



March 7th, 2024

Hon. Mary Wilson, Minister
Service New Brunswick
Lincoln Place
P.O. Box 1998
Fredericton, NB E3B 5G4

Minister Wilson:

Despite our best efforts at creating a mutually beneficial working partnership, it is clear to the UMNB and our municipal members that you and your department do not understand nor acknowledge the critical role you play in municipal revenue generation nor the impact your public statements on such matters have on the overall public perception of the New Brunswick property tax system. We raise this point as a result of the insert that our residents found in their municipal property tax bills sent out by your department last week and the ads your department took out in local newspapers. In our opinion, the insert and ads omit key information. Municipalities only have control over the millrate. **Every other aspect** of the property tax system in New Brunswick including assessment, property tax classifications, and the tethering of the rates, is controlled by the provincial government yet the SNB insert and ad neglects to raise these important points giving residents of the province the mistaken impression that municipalities alone are responsible for the bills they have received. This is even more true for many of the amalgamated communities who continue to have rates set by the province in the areas of roads and public safety.

In seeking clarity on these matters, our members want a better understanding of why the insert was included in the mailout and why the decision was made to purchase ads in daily newspapers across the province. We ask that you advise UMNB and our municipal members across the province on what your government's objectives were in these actions, and what kinds of outcomes were you hoping to achieve? If the goal was to educate citizens on property taxes, then we believe you have grossly missed the mark by omitting the fundamental role of the provincial government in the property tax system. It appears that this was done less with the goal of educating citizens, and more with the idea of passing blame to municipalities due to the restrictive nature of New Brunswick's property tax system. We hope this opens an opportunity for discussion on changes to the system as a whole, as it continues to be evident that we need a significant reform.

Inflationary pressures and the downloading of new responsibilities are also outside of our control. Municipalities are increasingly taking on or dealing with



issues of provincial jurisdiction such as housing and homelessness, tourism and economic development. The insert and the public comments of government officials do not take into consideration the declining fiscal capacity of our communities due to many factors including the reduction of core funding to municipalities through municipal reform and the downloading of new responsibilities via the regional service commissions. Unfortunately, these pressures will remain challenging to us until the provincial government meets its obligations to municipalities by establishing meaningful fiscal reform as laid out in the White Paper on Local Government Reform. Municipalities are meeting what is essentially an unfunded mandate by delivering services we do not receive funding for. Where do tax dollars for municipalities go? Increasingly, the answer is towards issues of provincial responsibility at the expense of our local priorities.

The provincial government has downloaded more responsibilities to municipalities, presumably because our members have a track record of strong service delivery and close ties to the residents of our communities. However, we have not addressed the clear issue that services have to be funded. The public comments, inserts and ads are extremely problematic to our members because they ignore the challenges and limited capacity that we have. Unlike the provincial government, we have limited revenue generating capability. Unlike the provincial government, we are mandated to produce balanced budgets each and every year, with no flexibility. Directing residents to take up challenges on property tax bills with local governments ignores inflationary pressures, the cost increases, and provincial service delivery that our communities are least prepared to address.

It is abundantly clear to every municipality that meaningful assessment reform and municipal fiscal reform must begin in short order. It is also clear from the comments made recently by the provincial government, that there's a fundamental misunderstanding about what we do in municipal government. It should be mandatory for the leadership and staff of the provincial government to spend time in municipalities to understand the challenges we are facing. There is a clear disconnect between political and policy approaches from the provincial government to the realities faced by local government. Those need to be addressed in short order and that process begins with a willingness to address the ongoing financial challenges municipalities are facing due to provincial policy inaction. Until the fiscal reform process is completed, our municipalities will continue to rely almost exclusively on residential property tax and this issue will continue to be present in our public dialogue.

In closing, to help build better understanding of the local government, we have encouraged our members to reach out directly to you to ensure you have a full picture of the realities on the ground. Our communities are critical to



maintaining and further stimulating the growth we have experienced as a province; however until municipalities are both treated and funded as full partners, we (municipalities AND our province) will be unable to meet our true potential. Help us help you! We want to work with you, but comments like those noted above are not productive. We would ask that you reflect on the messaging of your government and the impact of your actions with your community partners. Collaboration becomes difficult when both partners fail to recognize their responsibilities.

Sincerely,

A handwritten signature in black ink that reads 'Andrew Black'. The signature is written in a cursive, flowing style.

Andrew Black, President
Union of Municipalities of New Brunswick

CC: Premier Blaine Higgs
Minister Ernie Steeves, Minister of Finance and Treasury Board
Minister Glen Savoie, Minister of Local Government
Susan Holt, Leader of the Official Opposition
David Coon, Leader of the Green Party
Charbel Awad, Deputy Minister, Environment and Local Government
Cheryl Hansen, Deputy Minister, Finance and Treasury Board
Jennifer Wilkins, Assistant Deputy Minister, Local Government
Lisa Dionne, Executive Director, Property Assessment
UMNB members
AFMNB