IPTI Xtracts

Property Tax and Assessment News from Around the World

CANADA – May 2022

CONTENTS

BRITISH COLUMBIA

Billionaire's association with luxury B.C. mansion highlights property tax loophole

A billionaire's association with a luxury Vancouver Island mansion highlights land title anomalies that mean property transfer and foreign buyers taxes don't apply to purchases of some pricey B.C. homes.

CBC revealed last month that Russian-born billionaire Yuri Milner was the man behind the trust that bought the $18 million Mille Fleurs mansion in 2013 — seven years before the oceanfront property would house Prince Harry and Meghan Markle as they reportedly drew up plans to step back from their royal duties.

But beyond the intrigue associated with ownership of the mansion, the investigation also underscores an unusual property registration situation that predates strata title legislation passed in the 1960s.

In a nutshell, Mille Fleurs is one of a number of properties located on a larger plot of land owned by a corporation known as Towner Bay Country Club Ltd., which was incorporated in 1929. The bigger plot isn't subdivided, and the owners of the homes located within it are all shareholders of the corporation.

When a house is sold, the individual shares change hands, but the sale of one lot doesn't affect the ownership of the larger plot, which means there's no transaction to register with the Land Title Office — and as a result, no payment of the property transfer or foreign buyers taxes.

'Wacky world of taxation'

There's no suggestion anyone has done anything wrong — it's just the way land title is grandfathered in on certain properties.

A similar situation involving 1960s-era apartment buildings in Vancouver's West End has seen real estate agents trumpet in capital letters the fact there's "NO FOREIGN BUYER TAX and the PROPERTY PURCHASE TAX" in listings for multi-million-dollar apartments facing English Bay.

"These things live in their own wacky world of taxation," says Ron Usher, general counsel for the Society of Notaries Public of B.C.

Usher has catalogued with interest what he calls "historical anomalies" like Towner Bay and the West End apartment complexes which — to add another layer of confusion — are known as co-operatives, but are not the same type of rental co-ops that exist in B.C. as affordable housing.

He says they are probably best described as "housing corporations" created prior to the 1966 Strata Title Act as a way for people to have shared ownership of the building in which their apartments were located.

Similar ownership structures exist in older three- and four-storey buildings scattered around the Lower Mainland — often surprising purchasers when they find out there's no strata title on their individual units.

"I think the important point to make — they solved an enormous housing problem for many people before we had stratas," Usher says.

"These are ways in which people bought affordable housing. They were problem-solving schemes as opposed to tax-avoidance schemes."

'Not searching the globe for weird anomalies'

Both Usher and Real Estate Foundation of B.C. professor Tsur Somerville say owning shares in a corporation — as opposed to having your individual property listed with the Land Title Office — has its drawbacks.

By buying shares, the purchaser buys the right to occupy a home on land owned by a larger corporation that sets the rules for occupancy. It's tough to get a mortgage or any other type of financing.

You can't take advantage of first time home buyers programs. And then there's capital gains tax if the property is not your primary residence.

Somerville says it's a stretch to imagine tax-averse plutocrats mining the shortcomings of B.C. strata law for ways to save money.

"The billionaires are running stuff through layers of shell corporations with Panamanian lawyers and shell corporations registered in the Cayman Islands," he said.

"They're not searching the globe for weird anomalies in ownership structure and buying those."

According to the province's property transfer tax calculator, the property tax payable on an $18 million mansion would be $818,000.

Somerville says taken as a whole, the money lost to provincial coffers through land ownership situations that predate strata legislation pales in comparison to the size of British Columbia's property market.

But that doesn't mean tax avoidance isn't an issue — or that corporate ownership of real estate isn't being used to escape both taxes and scrutiny.

'We're worried about putting in rules'

As the former leader of B.C.'s Green Party, Andrew Weaver began talking about the need to close the province's property tax transfer loopholes back in 2014. The issue still riles him, two years after leaving politics.

While in office, Weaver set his sights on bare trusts — a means of separating the name on the title of a piece of real estate from the individuals who actually benefit from its ownership.

A trustee — often a corporation — holds the legal ownership of the property, but all the decisions related to its use belong to the so-called beneficial owner.

During a sale, the new owner would pay whatever the property costs plus an extra $1 for the shares in the bare trustee corporation, whose name remains on the title — meaning there's no need to pay the property transfer tax.

Weaver says B.C. should follow Ontario's lead by tying the property transfer tax to a change in beneficial ownership, not just title.

"Simple change," he said.

"It seems that we're worried about putting in rules. And that's the biggest problem, is there's almost a risk aversion, it seems, to governments putting in rules."

'Committed to improving taxation models'

In answer to questions from CBC about land ownership structures that result in property transfer tax loopholes, B.C.'s Ministry of Finance said the province is "committed to improving taxation models to address challenges like this one."

"One of the first steps in addressing a situation such as this is to ensure we have information about beneficial owners, including information about what they own and the ownership structures they have," the ministry said in a statement.

The government points to the new Land Owner Transparency Registry, a publicly searchable database of anyone with an indirect interest in land. The deadline to file with the first-of-its-kind-in-Canada database is November 2022.

The ministry says it will use the information "to understand what beneficial ownership looks like in B.C., which will support the continued improvement of B.C.'s taxation models."

New land registry will increase transparency in real estate market, says finance minister

As for the 27 plots owned by the Towner Bay Country Club, an unanticipated pitfall presented itself in 2014, when the District of North Saanich pondered whether its bylaws would allow more than one "guest cottage" for the whole property — which was, after all, not subdivided.

The solution? Amending the bylaw to consider those plots the same as land registered with the Land Title Office.

A B.C. township sold off a man's property over $6,700 in unpaid taxes. Now it's been ordered to pay him $350K

Spallumcheen must face 'significant consequences' after giving owner no notice of tax auction, judge says

An Okanagan township that sold a man's property at a tax auction without any notice of the sale or the steps necessary to prevent it deserves to face "significant consequences," according to a B.C. judge.

Anthony Brent Morgan owed about $6,700 in property taxes on his land just west of Armstrong when the Township of Spallumcheen put it up for auction in September 2017, according to a recent B.C. Supreme Court judgment.

The vacant lot, which Morgan had purchased for $160,000 seven years earlier, sold for just $11,300. Morgan was not told about the sale, or the fact he had one year to redeem his loss and save the property by paying the money he owed, the judgment says.

By the time Morgan discovered what had happened, it was too late.

According to the judgment, the township acknowledged it failed to meet its legal obligations to notify Morgan under the Local Government Act, and argued he deserved to be compensated for the market value of the property in 2018, when title was transferred to the new owner.

But Justice Gary Weatherill said that wasn't enough.

In his May 6 judgment, Weatherill ruled that Morgan was owed damages equal to the current value of the land, minus the taxes owed. That amounts to $352,316 — about 54 per cent more than what the township was suggesting, and more than double what Morgan originally paid for the land.

"The exercise of the legislative power to sell property at a tax sale for pennies on the dollar … brings with it a duty on the local government to, among other things, ensure the property owner and charge holder know about the sale and are given ample opportunity … to redeem the property," Weatherill wrote.

"Failure on the part of the local government to follow the legislation, including failure to notify the owner … brings with it, and should bring with it in my view, significant consequences."

Land was man's only piece of real estate

When Morgan bought the 3.8-hectare property on Round Lake Road in 2010, his plan was to build a home for his family, a barn and a workshop for his carpentry finishing business, the judgment says.

His family moved into a trailer on the property in July 2012 and lived there for about nine months, until a bylaw officer told them they had to leave because there was no septic system and they didn't have a permit.

Morgan, now 57, has been living in rental housing in Vernon since then, according to the judgment. In the meantime, his business has struggled and he fell behind on his property taxes.

After the land was sold without any notice to Morgan, provincial legislation gave him until Sept. 24, 2018 to make good. Morgan wasn't aware of the sale until after that date, and his efforts to extend the redemption period failed.

"The property was the plaintiff's only piece of real property," Weatherill wrote. "He had no ability to purchase a replacement and has missed out on the significant increase in property values in the area since September 2018."

The judge said Morgan was also entitled to his costs.

This is not the first time a local government has faced criticism over its conduct of a tax auction.

Last year, the provincial ombudsperson published a review showing that a vulnerable senior in Penticton lost her home and hundreds of thousands of dollars in equity after the city auctioned off the house for a third of its assessed value because of just $10,000 in unpaid property taxes.

The review said the woman had the money to pay off her taxes, but health concerns meant she needed help to submit the payments.

The city didn't communicate clearly about what the homeowner stood to lose and didn't make an effort to find out if she needed help, ombudsperson Jay Chalke found.

Chalke recommended the City of Penticton pay the homeowner just over $140,000 to make up for some of the equity she lost, but the city initially refused to do so. Council later voted to compensate her the recommended amount.

Victoria property owners face tax hit if they neglect their boulevards

Proposal: mow boulevard or pay City of Victoria to do it

The City of Victoria enacted property tax rates this week that will mean property owners in the city face a 3.89 per cent increase in their 2022 tax bills, but those unwilling to take care of their boulevards will face an extra hit.

Council enacted its Boulevard Bylaw that will require property owners who have land that fronts and abuts upon any boulevard maintained by the city to pay $2.50 per square metre for boulevard upkeep and maintenance.

The annual tax, which property owners can avoid by agreeing to mow and maintain their own boulevards, adds up to about $500,000 a year for the city. Victoria has more than 300 kilometres of boulevards, most of which are maintained by property owners. The city offers a maintenance service to mow and edge boulevard grass.

Property owners currently being taxed for the maintenance can opt out of the service. That is done on a per-block basis by presenting a petition signed by owners representing 50 per cent of the assessed property value and 50 per cent of the properties.

Petitions must be submitted before Oct. 1 for consideration of opting out or opting in for the coming year.

NOVA SCOTIA

Nova Scotia Abandons Non-Resident Property Tax

The province of Nova Scotia is officially scrapping its proposed non-resident property tax, Premiere Tim Houston announced on Thursday.

The decision to drop the tax comes just weeks after it was included as part of the recent provincial budget released on March 29. The annual tax, which became effective for the 2022-23 fiscal year, would have required non-resident homeowners to pay $2 per $100 of the assessed value of their home. It received mixed reviews from Nova Scotia homeowners. Some lauded it as a step in the right direction to cooling the province’s housing market while others pushed back, deeming it unfair.

“My intentions all along were to improve home affordability, not to be at odds with our core value of being a welcoming province,” Houston said. “I have heard for months from Nova Scotians who are concerned about housing affordability and want to be able to buy their first home. I commit to finding a tool to make it more affordable for first-time homebuyers.”

Just two days before moving to scrap the tax altogether, Houston announced further exemptions and changes to the tax. Small cottages would be exempt from tax on the first $150,000 of the home's value, with a 0.5% tax applying to the value between $150,000 to $250,000. The portion of the property's value above $250,000 would have been taxed at 2%. Houston also announced that members of the Canadian Armed Forces would be exempt from the tax.

These exemptions were in addition to ones that were already built into the provincial budget, including residential properties that contain more than three units and residential properties leased to Nova Scotian residents for at least 12 months.

The removal of the property tax doesn't mean the loss of all new anti-speculation policies. The non-resident deed transfer tax, which was also introduced in the spring budget, will continue on as planned. It came into effect on April 1 and requires non-resident homebuyers to pay a 5% tax on the purchase of a Nova Scotia residential property.

Both the non-resident deed transfer and the non-resident property taxes were estimated to generate $81M in revenue in 2022-23, of which roughly $65.5M would have been from the property tax.

N.S. scraps non-resident property tax; deed transfer tax to remain

Premier Tim Houston says he is committed to finding a way to improve home affordability

The Nova Scotia government has scrapped a plan to increase taxes for non-resident property owners.

Premier Tim Houston made the announcement on Thursday afternoon.

"My intention all along, and the intentions of our government all along, were to improve home affordability," he said. "That was never meant to be at odds with our core value, the core value of our government, the core value of our province, which is being more welcoming.

"So today I will put my personal pride to the side. This policy was an effort to find a solution. It was always meant to be a tool to support housing. But when you realize that the tool you have in your hand might not get the job done, you look for another tool. I commit to finding a tool to make home affordability — particularly for first-time home buyers — a reality in this province."

The government announced the new taxes for non-resident property owners in the spring budget. The changes included a tax of $2 per $100 of assessed value for non-residents, as well as a five per cent deed transfer tax for non-residents who buy a property.

The news of the new taxes was met with criticism from seasonal residents and municipalities.

On Tuesday, Houston announced changes that would see the property tax amount vary depending on the value of the property.

But on Thursday he announced the non-resident property tax will be completely removed.

The non-resident deed transfer tax, however, will proceed as planned.

There are about 28,000 non-resident properties in Nova Scotia, according to the province.

- 34 per cent assessed valued under $150,000
- 12 per cent assessed valued between $150,000 to $250,000
- 12 per cent assessed valued more than $250,000
- 42 per cent vacant residential land

Risk of 'reputational damage'

Houston said the "tweaks" he announced Tuesday were to make the policy more fair, but as time went on, he understood that there was a broader risk.

"I believe the risk of reputational damage to Nova Scotia is becoming more and more real, and it's something I'm not willing to accept. So we'll find another way to address the housing issue."

Liberal finance critic Kelly Regan accused the government of failing to thoroughly research the plan to tax non-resident property owners.

"They didn't do their homework when they were creating this tax and they didn't consult, and now they've discovered that you can't make policy on the back of an envelope."

Regan said the damage to the province's reputation has already been done, and she hopes companies that were planning to curtail business in Nova Scotia are able to reverse those plans.

NDP MLA Claudia Chender echoed the concern that the government acted too hastily.

"I think it's part of a pattern where the premier acts quickly without enough information and then has to backtrack and clean up after himself," she said. "If you want to leap before you look, how about build some non-market housing and get some people into it? You know, there's lots of places that require urgent action where we're just not seeing it."

Houston rejected suggestions that the government leapt into the policy without enough data or scrutiny of its potential effects. He said like all policies, it was subject to plenty of analysis.

"Sometimes it's difficult to anticipate where something might go in the minds of the public," Houston said. "But we did not foresee that this would change the view of Nova Scotia in the eyes of people."

'Not worth it'

Finance Minister Allan MacMaster said the government had estimated the property tax would bring in about $65 million a year — about half of one per cent of the overall budget.

"Sixty-five million is not a small amount of money. If there's a way we can find the 65 million somewhere else, we will."

MacMaster said part of the aim of the tax was to encourage people who own property they don't use to put it on the market and thereby make it available to Nova Scotians who live in the province year-round. But he said the backlash from seasonal residents and people who have made investments outweighed that goal.

"In the end, it became apparent … that it was not worth it to use this tool to help Nova Scotians find places to live."

Reaction from investor

Glynn Williams, owner of the Authentic Seacoast Company, said the tax had him considering pulling up stakes in Guysborough municipality, where he's owned property for more than 30 years.

The Ontario-based business operator spoke with CBC Radio's Maritime Noon on Thursday before the government announced it was ditching the tax.

"The housing crisis will get solved by building more houses, and in order to do that, we need to attract investors and not shun them," Williams said.

Later, he praised the decision.

"It's wonderful in a democracy that our elected officials are responsive to citizens when they are in a position to express their discomfort with a policy change. So I'm delighted that the premier and his government listened to us," he told News at Six.

"I was worried the business climate had fundamentally changed.... We'll take a look at the projects that we had cancelled or put on hold and hopefully move forward."

Non-resident Property Tax to be Updated in Regulations

Updates to Nova Scotia's new non-resident property tax that will help military families and provide relief for owners of small cottages will be part of regulations to be released this spring. The changes will also clarify the tax for vacant residential land owned by non-residents.

Premier Tim Houston announced the changes today, May 3, during the State of the Province address.

"We love our seasonal residents, and we will continue to show them our Nova Scotian hospitality and welcome them with open arms, but my main concern is for the people who are or want to live here year-round but can't afford a place to live," said Premier Houston. "We are positioned to grow in every region, but we need housing. This is one way our government is addressing the housing crisis and these changes respond to concerns we have heard from Nova Scotians."

Active members of the Canadian Armed Forces will be exempt from paying the non-resident property tax, introduced in the spring budget. The rates will vary for other non-residents according to the value of the property assessment, benefitting owners of smaller properties like small cottages:

- they will be exempt from the tax on the first $150,000 of the assessment
- the tax will be 0.5 per cent on the value between $150,000 and $250,000
- the tax will be two per cent on the value above $250,000.

All vacant residential land owned by non-residents will be taxed at two per cent regardless of the assessed value.

The government intends to spend more to address the housing crisis than will be received in revenue from the non-resident property tax. The deed transfer tax, also part of the spring budget, will proceed without changes.

Quote:

We are listening to the feedback we have received and believe that these changes reflect some of the concerns raised by non-resident property owners. We expect regulations to be finalized this spring.

Allan MacMaster, Minister of Finance and Treasury Board

Nova Scotia to make changes to controversial new non-resident property tax plan

Tax will be tiered based on property value to a maximum of 2%

Nova Scotia Premier Tim Houston announced changes to a controversial new non-resident property tax plan during a speech in Halifax on Tuesday.

The tax of $2 per $100 of assessed value for non-residents was announced in the spring budget, along with a five percent deed transfer tax for non-residents who purchase a property.

The province said the revenue from the new taxes would be used to help address the housing crisis, but the property tax measure has faced backlash from seasonal residents who own cottages or other properties in Nova Scotia.

The deed transfer will not be changed, but the property tax levy will now be tiered to soften the blow of the new measure, which had been expected to garner the province $65 million in new revenue.

The changes will see an exemption for active members of the Canadian Armed Forces and the introduction of a tiered tax regime based on the property assessment.

According to the province, the changes will benefit the owners of smaller properties like cottages.

- Properties assessed at under $150,000 will be exempt from the tax.
- Properties assessed at between $150,000 and $250,000 will be taxed at 0.5 per cent.
- Properties assessed at over $250,000 will be taxed at two per cent.
- All vacant residential land owned by non-residents will be taxed at two percent regardless of assessed value.

Those changes will mean a $23.2 million hit to the province's original revenue target, reducing the anticipated new revenue amount to $41.2 million, according to the premier's chief of staff, Nicole LaFosse.

During his state-of-the-province speech Tuesday to the Halifax Chamber of Commerce, Houston suggested the original tax plan was drafted in a hurry.

"We're working hard to make real change for Nova Scotians and as the government we're moving pretty fast," said Houston. "But when you move fast sometimes you need to pause and adjust course.

"We are not so arrogant that we can't admit when we need to adjust."

Houston said the change was a better balance, and the adjustments are "more than fair." He said he hoped seasonal residents "will see that our province is truly worth it."

"We are positioned to grow in every region, but we need housing," Houston said. "This is one way our government is addressing the housing crisis and these changes respond to concerns we have heard from Nova Scotians."

Tax is flawed, Rankin says

Liberal leader Iain Rankin, who was at the event, said while he was happy with this change, the tax policy remained flawed.

"It is bad policy, but at least they're showing that they're listening to people and their concerns," said Rankin. "We're happy to see that but the money should be going to municipalities.

"The province shouldn't be reaching into municipal jurisdiction."

Several municipalities had raised concerns about the tax on non-residents.

Vernon Pitts, the warden of the Municipality of Guysborough, wrote a letter to the premier in April that asked him to rescind the decision and hold consultations with municipalities on the housing crisis.

Some businesses had also indicated they were reconsidering their development plans for the province in light of the new tax.

PRINCE EDWARD ISLAND

How P.E.I.'s property tax subsidy works

You will still pay more in property tax this year

The P.E.I. government is subsidizing property taxes for owner-occupied residences this year to help Islanders deal with the highest inflation in decades.

The annual inflation rate for 2021 was 5.1 per cent. That means, by legislation, taxable value assessments — the value used for owner-occupied residences — rose by the maximum five per cent.

Consequently, barring a change in tax rates, the amount of property tax you would pay on your home also rose five per cent.

Rather than change the tax rate, the province decided this year to subsidize taxes so that the provincial property tax paid would not change from last year.

"We're trying to help Islanders at this particular moment in time," Finance Minister Darlene Compton told Island Morning host Kerry Campbell Wednesday.

"We're looking at ways we can help Islanders and this is one of them."

Municipal taxes still up

The provincial subsidy does not mean you won't be paying more in property taxes this year.

The subsidy applies only to the provincial portion of the tax. The municipal portion is still working off that five per cent increase in assessment.

What this means in particular will vary from community to community. In Charlottetown, it means your total property tax bill will increase by about two per cent.

How much am I saving?

How much you save depends on the assessed value of your property.

But you can see how much the subsidy is worth on your bill. On page one, under the heading "Current," there is a list of charges. These include what's due from previous years, provincial and municipal taxes, and Waste Watch fees.

There is also a line that says "Less credits and payments." Unless you have made an advance payment on your property tax bill, this is the value of your subsidy.

What about next year?

The annual inflation rate as of March was 8.9 per cent. While inflation is expected to fall before the end of the year, there is a good chance there will be a big jump in assessments next year as well.

Compton would not commit to extending any relief program.

"We don't know what next year is going to look like," she said.

"We know this year is particularly difficult because we're coming out of a pandemic and there are a number of global events that continue to drive up prices. We'll be there to support Islanders as much as we can."

If there is no support program next year, Islanders could potentially see a 10 per cent hike in provincial property tax.

While that would be a big jump, it is worth keeping in mind that money saved this year is still money saved. Even if you pay the full cost next year, you won't this year.

As for the other method of lowering the amount of property tax paid — a decrease in the rate — Compton said tax rates are something the government is always reviewing.

P.E.I. seasonal residents' group 'frustrated' by higher property taxes

Focus is on services for year-round residents, says Three Rivers mayor

As many of P.E.I.'s seasonal residents gear up to come back to the Island this summer, some are feeling frustrated about rising property taxes in certain communities.

In its March budget, the town of Three Rivers in eastern P.E.I. raised property taxes for non-residents so they are now double what residents pay.

"It's a bit hurtful, frankly," said Robert Vincent, who lives in Montreal but owns a cottage in the Launching area near Cardigan, which is part of Three Rivers.

"It sends a message that … 'We don't have to worry about your votes, but hey, we'd be happy to have more of your money,'" he said.

"The only viable decision we thought we could make without raising the residential tax rate was to look at doubling the tax rate for non-resident folks," said MacAulay.

This was the first year the town didn't receive transitional funding from the province, which it has gotten every year since amalgamation in 2018.

A memorandum of understanding signed during amalgamation prevents a tax hike for year-round residents.

MacAulay said he's heard from family members of seasonal residents about the tax rate change who are upset and see this as discrimination.

"I can appreciate people's unhappiness with it," said MacAulay.

"But we have to do what we can to make sure that we provide services year-round for the people that are here year-round."

Non-residents of P.E.I. already pay more provincial tax than residents, at $1.50 per $100 of assessed property value rather than $1.

The Seasonal Residents of P.E.I. Association wants Islanders to know about the tax change in Three Rivers, and that non-residents also pay higher municipal taxes in Charlottetown, Stratford and Cornwall.

"Those who are in those areas are frustrated, because obviously seasonal residents have no recourse. There's no voting rights, for obvious reasons," said association president Jen Harding.

"There's this sense that the seasonal residents are an easy target for municipalities to cover funding shortfalls like Three Rivers did."

Harding said association members are concerned that other municipalities could follow Three Rivers' lead and also raise taxes for non-residents.

Vincent, who also sits on the association's board, said despite the increase, his tax bill still won't be particularly high, since his property is in a rural area with fewer services.

So although it won't have a financial impact on him, Vincent shares Harding's concern.

"I have no idea where this ends," he said. "I can't claim that I would be shocked if other municipalities say, 'Hey, what a great idea. Let's copy this.'"

Harding said the association isn't planning to officially challenge the tax increase, but she hopes the Island's municipal councils look to other ways of balancing their budgets in the future.

"I would just hope … they really look at all the options and consider any potential unintended consequences," said Harding.

SASKATCHEWAN

Catholic division levies its own property taxes to protect its constitutional rights

During their recent board meeting, trustees with Holy Trinity Catholic School Division voted to adopt the education property tax mill rates that the provincial government established for the 2022-23 taxation year.

Moose Jaw's Catholic school division expects to generate about $4 million this year by levying its own property taxes and mill rate, a move designed to protect its constitutional rights.

During their recent board meeting, trustees with Holy Trinity Catholic School Division voted to adopt the education property tax mill rates that the provincial government established for the 2022-23 taxation year. The mill rates include:

Agriculture: 1.42 mills
Residential: 4.54 mills
Commercial/industrial: 6.86 mills
Resource property: 9.88 mills

In the 2020/21 fiscal year, the school division collected $4,088,184 in education property taxes. For 2022-23, with assessment growth factored in, the division expects to receive $4,168,000 by levying its mill rates.

About four years ago — during the time of the Theodore Court Case — all eight Catholic school divisions in Saskatchewan moved to protect their constitutional rights to exist and operate as religious educational organizations by enacting mill rate bylaws, explained chief financial officer Curt Van Parys.

The Ministry of Education allowed the organizations to enact those bylaws, but they were required to pass an annual resolution to set the education property tax mill rates by April 20 and notify the ministry and area municipalities by May 1.

"Our school division — as well as a number of other school divisions — have the option to deviate from provincial rates, but there really is no financial advantage associated with that," Van Parys said.

"So if we were to, for example, set our mill rates higher than the provincial mill rates, the ministry would reduce our grant by an equivalent amount, and if we were to set our mill rates lower … the ministry would say, 'Oh, things are looking good,' and they wouldn't adjust the grant."

The levying of educational property taxes and mill rates is expected to generate about $20 million for all 28 school divisions in Saskatchewan to support pre-kindergarten to Grade 12 education.

"So bottom line, (we're) preserving our constitutional rights as Catholic school divisions and adhering to what the ministry has decreed we need to do to make sure those rights are preserved," added Van Parys.

The next Holy Trinity board meeting is Tuesday, May 24.