

THE NEWSPAPER'S VIEW

We should question the transit question

“Do you support a one-half percentage point (0.5%) increase to the provincial sales tax in Metro Vancouver, dedicated to the Mayors' Transportation and Transit Plan, with independent audit and public reporting?”

That will be the question Metro Vancouver residents will be asked in a mail-in referendum next spring, assuming the provincial government gives it the green light (pretty much a foregone conclusion since the referendum was imposed on the region by the government).

The half-a-percentage-point increase in the PST is expected to raise \$250 million a year to help fund a \$7.5-billion expansion of the region's transportation infrastructure, including an extension of the Millennium Line under Broadway in Vancouver, light rail in Surrey, more buses on busy routes, a new Pattullo Bridge and safety improvements for pedestrians and cyclists.

Although we can argue over how transportation is developed in the region, it is clear that the system must expand to serve a growing population. Another million people are expected to live here by 2040.

A rarity in Canada, a referendum seeking a tax increase is common in the United States. Los Angeles held a referendum in 2008 asking residents if they would support a 0.5-percentage-point increase in the L.A. County sales tax with proceeds dedicated to rapid transit and road infrastructure for 30 years. Championed by then-mayor Antonio Villaraigosa, the initiative narrowly passed with the required two-thirds in favour. A subsequent referendum in 2012 to extend it for another 30 years was narrowly defeated. In Seattle, residents recently voted in a referendum to both raise the regional sales tax (by 0.1 of a percentage point) and apply a \$60 vehicle levy to support transit. In that case, labour, business, environmental groups, community groups and government leaders all voiced support for the measure.

These experiences raise a couple of issues regarding Metro Vancouver's referendum. For instance, what assurance do we have that the tax increase will be repealed after the mayors' 10-year plan is realized? Once governing bodies are handed a tax lever, they tend not to give it up. The proposed tax increase should have an expiry date and any extension — if one is necessary — should be put to a vote. What's more, there must be some guarantee that the half-point increase will not quietly creep higher.

Who will be the referendum's champion? Recall that the campaign to defeat the harmonized sales tax referendum was fronted by well known former premier Bill Vander Zalm, who proved to be a dynamic and energized leader. Despite the economic logic of the HST, it was scuttled largely as a result of his efforts, the team that he galvanized, and the fumbled introduction of the tax by the Liberal government.

As in Seattle, a coalition of unlikely forces has come together in Metro Vancouver to support a Yes vote on the referendum. It includes the Vancouver Board of Trade, Unifor (Canada's largest private sector union), Tourism Vancouver, the Downtown Surrey Business Improvement Association, the David Suzuki Foundation, the Greater Vancouver Gateway Council and the B.C. Chamber of Commerce. This kind of multi-partisan support for the referendum is critical to its success. The Liberal government has indicated that beyond financing the referendum, it will not be an advocate. Given that the transportation plan will grease the gears of commerce, bolster the economy and enhance livability in the Lower Mainland, the province should be a cheerleader for a Yes vote. Furthermore, an additional \$3 billion in funding will be required from the federal and provincial governments on top of what Metro Vancouver is able to raise. Victoria should state unequivocally that it will provide that funding if the referendum is passed.

It must be noted that the mayors' vote on the referendum question was not unanimous. The mayors of Burnaby, West Vancouver and Maple Ridge opposed it. Burnaby Mayor Derrick Corrigan argued that the transit plan is too aggressive, more of wish list than a plan, and that a referendum in the spring would be doomed.

Certainly time is working against a positive outcome. In the U.S., these kinds of ballot measures often have the luxury of years to educate the public about costs and benefits. Metro Vancouver will have just three months to make its case.

Other methods to raise the necessary revenue have been discussed, such as a carbon tax increase, vehicle levies, road pricing, property tax increases and more and higher user fees. But a regionalized sales tax seems most fair and, given the broad base, most likely to supply sufficient funds. A sales tax is considered a regressive tax but there are exemptions for food, books, children's clothes and prescription medicines, as well as breaks for First Nations, the disabled and students, which blunt what would otherwise be its most negative impacts.

Among other questions is the voting threshold required to pass. In Los Angeles, the first sales tax referendum required the affirmative consent of at least twice the number of those not in favour — that is, a two-thirds vote. It passed with 67.4 per cent of the vote. When B.C. held a referendum in 2005 on adopting the single transferable vote, the government set a threshold of 60 per cent in favour. It failed with 57.7 per cent of the vote.

We're told the Mayors' Council has decided the referendum will pass with a vote of 50 per cent plus one in favour. That may be yet another bone of contention.