



November 14, 2023

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Mayor Mark Sager
District of West Vancouver
mark@westvancouver.ca

Dear Mayor Sager:

It was a pleasure to speak with you and your delegation during the 2023 Union of BC Municipalities (UBCM) Convention. I appreciated the opportunity to learn more about the challenges and opportunities in your community.

During the meeting, one of the topics discussed was BC's school tax. Revenue from School Taxes is deposited into the consolidated revenue fund and is not used directly to fund school districts, but rather to fund core government services throughout the province. These services include schools, post secondary education, the justice system, and healthcare and other essential services.

As mentioned, providing school tax revenues directly to the District of West Vancouver would limit funding for government's core services. It would also prompt similar requests from other local governments, further inhibiting the Province's ability to respond to high priorities issues, such as housing affordability.

The second topic of discussion was the speculation and vacancy tax (SVT). Revenue from the SVT is directed into the Housing Priority Initiatives Special Account and is required to be spent in the regional district where it is collected. The Province took a regional approach with respect to SVT revenue spending because housing unaffordability does not affect one municipality in isolation; what occurs in one municipality affects an entire region.

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Data collected from the first four years has shown the tax is working as intended. In the fourth year of the tax, close to 84 per cent of SVT revenue came from foreign owners, satellite families, Canadians living outside of BC and other non-BC resident owners. For each of those four years, more than 99 per cent of British Columbians did not pay the tax.

Lastly, I appreciate your concern over the issue of money laundering in BC. On May 15, 2019, the government launched a public inquiry (the Cullen Commission) into money laundering, and the final report can be found online at: <https://cullencommission.ca/>.

Significant work has been completed on a number of key recommendations made in the Cullen Commission's final report, including development of a regulatory framework for money services businesses (the *Money Services Businesses Act*) and a corporate beneficial ownership registry (the *Business Corporations Amendment Act, 2023*), and a review and rewrite of the *Mortgage Brokers Act* (the *Mortgage Services Act*). Work towards full implementation of these new and revised regulatory frameworks continues.

Both the Expert Panel on Money Laundering in Real Estate and the Cullen Commission's final report recommended that the Province consider implementing an unexplained wealth order. Legislation providing the Civil Forfeiture Office the ability to seek unexplained wealth orders was passed last spring.

The BC government has already implemented world-leading protections against money laundering, including:

- Ending hidden beneficial ownership of land through the Land Owner Transparency Registry;
- Ending the use of bearer shares, which are share certificates that do not state the name of the owner of the shares.
- Requiring businesses to keep transparency registers of beneficial owners.
- Creating a single regulator of financial services, including real estate, under the BC Financial Services Authority (BCFSA), and
- Introduced the new *Gaming Control Act* which will provide authority for the general manager of the gambling regulator to make regulations respecting the prevention and detection of unlawful activity, including regulations to prevent money laundering, fraud, limits on cash buy-ins and the requirement to declare source of funds in gambling facilities.

Thank you and your Council for meeting with me at this year's convention. I appreciated the opportunity to connect with you directly and to discuss issues that impact the District of West Vancouver.

Sincerely,

A handwritten signature in black ink, reading "Katrine Conroy". The signature is written in a cursive style with a large initial 'K' and a long, sweeping underline.

Katrine Conroy
Minister

