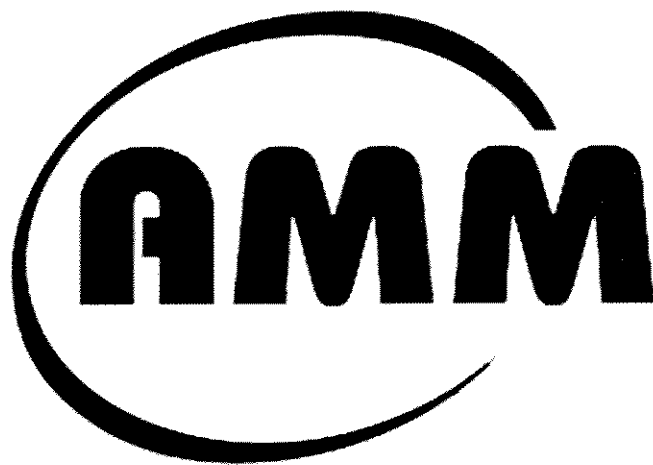


Presentation by the  
**Association of  
Manitoba  
Municipalities**



to

The Standing Committee on Legislative  
Affairs - Bill 14: The Gas Tax Accountability  
Act

The Association of Manitoba Municipalities (AMM) is pleased to appear before the Standing Committee today and would like to take this opportunity to present our views on Bill 14: *The Gas Tax Accountability Act*. As the AMM represents all 199 incorporated municipalities in Manitoba, we feel it is important that a municipal perspective be considered and we appreciate the opportunity to do so.

Bill 14 requires the Provincial Government to report on the revenue coming from fuel tax in Manitoba, but also to report on how these revenues are spent. The AMM agrees that this measure will bring greater accountability to the collection and disbursement of gas tax revenue in the province. Bill 14 proposes to require the Provincial Government to report tax revenue coming from fuel under *The Gasoline Tax Act* and *The Motive Fuel Tax Act*. In addition, Bill 14 requires the Provincial Government to report on the total fuel tax expenditures for construction, operation and maintenance of transportation infrastructure. Finally, Bill 14 requires federal fuel tax revenue to be applied to support municipal infrastructure. As the AMM represents all municipal governments in Manitoba, we feel it is important to have this mechanism of accountability for fuel tax revenue and expenditures, as adequate transportation infrastructure is a priority issue for AMM members.

The AMM is aware that each year the Province allocates approximately \$120 million for highways in Manitoba, yet receives approximately \$2 billion in requests. It is clear, from these estimates, that there is a need for greater funding of transportation infrastructure in Manitoba and a more concerted effort to address the transportation infrastructure deficit.

The AMM is pleased that the Provincial Government is taking this step to reduce the infrastructure deficit in Manitoba by introducing this Act. However, a policy to

devote gas tax to municipal infrastructure is not enough to address the approximately \$3.4 billion needed for Manitoba's highways system. Manitoba's prosperity and quality of life is determined largely by the health of its municipalities. Vibrant, sustainable communities are crucial to attracting the skilled, creative people who are key to this province's success. However many municipalities across Manitoba are struggling; their resources have not kept pace with their growing responsibilities for physical and social infrastructure. For example, in many municipalities, local education levies have increased significantly, yet ratepayers demand a reduction in their total tax bill. This forces municipal governments to absorb much of the special levy increase in its own budget, to respond to ratepayer demands. Education tax is not the only example of this. Over the past number of years, municipalities have assumed growing responsibilities without a proportionate increase in revenue. Although provincial and federal government revenues have increased significantly over the past ten years, municipal revenues have increased by only four per cent. It is clear that there is a key role to be played by both the Federal and Provincial Governments to work with municipalities to address the infrastructure deficit, and the AMM is pleased that any federal fuel tax dollars allocated to Manitoba as part of a new deal will be used to support municipal infrastructure.

The AMM would like to make it clear that fuel tax revenue- and any new monies coming as part of a new deal for municipalities- must be distributed fairly across the province. All areas of Manitoba require greater funding to undertake infrastructure improvements. It is important too, that a transportation blueprint be developed for all of Manitoba, to ensure that monies spent on transportation infrastructure are used toward the most pressing infrastructure priorities, and in the most efficient way possible. As part of this, it is important that dollars allocated to highway projects remain allocated to highway projects, even if not spent in the initial year of construction.

The AMM believes that Bill 14: *The Gas Tax Accountability Act* will help to address a portion of the municipal infrastructure backlog. The AMM therefore commends the Provincial Government for its commitment to this issue, and encourages further measures aimed at addressing the infrastructure deficit. The AMM urges the Legislature to pass Bill 14, *the Gas Tax Accountability Act*. We believe the bill is a good start for the Province, municipalities and Manitoba residents, and the AMM strongly supports the implementation of this legislation. Thank you.