

# City would tax UNB

By JEFF DAVIES

The University of New Brunswick owns about \$50 million worth of tax exempt property and buildings in the city of Fredericton. What would the consequences be if the city were to levy a property tax on the university's holdings?

That's what the city has proposed to do, as one of the items contained in a brief on municipal finance. The brief was presented to the Provincial Task Force on Municipal Structure and Financing two weeks ago.

One thing everybody, including the mayor, seems to agree on; the university wouldn't be able to pay property taxes without looking for more money. The university is already having considerable financial difficulty this year, due to the drop in enrollment.

In the brief, the city contends that it is "very fitting . . . to see a formal review of the Municipal Finance system take place." They feel that tax exemptions can no longer

be justified and are having a "serious adverse effect" on the city. In addition to university properties, tax exemptions apply to "Provincial and Federal Governments, religious and charitable institutions."

According to several members of the UNB administration, this isn't the first time the city has proposed taxing the university, nor is this the only city where such a motion has been put forward. Both Dr. Desmond Pacey, acting President of the University, and Dr. Beverly Macaulay, Vice-President of Administration, mentioned a similar case at Acadia University several years ago in which the town of Wolfville had attempted to tax the university. The university took the case to court, and as a result, said Dr. Macaulay, ended up paying less tax than it had previously.

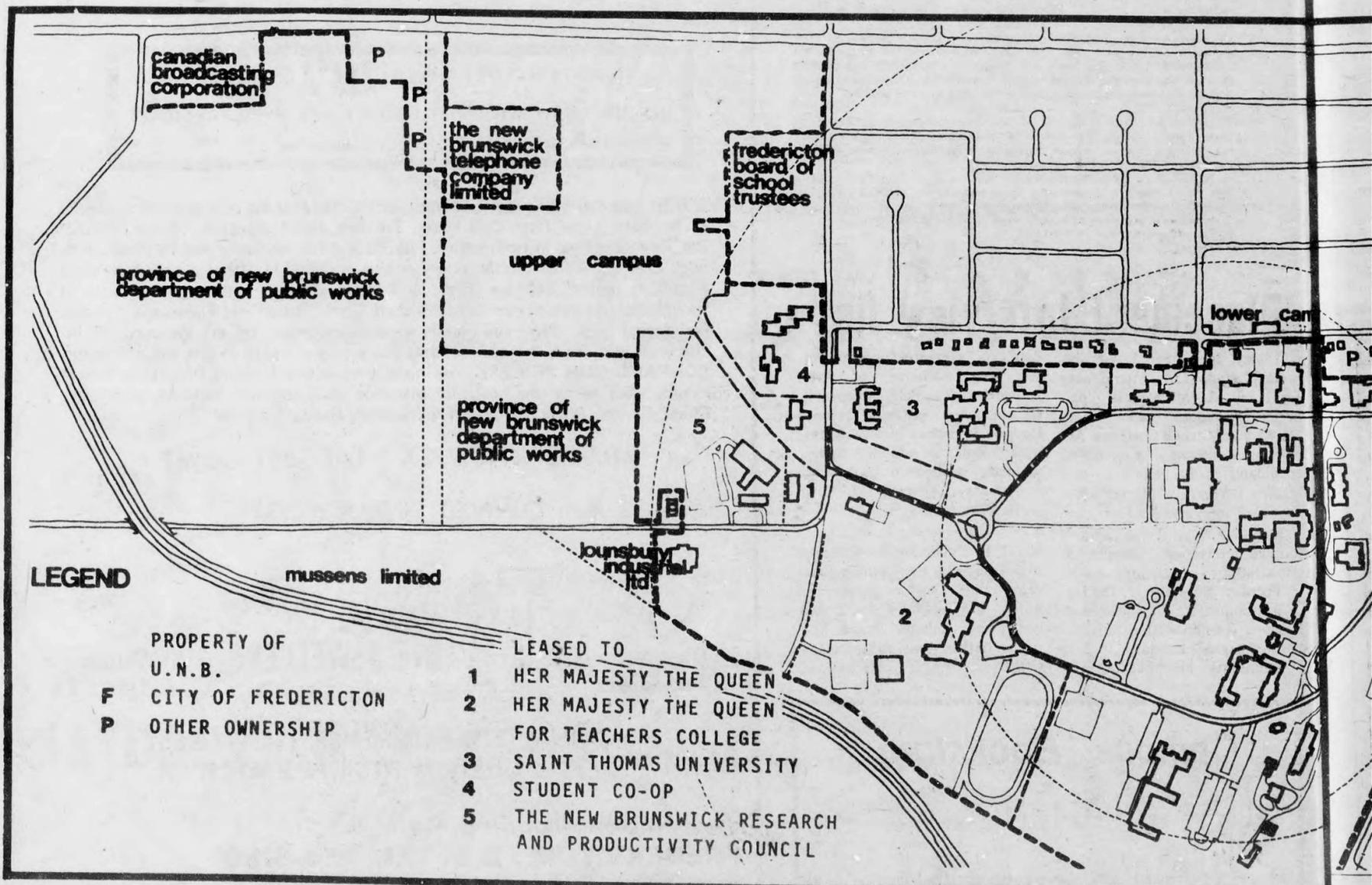
If the city does receive the authority to tax the university, the rate would be \$2.28 per \$100 of property, with \$1.50 going to the

province and the going to t  
This means the receive a  
mately \$390,000 from the un  
each year.

"It would be a disasterous  
Dr. Pacey. In ord university  
the bill, he said be neces  
obtain a grant provincial  
ment, which would "taking  
one pocket and p another."

He felt that t arently  
realize all the ad received  
university. He stat, rat  
taking money from university,  
attempt to get it on the p  
government.

Should UNB should the  
shifted to the state form  
hike? "There's al ace of th  
Pacey, "students of other  
income."



This diagram shows the land owned by the university on the upper and lower campus. In addition to this, the university owns a large woodlot south of the campus, a city block in downtown Fredericton which are rented to faculty members, to bring its total holdings to more than 3,000 acres. The city of Fredericton has already taxed the university's private homes and the buildings. The university has appealed this in court and is not paying any taxes on these properties at the present. The university would not be taxed on the downtown block, bounded by Regent, Kinston, and is leased to businesses. The university's remaining properties have been assessed at a value of over \$48 million and would bring the city a revenue of approximately \$390,000 yearly if they were.