



Municipal Finance Authority of BC

June 30, 2025

Re: Amendments to Municipal Regulations Increase Capacity to Borrow Without Elector Approval

Please be aware that, effective June 9, 2025, the Province has amended two regulations that impact municipal borrowing. These changes increase municipalities' ability to borrow without elector approval, but have **no impact** on overall debt servicing limits. The liability servicing limit remains 25% of the annual calculation revenue as established in the Municipal Liabilities Regulation.

The changes are as follows:

1. Section 7(a)(ii) of the Municipal Liabilities Regulation

The approval-free liability zone has been increased from 5% to 10% of the annual calculation revenue.

2. Section 1 of the Short Term Capital Borrowing Regulation

The short term capital borrowing limit, applicable under Section 178 of the Community Charter, is now the amount obtained by multiplying \$150 by the municipality's population, which has been increased from \$50.

For more information, please refer to the Province's press release:

<https://news.gov.bc.ca/releases/2025HMA0052-000616>