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BC Coalition for Affordable Dependable Energy, Canadian Federation of Independent Business BC Branch and BC Restaurant and Foodservices Association call on Vancouver City Council to drop implementation of punishing “Second Carbon Tax” on hundreds of commercial buildings that will hurt tenants by fining landlords, forcing big rent hikes for small businesses

VANCOUVER - The BC Coalition for Affordable Dependable Energy, the Canadian Federation of Independent Business BC Branch and the BC Restaurant and Foodservices Association are calling on Vancouver City Council to drop implementation of a punishing “Second Carbon Tax” on hundreds of commercial buildings that will hurt tenants by fining landlords and forcing big rent increases on small businesses already struggling to survive.

The “Second Carbon Tax” is due to be implemented in January 2026 and could result in significant fines to large Vancouver building owners for greenhouse gas emissions, forcing them to impose big rent increases for their retail and commercial tenants and to also make expensive changes to their heating and cooling systems or face increasingly escalating fines, say the two organizations.

“Just when we thought the federal and provincial carbon taxes were gone, along comes Vancouver to impose a new Second Carbon Tax on hundreds of landlords across the city, punishing the small businesses that rent space from them with rent increases due to city fines,” says Bill Tieleman, Director of the BC Coalition for Affordable Dependable Energy, one of BC’s largest coalitions, that opposes municipal bans on renewable natural gas and natural gas.

CFIB BC Director Ryan Mitton says Vancouver’s Second Carbon Tax could not come at a worse time for small businesses.

“With BC small businesses facing an increased cost of doing business, rising taxes and uncertainty from the U.S.-Canada trade dispute, the last thing they need in Vancouver is a Second Carbon Tax on the buildings where they rent retail or office space,” says Mitton. “Small businesses tell us they need a break, not a burden from Vancouver to add to their troubles.”

BCRFA President and CEO Ian Tostenson says that restaurants are facing far too many challenges as it is, with a skilled labour shortage, issues around needed temporary foreign workers, and tipping issues with WorkSafeBC in what is always a tough industry with razor thin profit margins.

“Vancouver should be focusing on how to make this city more business-friendly and easier to operate a successful restaurant here – not taking on provincial and federal jurisdiction like

energy regulations – and finding new ways to financially punish our members,” says Tostenson.

BC CADE’s Tieleman says Vancouver will begin imposing a \$500 basic permit fee and fines of \$350 per ton of CO2 that exceed city limits, with estimates that exceeding emissions caps by just two kilograms per square meter could easily mean \$14,000 a year in fines for a 200,000 square foot building – a medium to large sized building.

“Vancouver is imposing fines that will be all stick and no carrot for building owners and their retail and commercial tenants – that will lead to higher costs for everyone at a time when our economy – and small businesses – simply cannot afford it,” Tieleman said. “BC CADE, CFIB and BCRFA want Vancouver City Council to back off on this plan and start finding incentives to improve energy efficiency, not painful punishment.”

Mitton said Vancouver’s Second Carbon Tax has been in the works for some time but will come as a complete surprise to most small businesses in the city.

“As a small business renting space in a large downtown building, whether for retail or office space, they are not in control of the overall building’s heating and cooling, nor are they aware of this looming Second Carbon Tax they will end up paying for when landlords begin receiving fines next year,” Mitton said.

“Even if a landlord wants to make changes to avoid the fines, it will be very expensive and take years to complete, Mitton says. “Small businesses tell us they can’t afford higher rents—these costly changes will either force businesses to move elsewhere or raise prices for consumers, all for what amounts to a marginal improvement.”

Tieleman said CFIB and other BC CADE members are deeply concerned that Vancouver is so out of step with the provincial and federal governments, which just eliminated the unpopular consumer carbon tax and reduced the price of gasoline and heating fuels like renewable natural gas and natural gas.

“When two governments have eliminated the consumer carbon tax to save Canadians money in tough times, why is Vancouver imposing a new Second Carbon Tax on small businesses and ultimately on consumers?” Tieleman asked. “Small business wants to improve our environment and reduce GHG emissions too but going out of business isn’t the way to do it. We have to move to sustainability at a pace that doesn’t seriously damage our economy and jobs.”

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Background

The BC Coalition for Affordable Dependable Energy [BC CADE] is a new coalition bringing together businesses, business organizations, labour unions and others to support choice on affordable, dependable energy. Coalition members include:

- BC Chamber of Commerce
- Canadian Federation of Independent Business – BC Branch
- Surrey Board of Trade
- Greater Vancouver Board of Trade
- Hearth, Patio & Barbecue Association of Canada
- BC Restaurant and Foodservices Association
- Restaurants Canada
- BC Craft Brewers Guild
- BC Asian Restaurant Cafe Owners Association
- International Union of Electrical Workers Local 213
- UA Local 170
- BC Building Trades
- Mott Electric
- Canadian Institute of Plumbing and Heating
- The Limona Group
- South Asian Business Association
- Northwest Stoves
- Align West Homes
- Alliance of Beverage Licensees BC
- Concorde Distributing
- Jackson Grills
- Ready Propane
- Napoleon Grills & Fireplaces
- Continental Fireplaces & HVAC
- Valor Radiant Gas Fireplaces
- Pioneer Fireplace
- Maxquip
- Regency Fireplace Products
- Heat Savers
- Burden Propane
- Urban Fireplaces
- Quadra Homes
- Isle of Mann Property Group

The Canadian Federation of Independent Business advocates for thousands of small businesses with politicians and decision-makers at all three levels of government (municipal, provincial, and federal). As a non-partisan organization, we influence public policy based on our members' views.

The BC Restaurant and Foodservices Association is the respected voice for thousands of BC restaurants across the province, representing their interests to governments and providing industry insights and proprietary resources to its thousands of members.