



**Ministry of Housing and  
Municipal Affairs**

Local Government Infrastructure  
and Finance Branch  
PO Box 9838 Stn Prov Govt  
800 Johnson St, 4<sup>th</sup> Floor  
Victoria BC V8W 9T1  
Phone: 250-387-4060

## CIRCULAR

Circular No. 25:11

June 18, 2025

To: All Municipal Chief and Financial Administrators

Re: Changes to Municipal Liabilities Regulation and Short Term Capital Borrowing Regulation

Over the last number of years, municipalities have raised concerns regarding elector approval requirements for borrowing, specifically:

- the amount of staff resources and costs associated with obtaining elector approval for essential infrastructure replacement,
- the risks associated with delays in implementing critical infrastructure if electoral approval fails, and,
- limited scope of infrastructure replacement that can be completed without approval of the electors.

In response to these concerns, the province has amended the Municipal Liabilities Regulation and Short Term Capital Borrowing Regulation, effective June 9, 2025. These amendments enhance the ability for municipalities to borrow without electoral approval; simplifying the process to finance infrastructure to serve growing communities. The amendments are as follows:

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

The approval-free liability zone has been increased from 5% of the annual calculation revenue 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 population of the municipality; increased from \$50.

A copy of the Order in Council that amends these regulations has been attached for your



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reference.

Due to IT system constraints, we are not able to update the approval-free liability zone calculation on schedule B3, line n of the 2024 LGDE forms. It will be updated on the 2025 LGDE forms for next year's annual reporting cycle.

If you have any questions or need any further information, please contact your financial analyst. Contact information for financial analysts can be found using our [Local Government Division Staff Finder](#).

Joshua Craig  
Director  
Local Government Finance

Attachment