

## **MEMORANDUM**

**TO:** Mayor Bonnette and Members of Council

**FROM:** Deanna Locey, Transit Supervisor

**DATE:** June 2, 2019

**MEMORANDUM NO.:** MEM-TPW-2019-0014

**RE:** Provincial Dedicated Gas Tax

### **PURPOSE OF THE MEMORANDUM:**

The purpose of this memorandum is to inform Council on the recent decision by the Government of Ontario to cancel the planned increase of dedicated Gas Tax for Public Transportation to municipalities and the impacts on the ActiVan program, and all future transit initiatives within Halton Hills. A motion will be before Council on June 17, 2019 requesting the Province of Ontario to preserve the existing Dedicated Gas Tax for public transportation of two cents per litre and the commitment to increase it to four cents per litre by 2021-2022.

### **BACKGROUND:**

The Province of Ontario operates a program whereby two cents per litre of its gasoline tax revenues are distributed to municipalities operating transit to be used for both operating and capital expenditures related to transit. The amount of Provincial gas tax funding municipalities receive is based on a formula which includes total ridership and population. Allocation of gas tax funds to municipalities was set to increase by the equivalent of two cents per litre in 2018, to four cents per litre by 2021-2022.

On April 11, 2019 the Ontario government announced in the provincial budget that it would not be moving ahead with the planned two cent increase to the municipal share of existing gas tax. It also announced that over the next few months, the government will consult with municipalities to review the program parameters and identify opportunities for improvement.

### **COMMENTS:**

Since its inception in 2004, the Gas Tax Program has become an irreplaceable, flexible source of operational and capital funding that Ontario transit systems of all sizes count on to serve their communities. This program has delivered on its objectives and demonstrably led to ridership increases for transit, year over year.

The Gas Tax program is critically important for the ActiVan program which currently supports funding of approximately 66% of the programs operating costs annually. In addition, any planned initiatives of conventional transit identified through the Town's Strategic Action Plan and the Town's Transit Service Strategy would also be negatively impacted if changes to the existing two cent per litre transfer decreases or is eliminated.

**CONCLUSION:**

The continuation of dedicated Gas Tax for the existing ActiVan Program along with future transit initiatives is vital to the Town of Halton Hills. The proposed increase to four cents per litre would assist all transit agencies with operating and capital costs. A motion will be before Council on June 17, 2019 requesting the Province of Ontario to preserve the existing Dedicated Gas Tax of two cents per litre for public transportation and to continue with the additional increase to four cents per litre.

Reviewed and approved by,

A handwritten signature in black ink, appearing to read "Maureen Van Ravens". The signature is fluid and cursive, with the first name being more prominent.

**Maureen Van Ravens, Manager of Transportation**

A handwritten signature in black ink, appearing to read "Chris Mills". The signature is stylized and cursive, with a large initial "C" and "M".

**Chris Mills, Commissioner of Transportation and Public Works**

A handwritten signature in black ink, appearing to read "Brent Marshall". The signature is cursive and somewhat stylized, with the first name being more prominent.

**Brent Marshall, Chief Administrative Officer**