



ASSOCIATION OF MANITOBA MUNICIPALITIES

**MEETING WITH**

Honourable Nancy Allan  
Minister of Education

March 28, 2011

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# Executive Summary

## Departmental Issues

### 1. Reduction of Education Tax from Property

- The two primary issues with the current structure are that it is inequitable for ratepayers and does not allow municipalities to control the level of property taxation.
- In order to fulfill its core responsibility for education, the Province must identify new, sustainable mechanisms that allow all schools divisions to reduce their reliance on property taxes to fund education.
- Even with the recent progress, these actions do not fully address the problem that education taxes on property currently account for approximately half of all property tax bills.
- If municipalities had the majority influence on determining local property tax levels, councils would be better equipped to ensure that all municipal services are appropriately funded.
- The AMM appreciated the Provincial Government's five-year plan to achieve an 80:20 funding formula for education; however, to ensure that education funding remains adequate and equitable, this ratio must apply specifically to operating costs rather than to all education expenses.

**Therefore, the AMM urges the Provincial Government to implement a long-term plan to reduce the reliance on education property tax and to achieve an 80:20 funding ratio for operating costs.**

### 2. Anti-Drug Programs in Schools

- Municipalities have an important role in defining local crime prevention tactics and are therefore seeking methods of eradicating drug use among young people.
- Youth education is a critical process since it can develop relationships with positive role models and effectively reduce crime over the long-term.

- The Provincial Government has an opportunity through the education system to work towards preventing the variety of crimes associated with substance use.

**Therefore, the AMM urges the Provincial Government to provide funding and support for anti-drug programming as part of Manitoba's school curriculum.**

## General Issue

### The Core Challenges for Municipalities

- Municipal government plays a greater role in the lives of Canadians than any other time in history and the new realities facing municipalities have serious repercussions as they diligently try to balance growing responsibilities with stagnant revenues.
- The core challenges facing municipalities have become overwhelming, and the lead up to this year's provincial election provides an opportunity for all political parties, candidates and citizens to engage in a thoughtful discussion about how these challenges should be addressed.
- Municipal infrastructure is the very foundation of a community, yet its current state leaves communities with little hope for prosperity. Nationally the municipal infrastructure deficit is in excess of \$123 billion and provincially it is estimated at over \$11 billion, or a staggering \$10,000 per Manitoban.
- As well, municipal responsibilities continue to grow, either through the intentional or unintentional offloading of responsibilities or new unfunded mandates being forced on municipalities.
- Because of these challenges municipalities must have access to new sources of revenues. Options include the Province collecting a one cent municipal tax to be allocated to municipalities for infrastructure, a rebate of the Provincial Sales Tax paid by municipalities, or an increase to existing revenue sources such as VLTs.
- Manitoba municipalities are more reliant on provincial and federal grants than any other province in Canada and while in some cases these types of programs are necessary it leaves municipalities having to compete against each other for limited dollars and restricts a municipality's ability to properly plan for much needed investment.

- For municipal government to be sustainable into the future, and for Manitobans to have access to the quality of life they deserve, municipalities need to have access to sustainable growth revenues. This is the only way municipalities will be able to even begin to address the core challenges they face.
- The AMM is therefore asking every political party to make municipal funding a top priority for this year's provincial election. Now is the time for each party to lay out its vision for the future of municipal government in Manitoba and how these core challenges can be addressed. The health of our communities is at stake.

**Therefore the AMM would like to see a commitment from each political party to:**

- 1. Make a greater investment in municipal infrastructure**
- 2. End the downloading of responsibilities to municipalities and require that any new mandates come with new funding**
- 3. Provide new growth revenues to municipalities**

## Departmental Issues

### 1. Reduction of Education Tax from Property

The need to modify education funding mechanisms has been a top municipal concern for several decades. Municipal officials from all areas of the province consistently raise this issue with the AMM Executive at our events over the course of the year. The two primary issues with the current structure are that it is inequitable for ratepayers and does not allow municipalities to control the level of property taxation. The Province must take action to resolve these long-standing issues in order to equip municipalities with enhanced tools to provide the range of services their communities require.

Recently, there has been some movement toward reducing the amount of education funding that is collected from property taxation. The elimination of the residential ESL, the commitment to increase the education tax rebate on farmland to 80 percent from 75 percent, and recent increases to the education property tax credit are all positive steps towards reducing the reliance on property taxes. Yet there are further opportunities to minimize property taxes such as addressing the level of education taxation on commercial property. While the increase in Provincial funding for the 2011 budget year will make important contributions to the education system, the AMM would like to see an increase in the Provincial proportion of actual education costs. In order to fulfill its core responsibility for education, the Province must identify new, sustainable mechanisms that allow all schools divisions to reduce their reliance on property taxes to fund education.

Even with the recent progress, these actions do not fully address the problem that education taxes on property currently account for approximately half of all property tax bills. As long as education taxes on property remain high, municipalities will not have sufficient control over the level of local property taxes. Since property taxes are the primary mechanism for generating municipal revenues, the current limitations on setting local tax rates restrict a municipality's ability to provide a wide range of necessary municipal services. If municipalities had the majority influence on determining local property tax levels, councils would be better equipped to ensure that all municipal services are appropriately funded. Instead, municipalities are constrained

by their ratepayers' ability to pay both the municipal and provincial portion of the current property tax. Therefore, education taxes on property continue to be a significant barrier to municipal service delivery and this issue will remain a priority until municipalities are empowered with greater control over local property taxation.

The need to change the funding mechanism for education does not suggest that municipalities are unsupportive of maintaining a high-quality education system. In fact, municipalities do not support any reduction in education spending. Rather, education should be funded equitably by all Manitobans through an appropriate Provincial funding system. The complex nature of this task requires a long-term plan to address the extensive changes that are required. For this reason, the AMM appreciated the Provincial Government's five-year plan to achieve an 80:20 funding formula for education and the recent commitment to a four-year capital program for new schools and renovations to existing facilities. However, to ensure that education funding remains adequate and equitable, the 80:20 ratio must apply specifically to operating costs rather than to all education expenses. As well, a commitment to fund all future increases at 80 per cent is required to ensure the 80:20 ratio continues. Otherwise, the education funding system will continue to rely too heavily on property taxes and municipal concerns will remain unresolved.

**Therefore, the AMM urges the Provincial Government to implement a long-term plan to reduce the reliance on education property tax and to achieve an 80:20 funding ratio for operating costs.**

## **2. Anti-Drug Programs in Schools**

Substance use and abuse is a complex social problem that requires attention from all orders of government. Today's youth are facing increasing exposure to drugs in all areas of Manitoba, meaning that more and more municipalities are seeking out effective drug prevention strategies. Municipalities have an important role in defining local crime prevention initiatives and eradicating drug use among young people is key to the overall success of such local strategies.

In particular, youth education has been identified as a critical process since it provides a forum for dialogue and presents opportunities to develop relationships with positive role models. In an effort to reduce crime associated with drug use over the long term, the AMM is promoting the increased use of Drug Abuse Resistance Education (DARE), Lions Quest and similar programming. Employing these well-established programs would allow for consistent messaging regarding drug awareness and avoidance for all Manitoba youths.

The Provincial Government has an opportunity to further develop Manitoba's education system to make a greater impact towards preventing the variety of crimes associated with substance use. DARE and Lions Quest are two of the most prominent anti-drug programs available, particularly since the former is facilitated by the RCMP. Municipalities support these particular programs as possible avenues for teaching drug avoidance techniques through the school curriculum, yet there are various additional mechanisms that can offer this valuable education to Manitoba's youth. Therefore there are many options available for the Provincial Government and local school boards to include drug prevention programming in schools, while ensuring that the needs of local communities are met. The most important outcome is for all students to be exposed to a structured anti-drug campaign in order to address the growing accessibility of a wide variety of drugs in all Manitoba communities. The Province must ensure that such programs are given sufficient attention within the curriculum such that all schools adequately promote drug awareness.

The AMM appreciates that the Province has implemented some programs to engage youth and ensure that schools are not tolerant of drug use. For instance, the Safe Schools Charter and the requirement for drug and alcohol policies are important tools that encourage schools to address drug use for all age groups. At the same time, the availability of drugs continues to be a pervasive problem for large and small, urban and rural communities and greater action is required.

**Therefore, the AMM urges the Provincial Government to provide funding and support for anti-drug programming as an integral part of Manitoba's school curriculum.**

## General Issue

### The Core Challenges for Municipalities

Today's municipal government plays a greater role in the lives of Canadians than any other time in history. Municipalities no longer simply plow the streets and pick up the garbage. Certainly today's municipal corporation still cleans the streets and collects garbage (and recyclables), but it also is sustainably managing growth through everything from state of the art transit systems to environmentally conscious land use and water planning. The pioneers of municipal government would be astonished to see today's council agenda where elected officials are doing everything from recruiting doctors from around the world to providing funding for daycares.

These new realities are having serious repercussions for municipalities as they diligently try to balance growing responsibilities with stagnant revenues. Every day municipalities are facing new demands from both citizens and other orders of government and must try to balance these with existing priorities and scarce revenues that remain overly reliant on the ebb and flow of grant programs. The current challenges facing municipalities are overwhelming and there must be a greater effort to address these if we want to see strong vibrant communities throughout our province.

While municipal concerns cut across every provincial department, there are two core issues that are most pressing for municipalities today - the ballooning municipal infrastructure deficit and the growing mandate of municipal government, either through intentional and unintentional offloading of responsibilities from other orders of government and unfunded mandates. These two challenges are crippling municipal government and keeping Manitoba communities behind.

The lead up to this year's provincial election provides an opportunity for all political parties, candidates and citizens to engage in a thoughtful discussion about how these core challenges should be addressed.

## Municipal Infrastructure Deficit

It is no secret that municipalities are facing nearly insurmountable infrastructure challenges. We only need to take a look around our communities to see the deteriorating state of our infrastructure. Roads that are nearly impassable due to potholes and heaving, drafty libraries with crippling heating bills, recreation complexes with leaking roofs and water and sewer treatment plants that are running beyond capacity. These are the very foundation of a community, yet their current state leaves communities with little hope for prosperity. For Manitoba communities to thrive in the future these swelling infrastructure challenges must be addressed.

In Canada the municipal infrastructure deficit was estimated in 2007 to be in excess of \$123 billion for current needs. Most alarming is how quickly the deficit has been compounding, as it has doubled over the previous 5 years. Equally alarming, the \$123 billion is only for the upgrade and repair of current municipal infrastructure, with another \$115 billion required for new infrastructure.<sup>1</sup>

These national trends hold true for Manitoba as well. The City of Winnipeg has recently calculated its infrastructure deficit at \$3.8 billion for existing infrastructure and \$3.6 billion for new strategic infrastructure.<sup>2</sup> Historically the municipal infrastructure deficit outside of Winnipeg has been double that within Winnipeg so it is fair to extrapolate that the deficit outside Winnipeg for existing infrastructure is over \$7.5 billion, putting the total municipal deficit for existing infrastructure in Manitoba in excess of \$11 billion, or a staggering \$10,000 per Manitoban. It is certainly an insurmountable amount for municipalities to tackle on their own since the total municipal taxes levied in 2008 were just over \$760,000,000.<sup>3</sup>

There is no doubt the current infrastructure deficit is crippling Manitoba's economy. Adequate infrastructure is an obvious prerequisite for economic development and unfortunately it is greatly lacking in many communities. FCM has investigated this

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<sup>1</sup> Mirza, Saeed, "Danger Ahead: The Coming Collapse of Canada's Municipal Infrastructure", November 2007 (available at [www.fcm.ca](http://www.fcm.ca))

<sup>2</sup> City of Winnipeg Administrative Report, "Infrastructure and Possible Funding Options" Tabled at July 22<sup>nd</sup>, 2009 Council Meeting (available at [www.winnipeg.ca](http://www.winnipeg.ca))

<sup>3</sup> Province of Manitoba, "Statistical Information 2008 – Municipalities of the Province of Manitoba", P.17

principle in depth and found that an increase in municipal infrastructure spending of \$1 billion in 2008 (at nominal process and allocated to a representative mix of infrastructure) would increase the size of the real economy by roughly 0.13 percent or \$1.3 billion in nominal terms. While this would erode slightly over time with consistent investment, over a four-year period it would still result in meaningful gains to the economy, dropping to a 0.6 percent increase in the final year. The resulting investment would be felt in the employment sector as well, since a great number of industries would benefit. A \$1 billion investment in 2008 would add 11,500 new jobs, which would be felt in industries from labour and material suppliers through to architects and engineers.<sup>4</sup>

Providing adequate infrastructure has both direct and indirect benefits for private-sector manufacturing. Infrastructure is an intermediate input into the production process, with businesses locating where there is access to water, hydro and transportation. New roads reduce fuel costs and haul times. Access to high quality (and adequate) water reduces input costs. There is also evidence that increased investments in public infrastructure allow private companies to use labour inputs more intensively, translating into more jobs.<sup>5</sup>

While the numbers are staggering, of far greater concern is the very real impact this infrastructure deficit is having on the people who live in Manitoba. Manitobans are experiencing longer commutes to work either because of impassable roads or slower speeds. We are also spending more time traveling to neighbouring communities to access recreation opportunities. Many have seen the outmigration of neighbours and friends who tire of dealing with these daily challenges.

Municipal councils want to create vibrant, welcoming communities, but this is nearly impossible with the state of infrastructure today. For example, there remain 167 boil water advisories in Manitoba, many in Manitoba municipalities.<sup>6</sup> This means today, thousands of Manitobans do not have access to safe drinking water when they turn on

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<sup>4</sup> Sonnen, Carl, "Municipal Infrastructure- Macroeconomic impacts of spending and level-of-government financing" May 31, 2008 (available at [www.fcm.ca](http://www.fcm.ca))

<sup>5</sup> Brox, James A. "Infrastructure Investment: The Foundation of Canadian Competitiveness - IRPP Policy Matters 2008" August, 2008 (available at [www.irpp.org](http://www.irpp.org))

<sup>6</sup> Province of Manitoba "Provincial Boil Water Advisories" – October 19<sup>th</sup>, 2010

the tap. It is unreasonable to think these communities can realistically compete with the rest of Manitoba and Canada if they do not have this essential infrastructure.

### Ever Increasing Responsibilities

A second core challenge for municipalities is ever increasing responsibilities. Municipalities are continually being asked to do more and more, either through the intentional or unintentional offloading of responsibilities from other orders of government or through new unfunded mandates being forced on municipalities by the provincial and federal government. These new responsibilities do not come with new revenue sources and result in municipal budgets being stretched thinner and thinner. The sad reality is that as municipalities are being forced to take on more the core municipal responsibilities suffer.

Municipal officials believe in their community. This is where they live, where they raise their families, where they work and for many where they were born. They care greatly about their community and when they see a need they will do everything they can to address it. Many times municipal officials are their own worst enemy, as they step in and act where other orders of government have abdicated their responsibilities. Municipalities step up and do repairs on provincial roads, they recruit physicians from all corners of the world, and they help fund community health facilities. In some cases municipalities are just filling gaps in service unintentionally left by other orders of government and other times municipalities are stepping in because the provincial and federal governments have made it clear their community will not get the service or investment unless they do.

Compounding this is the growing trend of unfunded mandates being heaped on municipalities by the provincial and federal governments. Too often new rules are implemented without adequate thought to how they can possibly be implemented. These unilateral decisions leave municipalities in the untenable position of either scarifying core programs and services or being in non-compliance of provincial rules. Unfortunately we are hearing more and more from municipalities that they are being forced to opt for the latter.

Municipalities cannot keep pace with the rapid increase in the offloading of responsibilities and unfunded mandates. These challenges are pushing municipalities further and further behind.

## Alternate Revenues

Now more than ever municipalities need new tools to deal with new responsibilities and new expectations. Currently Manitoba municipalities are more reliant on provincial and federal grants than any other province in Canada<sup>7</sup>. While in some cases these types of programs are necessary (for example large-scale infrastructure projects), it leaves municipalities having to compete against each other for limited dollars and restricts a municipality's ability to properly plan for much needed investment. The amount allocated to grant programs like the recent Municipal Rural Infrastructure Fund or community infrastructure funding under the Building Canada Fund is nowhere near the total demand, meaning there is no guarantee much-needed projects will ever receive funding.

Over-reliance on grants and transfers leave municipalities without the tools required to meet demands. Many municipal issues, when stripped down to their core, are really issues of access to revenue. For example, the need to remove education tax from property is really a municipal revenue issue, as municipalities see education tax as eroding the property tax base, which is the single greatest source of municipal revenue. Over the last number of years we have seen more and more municipalities speaking out on the need for greater municipal revenue sources.

It is important that the federal and provincial government contributions to municipalities are not forgotten. Federally, municipalities have benefited from a GST rebate, the sharing of the federal gas tax and the Building Canada Fund as well as Stimulus Funding. Provincially, municipalities have benefited from the sharing of provincial income tax, the Building Manitoba Fund, and supports in several other areas. We also appreciate the Province stepping up with their one-third share of recent federal programs. The message the AMM is hoping to convey is not that either order of

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<sup>7</sup> Slack, Kitchen, McMillan, Vaillancourt, "Roles, Responsibilities, Resources and Relationships – Report to the Provincial and Territorial Municipal Associations" June 15<sup>th</sup>, 2007.

government has completely forgotten about municipalities, but rather that despite these efforts municipalities still face enormous challenges and more is needed.

Municipalities must have access to new revenue sources. A greater reliance on property taxes and provincial and federal grants has created an ever-widening chasm between municipal revenues and needs, leaving future generations with what is quickly becoming an insurmountable infrastructure deficit. Municipalities are struggling to deliver core services as their budgets begin to crack under increased demands.

The reality is the property taxation system cannot meet the new demands facing municipalities. Municipalities have been increasing taxes to try to meet these demands however they are falling further and further behind. Over the last 10 years municipalities outside the City of Winnipeg have increased their own taxes levied by over 4 percent a year on average. In 2009 only 13 municipalities outside Winnipeg decreased taxes, while 183 increased taxes, 22 municipalities by over 10 percent. Every year municipalities are going to citizens in their communities and asking them for more and more, yet the infrastructure deficit and budgetary demands continue to rise.

A new approach is needed, and for this reason we are advocating for a one-cent municipal tax to be allocated to municipalities for infrastructure and split equally among municipalities on a per capita basis. This will provide municipalities with in excess of \$200 million a year. For a community of 1,000 people, this means roughly an investment of \$185,000 in their local infrastructure, or \$370,000 for a community of 2,000 people. A community such as Thompson could see close to \$2.5 million, while Winnipeg would expect to see over \$117 million. Although this funding alone will not erase the infrastructure deficit in Manitoba, it is a positive first step.

While the AMM is not necessarily asking for a new tax, there is support among Manitobans for a new tax dedicated to municipal infrastructure. Polling done by AMM in 2008 found that 94 percent of Manitobans see infrastructure as a high priority, including a 94 percent positive response rate in Winnipeg. The poll also found that 55 percent of Manitobans think that municipalities do not have the revenue sources

needed to cover infrastructure costs alone, including 50 percent in Winnipeg. Most interestingly, the poll found that 54 percent of Manitobans, including 51 percent of Winnipeggers, support an additional one percent municipal tax dedicated to infrastructure renewal projects<sup>8</sup>. As the infrastructure deficit continues to grow, support for this will only increase.

The AMM is also asking for other revenue sources for municipalities, such as a rebate of the Provincial Sales Tax as well as increases to existing sources such as VLT revenues. We would also ask that any new mandates for municipalities be accompanied by corresponding financial support.

The sad reality is that while the Province of Manitoba has been a leader in some municipal areas, it has not been enough. We have the opportunity to visit every municipality in Manitoba within the four year election cycle and it is clear our communities are struggling and we are falling behind.

We understand that providing additional revenues to municipalities may become more difficult as the economy continues to fluctuate. While economic projections can never be taken as absolute fact, they are often a prophetic divining rod on economic times. However what should not be lost is the positive impact infrastructure investment would have for the provincial and national economy. Furthermore, delaying investment in these critical infrastructure projects will have serious long-term consequences for Manitoba's economy.

Municipalities are not looking for new revenue sources to store money away for a rainy day. The storm has arrived. With a national municipal infrastructure deficit in excess of \$123 billion, and Manitoba's share in excess of \$11 billion, there is no shortage of work to be done. If municipalities are left to deal with this ballooning deficit alone armed only with property taxes and grants, it will continue to grow exponentially. Alternatively, providing municipalities with new revenue sources will not only begin to address this growing deficit, but will help build and strengthen our economy.

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<sup>8</sup> Probe Research "Public Attitudes on Infrastructure Renewal Funding in Manitoba" September, 2008.

The time has come for a new approach to municipal funding. The expectations of today's municipalities are greater than any time in history. Regrettably so are the financial challenges facing municipalities. For municipal government to be sustainable into the future, and for Manitobans to have access to the quality of life they deserve, municipalities need to have access to sustainable growth revenues. This is the only way municipalities will be able to even begin to address the core challenges they face.

The AMM is therefore asking every political party to make municipal funding a top priority for this year's provincial election. Now is the time for each party to lay out its vision for the future of municipal government in Manitoba and how these core challenges can be addressed. The health of our communities is at stake.

**Therefore the AMM would like to see a commitment from each political party to:**

- 1. Make a greater investment in municipal infrastructure**
- 2. End the downloading of responsibilities to municipalities and require that any new mandates come with new funding**
- 3. Provide new growth revenues to municipalities**

## Appendix A – Active Resolutions

### **AMM Resolution Number 17 - 2009**

#### **Topic: School Taxes for Municipally Funded Vet Clinics**

Sponsor: RM of Lawrence (Parkland District)

Departments: Manitoba Education

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to reduce or eliminate the requirement for municipally funded vet clinics to pay school taxes.

### **AMM Resolution Number 23 - 2008**

#### **Topic: Municipal Facilities for Physical Education**

Sponsor: Town of Virden (Western District)

Departments: Manitoba Education

WHEREAS the Province of Manitoba has encouraged School Divisions to increase physical education (PE) programs in their curricula;

AND WHEREAS the Province has suggested that School Divisions approach local municipal governments and request reduced rates, or free usage of municipal recreation facilities including arenas, pools, sports fields and other facilities for the PE programs;

AND WHEREAS most Manitoba municipalities are already charging facility user fees that are below actual operating costs for their recreation facilities, or at a subsidized rate;

AND WHEREAS the delivery of the PE curriculum is the responsibility of the Province of Manitoba and not the responsibility of Manitoba municipalities;

AND WHEREAS this is another example of the Government of Manitoba downloading costs to Manitoba municipalities;

AND WHEREAS Manitoba municipalities wish to encourage healthy living in their communities and schools and are prepared to work with School Divisions for this purpose;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba for additional operating funding for municipal recreation facilities to offset the costs of municipal governments providing reduced user fees to Manitoba schools for physical education curricula;

AND BE IT FURTHER RESOLVED that the AMM partner with the Manitoba Association of School Trustees in its lobby efforts on this issue and create a Memorandum of Understanding between the organizations for the usage of municipal recreation facilities for physical education.

**AMM Resolution Number 29 - 2007**

**Topic: DARE Program in Schools**

Sponsor: City of Thompson (Northern District)

Departments: Manitoba Education

WHEREAS the selling, distribution, variety and use of drugs is increasing in Manitoba;

AND WHEREAS exposure to drugs of youth and children is becoming increasingly more common;

AND WHEREAS there is an urgent need to address these issues prior to them getting out of hand;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to consider the DARE (Drug Abuse Resistance Education) Program as a curriculum course in schools;

AND BE IT FURTHER RESOLVED THAT the AMM lobby the Province of Manitoba to provide funding and support for the DARE Program, Lions Quest Program, and like programs.

**AMM Resolution Number 14 - 2006**

**Topic: Education Funding**

Sponsor: City of Brandon (Western District)

Departments: Manitoba Education, Manitoba Finance

WHEREAS seniors and moderate income earners are trapped between low/fixed incomes and fast moving increased assessment;

AND WHEREAS the Education Special Levy for local school divisions in the Province of Manitoba varies between 18 and 35 mills;

AND WHEREAS farmland receives a farmland school tax rebate from the Provincial Government of 60%;

AND WHEREAS residential and commercial taxpayers are tired of receiving a municipal tax bill showing one half of the tax being applied to school operations;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to restore the local education funding level of 80% of school operating costs for Kindergarten to Grade 12;

AND BE IT FURTHER RESOLVED that the new funding levels be phased in over 5 years beginning in 2007.

**AMM Resolution Number 56 - 2001**

**Topic: Payment of Education Taxes**

Sponsor: RM of St. Andrews (Interlake District), RM of Wallace (Western District)

Departments: Manitoba Education

WHEREAS Manitoba municipalities, by legislation are obligated to collect school taxes on behalf of local school divisions;

AND WHEREAS Manitoba municipalities receive no administrative compensation for performing this obligation;

AND WHEREAS the education/special taxes must be submitted in totality to both provincial and local education authorities by January 31 of each year, whether the municipality has collected the current year's education taxes or not;

AND WHEREAS municipalities such as the RM of Wallace for a number of years have found difficulty in collecting personal property tax arrears on oil production sites;

AND WHEREAS it is seen as inequitable and unfair for Manitoba municipalities to have to pay monies to the education authorities that they have not yet collected;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province to change legislation for municipalities to submit only the percentage of education taxes collected.

BE IT FURTHER RESOLVED that the AMM lobby the Province to make changes to provide where an assessment error has resulted in an overpayment of school taxes that this overpayment be refunded to the municipality.