

# Enough Talk: The Case for Permitting New Municipal Revenue Tools

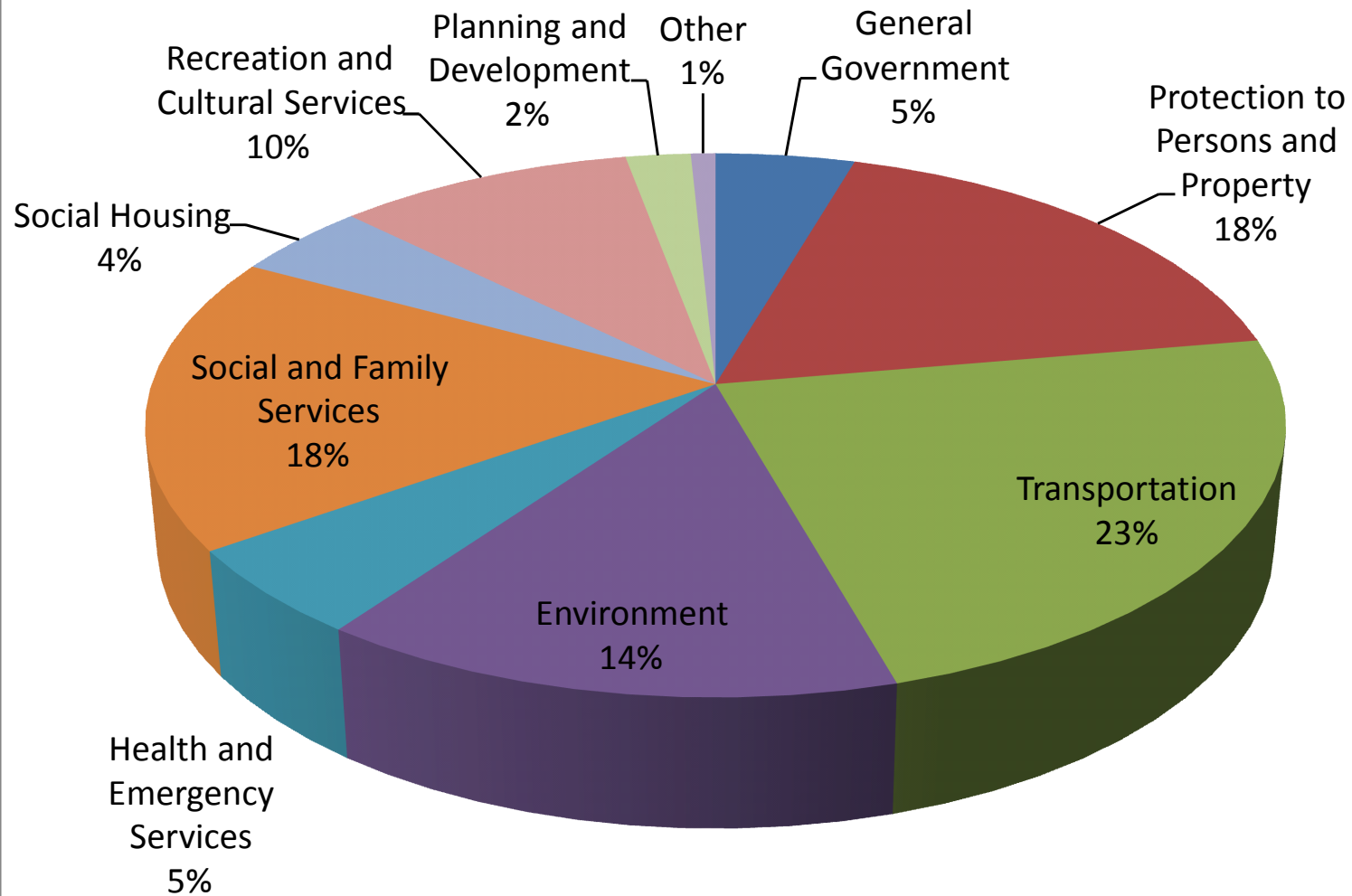
Presentation to OGRA/ROMA Combined Conference  
Toronto  
February 23, 2015

Enid Slack  
Institute on Municipal Finance and Governance  
University of Toronto

# Outline of Presentation

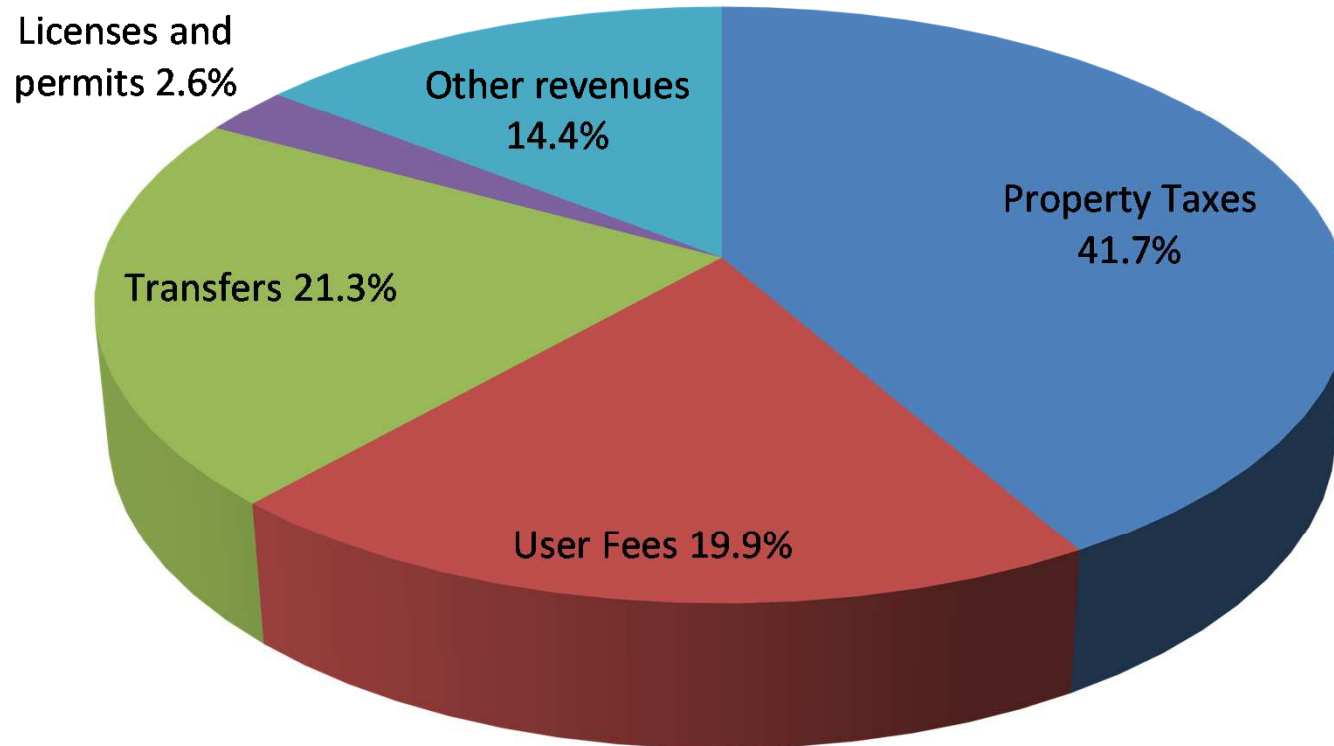
- ❑ Expenditures and revenues in Ontario municipalities
- ❑ Matching revenue tools to expenditures and infrastructure
- ❑ The case for a mix of taxes
- ❑ One size does not fit all

# Municipal Expenditures, Ontario, 2013



Source: Ministry of Municipal Affairs and Housing, Financial Information Returns

# Municipal Revenues, Ontario, 2013



Source: Ministry of Municipal Affairs and Housing, Financial Information Returns

# DIFFERENT SERVICES – DIFFERENT REVENUE TOOLS

## Private

Water  
Sewers  
Garbage  
Transit

## Public

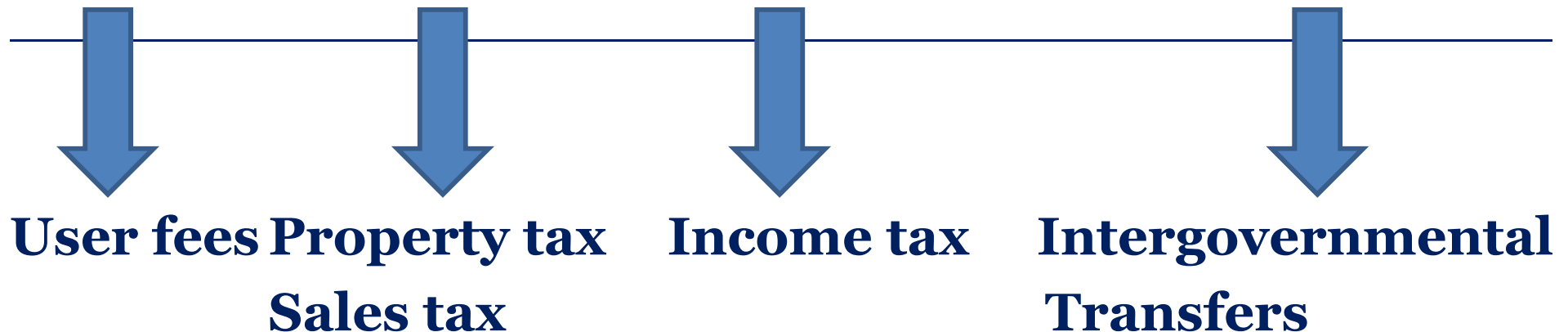
Police  
Fire  
Local parks  
Street lights

## Redistributive

Social assistance  
Social housing

## Spillovers

Roads/transit  
Culture  
Social assistance



# DIFFERENT INFRASTRUCTURE – DIFFERENT FISCAL TOOLS

## Taxes



short asset life  
(police cars,  
computers)

## User fees



identifiable beneficiaries  
(transit, water)

## Borrowing



large scale assets  
with long life  
(roads, bridges)

# DIFFERENT INFRASTRUCTURE – DIFFERENT FISCAL TOOLS

## Development charges



Growth-related costs;  
new development or  
redevelopment  
(water, roads, sewers)

## P3s



large in scale;  
revenue stream;  
measurable results  
(toll roads)

## Land value capture taxes



increase property values  
(transit)

# A Mix of Taxes

- ❑ Range of expenditure responsibilities
- ❑ Services used by commuters/visitors
- ❑ Revenues that grow with the economy
- ❑ Increase municipal flexibility



# One Size Does Not Fit All

- ❑ Small versus large municipalities:
  - ❑ Different expenditure needs
  - ❑ Different revenue-raising capacity
  - ❑ New revenue tools versus transfers