



**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>