The City of Saint John

Mayor Donna Noade Reardon
Mayor's Office/Bureau de la mairesse

May 5th, 2025

Mayor Tina Beers
Village of Five Rivers
Delivered via email: tbeers@5-rivers.ca

RE: Let's Keep Heavy-Industrial Revenues Working in Our Communities

Dear Mayor Beers,

As fellow local leaders, we know how every dollar matters to the people we serve. Today, we have a significant province-wide opportunity: returning heavy-industrial property tax revenues to the very communities that generate them.

For the Village of Five Rivers, our analysis suggests this change could mean approximately $52,768 in new annual revenue - funds that could be directed toward roads, recreation, housing, or other local priorities. (Please note: this is an estimate based on publicly available assessment data and does not include any provincially tax-exempt assets that may exist in your community.)

Why act now?
This is a moment of province-wide opportunity. Aligning community and provincial interests will position New Brunswick as a global destination for investment and growth, especially as transformational changes reshape trade and manufacturing.

Based on our estimates, 33 municipalities and rural districts stand to share approximately $24 million annually, while the shift represents just 0.17% of the Province's $13.8 billion budget. Crucially, there would be no tax increase for industry, preserving New Brunswick's cost-competitive edge.

Heavy-industrial operators rely on municipal services, yet much of the property tax they pay bypasses the very communities that support them. Keeping these revenues local aligns responsibilities with resources, creating a win-win for industry and municipalities alike.

This proposal has unanimous support from Saint John Common Council and strong backing from major industries. We've also received support from UMNB and the Fundy Regional Service Commission. Momentum is growing, and we want to seize this transformational opportunity together with your community.

Join me for a brief strategy call to walk through the numbers, answer questions, and outline next steps. I'm hosting a short virtual session on Tuesday, May 13, 2:00 – 3:00 p.m. and I hope you, or a delegate, can participate.

Please RSVP to Kateri Hibbert, Executive Assistant to Mayor and Council at kateri.hibbert@saintjohn.ca by **Thursday, May 8** and a Microsoft Teams link will follow.

If this date and time doesn't work, let us know and we'll gladly arrange a separate briefing.

Together, we can present a unified municipal voice to ensure vital industrial tax dollars stay where they belong, supporting growth in every corner of New Brunswick.

Thank you for your continued leadership. I look forward to speaking with you soon.

Warm regards,

Donna Noade Reardon
Mayor of the City of Saint John

SAINT JOHN

Small City, Big Heart.

Heavy Industrial Property Tax Transfer

May 13, 2025

Meeting of the Mayors

Opportunity for 33 Municipalities across NB

Heavy Industrial Provincial Property Tax Transfer – Keeping revenue local to fund infrastructure deficit, economic growth and quality of life. Aligning the interests of industry, municipalities & the Province.

Studies Speak to Immediate Need for Fiscal Reform

2024 FCM Roadmap to Strengthening Municipal Finances
"We are limited by a financial system that doesn't give us the power to solve local problems on the scale needed in 2024 and beyond. Cities provide important services and infrastructure, but they only get 8 to 10 cents for every tax dollar."

2022 Report Expert Panel on Provincial Fiscal Arrangements
Pierre-Marcel Desjardins & Nora Kelly called for an Overhaul of NB municipal funding model.

2020 Provincially Commissioned Gardner Pinfold Reports
Regional Task Force Analysis & Heavy Industry Cost Recovery Analysis – Saint John bears more cost than municipal benefits within Region and Heavy Industry.

2017 Slack & Kitchen Report
"Moreover, eliminating the provincial property taxes would reduce the pressure on the municipal property tax rate and increase transparency in the property tax system. "It would also provide municipalities with needed tax room."

FINN REPORT – Jean Guy Finn – November 2008
Recommendations included abolishing current system, more tax room made available from the Provincial Government to Municipalities, and municipal entities have more control over setting local tax rates amongst several other recommendations.

Keeping Industrial Property Tax Local

Goal: Property tax revenue earned locally stays local.

Request: Keep industrial property tax revenue from our communities in our communities.

Why It Matters:
✓ Infrastructure – Address deficits impacted by heavy industry.
✓ Safer Communities – Sustainable funding for industrial area safety.
✓ Better Livability – Improved quality of life in industrial areas.

A fair, local solution that benefits everyone.

Heavy Industry Tax: A Unique Opportunity

Issue Ongoing: Tribunals, hearings, studies, and government focus. Advocating for over a year.

Solution Identified with Unprecedented Alignment:

- Supported by **JDI & Irving Oil**
- Backed by the **Canadian Manufacturers & Exporters Association**
- **Unanimous** support from **Saint John Common Council**
- **UMNB** is supportive
- **FRSC** is supportive

New Heavy Industry Tax Class — Separate & distinct from other customer classes.

Province-Wide Benefit — Applies to **33 municipalities** with heavy industry.

The time to act is now. A solution that works for all.

Heavy Industrial Tax: A Local Opportunity

NB Tax Authorities: 89
(77 municipalities & 12 rural districts)

33 of 89 (37%) would benefit from rebating the heavy industry property tax locally.

$24M in new revenue for impacted municipalities & rural districts.

Strengthening local economies by keeping revenue where it's generated.

Municipality	Heavy Asssessment	Provincial Heavy Revenue	Percentage of Municipal Revenue
Edmunston	$ 24,858,800	$ 461,379	1.09%
Vallée-des-Rivières	$ 24,375,200	$ 452,404	9.73%
Grand-Sault / Grand Falls	$ 32,453,000	$ 602,328	3.21%
Saint-Quentin	$ 13,639,500	$ 253,149	5.78%
Carleton North	$ 63,317,800	$ 1,175,178	12.20%
Southern Victoria	$ 2,856,500	$ 53,017	1.60%
Tobique Valley	$ 6,070,100	$ 112,661	3.87%
Central York	$ 18,741,300	$ 347,839	11.59%
Nackawic-Millville	$ 13,012,300	$ 241,508	6.66%
Hanwell	$ 123,500	$ 2,292	0.05%
Grand Lake	$ 11,952,600	$ 221,840	3.45%
Kings Rural District / District Rural de Kings	$ 57,426,300	$ 1,065,832	30.32%
Saint John	$ 536,946,300	$ 6,959,512	3.71%
St. Stephen	$ 16,457,600	$ 305,453	2.27%
Eastern Charlotte	$ 28,046,100	$ 520,536	7.96%
Grand Manan	$ 927,700	$ 17,218	0.40%
Fundy Shores	$ 284,844,200	$ 5,286,708	235.70%
McAdam	$ 3,455,300	$ 64,130	3.65%
Beaurivage	$ 5,555,500	$ 103,110	1.54%
Five Rivers	$ 2,843,100	$ 52,768	1.25%
Moncton	$ 22,297,900	$ 413,849	0.19%
Dieppe	$ 58,095,700	$ 1,078,256	1.36%
Shediac	$ 3,421,700	$ 63,507	0.29%
Kedgwick	$ 4,374,400	$ 81,189	3.15%
Campbellton	$ 11,782,900	$ 218,691	0.89%
Restigouche Rural District / District rural Restigouche	$ 4,529,700	$ 84,071	7.06%
Belledune	$ 158,596,500	$ 2,943,551	63.17%
Hautes-Terres	$ 15,503,200	$ 287,739	5.98%
Chaleur Rural District / District rural Chaleur	$ 9,785,800	$ 181,624	8.44%
Tracadie	$ 4,197,900	$ 77,913	0.46%
Miramichi	$ 19,106,400	$ 354,615	0.81%
Doaktown	$ 9,400,000	$ 174,464	9.42%
Greater Miramichi Rural District / District Rural du Grand Miramichi	$ 1,876,000	$ 34,819	1.23%
	$ 1,470,870,800	$ 24,293,151	

Industrial Property Tax: a Small Fraction of NB's Total Revenue

Total NB Property Tax Revenue (2025/26): $546M

Industrial Property Tax Shift to Municipalities: $24M (4.4% of NB's property tax revenue)

Impact on GNB's $13.2B Budget: Only 0.18%—No impact to 99.82% of provincial revenue

Generated by 33 Local NB Entities with Heavy Industry

Keeping this revenue local strengthens economic growth in NB municipalities.

Asking for your voice to support alignment on the Transfer Model – A win for all!

For Heavy Industry:
✓ No tax increase.
✓ Positive shift in industry growth narrative.

For NB Communities:
✓ 33 tax authorities receive a fair, re-investable share.
✓ Equitable and unified application of the model.

For the Province:
✓ Reinforces a stable tax environment for business.
✓ Implements expert report recommendations.
✓ Backed by industry, Councils, and UMNB.

Small City, Big Opportunities.

Moving Forward Together