
K	2,170	\$67,674	\$87,600	\$34
Central Okanagan				
Peachland	5,230	\$197,388	\$257,565	\$78
Electoral Areas				
I	4,202	\$147,818	\$246,015	\$80
J	29,755	\$1,198,579	\$244,187	\$76

Police Tax Apportioned Amounts and Estimated Tax on Average Value Residential Property

(APPENDIX to Police Financing Report - April 2006)

	Estimated 2005 Population	Police Tax Amount Apportioned to Jurisdiction	2005 Value of Average SFD/Res Property	Police Tax on Average SFD/Res Property
Columbia Shuswap				
Golden	4,399	\$197,848	\$157,260	\$61
Sicamous	3,043	\$124,048	\$145,160	\$49
Electoral Areas				
A	3,008	\$161,764	\$174,287	\$55
B	600	\$82,284	\$57,179	\$19
C	6,488	\$297,547	\$175,632	\$48
D	3,746	\$105,991	\$132,431	\$55
E	1,431	\$73,571	\$128,684	\$40
F	2,040	\$139,588	\$131,520	\$31
Comox-Strathcona				
Cumberland	2,817	\$87,552	\$131,919	\$56
Gold River	1,357	\$48,024	\$83,775	\$37
Sayward	407	\$13,668	\$84,111	\$39
Tahsis	577	\$15,103	\$42,247	\$23
Zeballos	228	\$6,738	\$47,403	\$26
Electoral Areas				
A	5,123	\$246,416	\$209,921	\$67
B	7,657	\$277,752	\$247,006	\$78
C	8,083	\$401,512	\$205,976	\$67
D	5,315	\$244,657	\$180,129	\$67
G	169	\$22,982	\$99,081	\$33
H	848	\$54,384	\$130,930	\$46
I	1,013	\$55,808	\$260,075	\$67
J	2,753	\$143,872	\$198,825	\$58
K	2,141	\$121,801	\$249,560	\$61
Cowichan Valley				
Duncan	4,898	\$195,748	\$160,059	\$63
Lake Cowichan	3,029	\$88,167	\$144,067	\$58
Electoral Areas				
A	3,835	\$164,375	\$257,028	\$79
B	7,949	\$300,293	\$254,787	\$80
C	5,102	\$191,988	\$263,555	\$82
D	3,019	\$112,904	\$203,421	\$71
E	4,272	\$162,710	\$180,446	\$68
F	1,979	\$174,245	\$175,115	\$59
G	2,396	\$126,360	\$201,726	\$60
H	2,526	\$101,218	\$222,510	\$71
I	1,290	\$120,012	\$175,621	\$55

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East Kootenay				
Elkford	2,670	\$119,340	\$86,067	\$36
Fernie	5,126	\$211,153	\$193,026	\$66
Invermere	3,254	\$151,195	\$245,850	\$77
Radium Hot Springs	813	\$56,180	\$137,145	\$41
Sparwood	3,973	\$225,711	\$90,719	\$36
Canal Flats	680	\$23,838	\$119,751	\$45
Electoral Areas				
A	2,116	\$208,227	\$212,212	\$64
B	2,117	\$214,350	\$158,984	\$52
C	6,624	\$252,897	\$150,230	\$56
E	1,326	\$108,994	\$147,303	\$45
F	3,863	\$340,857	\$275,157	\$63
G	1,883	\$76,896	\$130,658	\$45
Fraser-Fort George				
McBride	752	\$22,493	\$62,876	\$33
Valemount	1,250	\$41,381	\$78,998	\$37
Electoral Areas				
A	3,667	\$113,932	\$76,980	\$34
C	3,422	\$112,148	\$105,953	\$42
D	4,874	\$174,309	\$85,506	\$38
E	607	\$57,881	\$45,903	\$17
F	1,520	\$71,188	\$41,876	\$17
G	516	\$300,130	\$54,049	\$18
H	2,215	\$161,896	\$71,575	\$27
Greater Vancouver				
Anmore	1,673	\$82,259	\$566,089	\$141
Belcarra	723	\$46,303	\$487,955	\$109
Bowen Island	3,424	\$222,338	\$502,508	\$117
Lions Bay	1,421	\$81,390	\$636,071	\$147
Electoral Areas				
A	8,683	\$457,595	\$737,444	\$188
Kootenay Boundary				
Fruitvale	2,083	\$50,820	\$102,636	\$55
Grand Forks	4,200	\$154,356	\$107,839	\$45
Greenwood	668	\$17,356	\$56,213	\$29
Midway	630	\$30,199	\$87,583	\$34
Montrose	1,086	\$26,053	\$117,228	\$56
Rossland	3,725	\$114,372	\$139,560	\$55
Warfield	1,751	\$40,817	\$93,643	\$50
Electoral Areas				
A	1,950	\$171,070	\$104,243	\$38
B	1,556	\$80,914	\$89,495	\$33
C	1,431	\$103,323	\$163,289	\$45
D	3,186	\$103,515	\$74,059	\$29
E	2,132	\$200,575	\$172,792	\$43

Police Tax Apportioned Amounts and Estimated Tax on Average Value Residential Property

(APPENDIX to Police Financing Report - April 2006)

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Mount Waddington				
Alert Bay	607	\$15,148	\$76,852	\$42
Port Alice	1,128	\$56,874	\$74,174	\$32
Port Hardy	4,597	\$138,188	\$92,324	\$47
Port McNeill	2,928	\$86,537	\$116,105	\$56
Electoral Areas				
A	1,081	\$46,768	\$129,125	\$44
B	206	\$20,948	\$93,245	\$33
C	1,012	\$56,066	\$118,387	\$43
D	489	\$47,197	\$59,382	\$23
Nanaimo				
Lantzville	3,819	\$144,612	\$293,249	\$89
Electoral Areas				
A	7,265	\$235,274	\$180,371	\$66
B	3,976	\$194,752	\$191,070	\$49
C	1,051	\$161,494	\$147,793	\$51
D	1,264	\$50,161	\$265,631	\$86
E	5,451	\$282,520	\$319,962	\$82
F	6,273	\$246,682	\$161,503	\$58
G	7,963	\$279,238	\$247,989	\$78
H	3,515	\$170,949	\$212,934	\$62
North Okanagan				
Armstrong	4,526	\$141,636	\$162,794	\$66
Enderby	3,073	\$88,790	\$126,565	\$56
Lumby	1,738	\$57,985	\$125,829	\$54
Electoral Areas				
B	3,730	\$148,334	\$155,902	\$51
C	4,411	\$172,468	\$241,583	\$76
D	3,454	\$91,685	\$138,006	\$63
E	1,141	\$28,112	\$106,105	\$51
F	4,688	\$144,590	\$147,993	\$53
Central Coast				
Electoral Areas				
A	155	\$18,346	\$66,854	\$21
B	0	\$224	\$34,400	\$11
C	754	\$20,403	\$78,129	\$37
D	558	\$13,864	\$64,128	\$34
E	181	\$5,834	\$40,493	\$21

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	Estimated 2005 Population	Police Tax Amount Apportioned to Jurisdiction	2005 Value of Average SFD/Res Property	Police Tax on Average SFD/Res Property
Okanagan-Similkameen				
Keremeos	1,306	\$44,333	\$117,416	\$48
Oliver	4,379	\$164,797	\$176,079	\$65
Osoyoos	4,801	\$224,978	\$212,605	\$66
Princeton	2,688	\$89,982	\$87,677	\$39
Electoral Areas				
A	2,169	\$75,054	\$190,346	\$66
B	1,283	\$34,225	\$99,881	\$51
C	4,745	\$141,299	\$134,624	\$60
D	6,522	\$275,821	\$196,840	\$61
E	2,283	\$90,418	\$218,807	\$69
F	2,275	\$90,595	\$241,603	\$69
G	2,347	\$68,341	\$81,015	\$38
H	2,252	\$108,677	\$112,102	\$34
Peace River				
Chetwynd	2,770	\$149,959	\$89,009	\$37
Hudson's Hope	1,157	\$62,756	\$70,264	\$29
Pouce Coupe	887	\$19,448	\$89,605	\$58
Taylor	1,346	\$121,621	\$112,909	\$42
Tumbler Ridge	2,526	\$88,085	\$65,839	\$31
Electoral Areas				
B	6,068	\$1,499,957	\$79,338	\$28
C	7,075	\$320,099	\$158,585	\$60
D	7,112	\$388,232	\$81,085	\$33
E	3,815	\$457,143	\$71,008	\$26
Powell River				
Electoral Areas				
A	1,014	\$74,414	\$127,369	\$30
B	1,488	\$49,454	\$144,789	\$53
C	2,190	\$90,680	\$162,191	\$57
D	1,158	\$76,336	\$104,647	\$36
E	376	\$19,836	\$200,619	\$50
Skeena-Queen Charlotte				
Masset	967	\$25,182	\$45,969	\$26
Port Clements	533	\$13,952	\$49,441	\$29
Port Edward	653	\$27,858	\$53,359	\$24
Electoral Areas				
A	107	\$14,183	\$29,114	\$10
C	59	\$6,876	\$21,763	\$8
D	634	\$29,953	\$85,699	\$32
E	542	\$24,618	\$62,147	\$27
F (now Village of Queen Charlotte)	1,231	\$36,843	\$74,703	\$36

Police Tax Apportioned Amounts and Estimated Tax on Average Value Residential Property

(APPENDIX to Police Financing Report - April 2006)

	Estimated 2005 Population	Police Tax Amount Apportioned to Jurisdiction	2005 Value of Average SFD/Res Property	Police Tax on Average SFD/Res Property
Kitimat-Stikine				
Hazelton	342	\$8,464	\$79,879	\$48
Stewart	695	\$19,842	\$28,258	\$17
New Hazelton	758	\$23,296	\$54,802	\$29
Electoral Areas				
A	96	\$7,976	\$19,562	\$7
B	2,299	\$58,414	\$47,037	\$27
C	3,551	\$126,533	\$85,727	\$36
D	104	\$12,573	\$33,287	\$12
E	5,282	\$118,617	\$75,430	\$49
Squamish-Lillooet				
Lillooet	2,755	\$91,063	\$93,464	\$42
Pemberton	2,510	\$140,985	\$395,020	\$121
Electoral Areas				
A	274	\$22,666	\$117,014	\$27
B	525	\$26,418	\$104,311	\$34
C	1,846	\$168,615	\$242,102	\$72
D	912	\$86,483	\$393,124	\$99
Sunshine Coast				
Gibsons	4,349	\$200,419	\$282,084	\$90
Electoral Areas				
A	2,622	\$206,134	\$228,312	\$54
B	2,599	\$147,139	\$295,033	\$71
D	3,412	\$164,830	\$385,836	\$103
E	3,657	\$129,112	\$251,263	\$77
F	2,177	\$396,927	\$241,780	\$71

Police Tax Apportioned Amounts and Estimated Tax on Average Value Residential Property

(APPENDIX to Police Financing Report - April 2006)

	Estimated 2005 Population	Police Tax Amount Apportioned to Jurisdiction	2005 Value of Average SFD/Res Property	Police Tax on Average SFD/Res Property
Thompson-Nicola				
Ashcroft	1,836	\$50,719	\$97,051	\$48
Cache Creek	1,134	\$36,336	\$72,595	\$35
Chase	2,568	\$75,386	\$109,306	\$48
Clinton	654	\$33,117	\$57,535	\$24
Logan Lake	2,314	\$125,598	\$98,425	\$39
Lytton	334	\$14,984	\$74,838	\$32
Electoral Areas				
A	5,696	\$179,205	\$76,145	\$38
B	476	\$111,381	\$84,655	\$29
E	1,692	\$129,394	\$114,294	\$36
I	1,686	\$86,411	\$66,870	\$27
J	1,954	\$182,890	\$111,882	\$39
L	3,703	\$108,773	\$135,358	\$58
M	2,322	\$123,544	\$140,013	\$50
N	915	\$132,385	\$126,742	\$44
O	4,217	\$162,855	\$109,526	\$45
P	4,850	\$268,644	\$175,297	\$54
Northern Rockies				
Fort Nelson	4,823	\$178,455	\$152,112	\$64
Electoral Areas				
A	1,187	\$851,625	\$139,115	\$47
B	127	\$17,698	\$39,207	\$14
Stikine				
Electoral Areas				
A	491	\$36,776	\$46,399	\$16
BC TOTAL	663,601	\$31,808,202		

Appendix 4: Status of Commitments

The commitments below were set out in the September 2003 paper entitled: *Police Financing in British Columbia...a new approach – Response to Regional Consultations*. The following is an update of these commitments:

2003 Commitment: *Fifty per cent recovery in legislation: It is proposed that the 50% province-wide recovery level be included in legislation.*

2006 Update: The 50% recovery level will be included in the legislation.

2003 Commitment: *Traffic fine sharing will be extended: For 2004, municipalities under 5,000 and unincorporated areas will benefit from traffic fine revenues at the same level as current beneficiaries, i.e., municipalities over 5,000 population. In 2003, the larger municipalities shared \$10 million of traffic fine revenue in proportion to their local police costs. In 2004, this amount will increase to ensure that the program can be extended without reducing the amount available to larger jurisdictions.*

2006 Update: Since this statement was made, the province has exceeded its commitment to return 75% of traffic fine revenues and changed its approach to the partial recovery of local police costs in small municipalities and rural areas. Communities that pay the police tax will be given credit within the traffic fine revenue sharing grant program for the contribution of police tax paid within their boundaries towards total local government police costs in the year the tax is paid. The details of how the funds will be returned to communities will be worked out in the coming months but will be consistent with the existing program for municipalities that are directly responsible for policing.

2003 Commitment: *The “New Era” commitment on traffic fine sharing: The government is committed to returning 75% of all traffic fine revenue to local governments to improve community policing and crime prevention.*

2006 Update: Since 2004 the province has exceeded its commitment and returned 100% of net traffic fine revenues to local governments in proportion to their spending on policing.

2003 Commitment: *Police costs based on previous years’ data: Estimates of local police costs for each jurisdiction and the total amount to be recovered province wide will be based on RCMP cost information that is based on previous years’ data... This means that jurisdictions will receive a two year break on increases due to inflation.*

2006 Update: Jurisdictions will continue to receive a two-year break on inflation under the new model. For example, recoveries for the 2007 year will be based on 2005 costs.

2003 Commitment: *2004 costs based on data from 2001: As a transitional measure, invoice amounts for 2004 will be based on 2001 cost information, providing a full three years' saving in inflation in the scheme's inaugural year.*

2006 Update: This transitional measure will not apply to the new police financing model, as 2005 cost information will be available for the 2007 taxation year.

2003 Commitment: *Cost for additional non-taxable lands removed: Costs to police non-taxable lands such as Indian Reserves and parks were identified and deducted from the cost amounts shown in the June 2003 discussion paper.*

2006 Update: Costs to police Indian Reserves and major parks will be deducted under the new police financing model.

2003 Commitment: *Most recent assessment information will be used: While police cost information will be based on previous years, each jurisdiction's share of the cost recovery will be determined using the most up-to-date property assessment information available.*

2006 Update: The new police financing model will use the most recent assessment information available.

2003 Commitment: *No Surveyor of Taxes commission: The Surveyor of Taxes, which acts as the tax collector for regional districts in unincorporated areas, normally charges a commission for its services. The Surveyor of Taxes commission will not apply to the collection of taxes for police services.*

2006 Update: The Surveyor of Taxes commission will not apply to the collection of police taxes.

2003 Commitment: *Cash flow to be streamlined: In response to concerns that the process could be made more efficient, payments will now be made directly to the provincial government, rather than back through the regional districts.*

2006 Update: Under the new police financing model, the requisitioning and collection of funds will be aligned with the school tax approach, and the Surveyor of Taxes will requisition municipalities under 5,000 population and rural property taxpayers directly.

2003 Commitment: *Municipalities will have a choice if tax cannot be collected: Sometimes taxpayers default on their property taxes. To ensure that municipalities do not bear the risk for uncollected police tax amounts, the new approach will give municipalities a choice in how they handle these situations.*

2006 Update: The collection of police taxes will be aligned with the school tax. Like the school tax, municipalities will pay police taxes in prescribed installments.

At the end of the year, municipalities, will have a choice: (1) pay all outstanding police taxes, whether or not they have been collected, and keep any penalties and interest paid on late taxes that it is able to collect in the future; or (2) remit what it has been able to collect, or expects to collect, and pay the penalties and interest that it collects on late taxes, with the tax amounts, to the province.

2003 Commitment: *Tax notices will be clear: The Surveyor of Taxes will create a new line on property tax notices that go to rural property owners to clearly identify the police tax as a separate tax. The province will encourage municipalities to use the same approach and wording on the tax notices that they send to their property owners.*

2006 Update: Tax notices sent by the Surveyor of Taxes or the municipality, as the case may be, will separately identify the amount of police taxes imposed on each property.

2003 Commitment: *Start up credit to change tax notices: Municipalities will receive a \$1,000 credit to pay for programming and systems changes needed to include the new line item on their tax notices.*

2006 Update: There is no change to this commitment.

2003 Commitment: *Consultation with RCMP this fall: Municipalities and electoral areas affected by the new financing approach want the opportunity to provide input regarding the police services they receive.*

2006 Update: The Ministry of Public Safety and Solicitor General will meet with the UBCM and the RCMP to discuss and develop best practices and processes that will standardize and improve communication between local government representatives and the RCMP.

2003 Commitment: *UBCM / Provincial consultation agreement: Work will commence on creating a consultation agreement on the management of the new police financing approach into the future.*

2006 Update: The Ministry of Public Safety and Solicitor General is committed to consulting with the UBCM on every aspect of this new initiative.