



Gas Tax Funding

Programs & Expenditures

Advisory Committee on the Environment
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Agenda

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2. Provincial Gas Tax Funding
3. Federal Gas Tax:
 - a. Agreement
 - b. Allocations
 - c. Sample Projects
 - d. Addressing Climate Change
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Provincial Gas Tax vs Federal Gas Tax

- **Provincial Gas Tax**
 - Dedicated Gas Tax Funds for Public Transportation Program
 - Only used by London Transit for capital and operating funding
 - Approx. \$10.3 million per year

- **Federal Gas Tax**
 - Municipal Funding Agreement between Federal Government and municipalities
 - Used by municipalities for capital funding
 - Approx. \$23.3 million per year



Provincial Gas Tax

- October 22, 2004 - the Province of Ontario announced Dedicated Gas Tax Funds for Public Transportation Program
- Funding represents 2.0 cents/litre
- Dedicated gas tax funds are to be used for the following purposes:
 - Public transportation capital
 - Public transportation operating
 - Capital expenditures for the replacement of vehicles
 - Capital expenditures that provide improvements
 - Major refurbishment on any fully accessible vehicle
- January 2017 - the Province announced that the municipal share was to increase from the current 2.0 cents/litre to 2.5 cents in 2019-20; 3.0 cents in 2020-21; and 4.0 cents in 2021-22
- April 11, 2019 - the commitment to increase funding was removed in Provincial budget



Provincial Gas Tax

- Used annually for operating (approx. 60%) and capital (approx. 40%) expenditures within the guidelines and requirements of the program
 - Operating - to support a share of the annual operating costs, both conventional and specialized services
 - Capital – replacement buses, expansion buses, facility upgrades, IT projects
- Reported annually to the Ontario Ministry of Transportation through the form “*Dedicated Gas Tax Funds for Public Transportation 20xx Reporting Form*”

Provincial Gas Tax - City of London (\$ millions)				
2014 – 2015	2015 – 2016	2016 – 2017	2017 – 2018	2018 – 2019
\$9.4	\$9.7	\$9.4	\$10.0	\$10.3



Federal Gas Tax - Agreement

- The transfer of Federal Gas Tax revenues for cities and communities was introduced in 2005.
- Federal Gas Tax is the only permanent, stable and predictable source of funding for municipalities from the Federal government.
- As of April 1, 2014, Federal Gas Tax was extended to 2023.
- AMO (Association of Municipalities of Ontario) administers the Federal Gas Tax in Ontario on behalf of the Government of Canada.
- AMO collects annual reporting, outcomes reporting and ensures projects are prioritized based on an Asset Management framework.
- Projects are chosen by local governments according to local priorities.



Federal Gas Tax – Agreement

Municipal infrastructure projects must fall within the following 16 categories:

Productivity and Economic Growth	Clean Environment	Strong Cities and Communities
Local roads and bridges (incl. active transportation)	Drinking water	Sport & recreation
Highways	Wastewater	Culture & tourism
Short-sea shipping	Solid waste	Disaster mitigation
Short-line rail	Community energy systems	Capacity building
Regional & local airports	Brownfield redevelopment	
Broadband connectivity		
Public transit		



Federal Gas Tax - Allocations

- Federal Gas Tax is to be used, where possible, for more significant capital projects that meet the following criteria:
 - Provides recognizable community benefit
 - Identified as high priority in the City’s Asset Management Plan
 - Larger, more visible and impactful
 - Reflect Council’s Strategic Priorities
- The City’s Asset Management Plan is used to guide infrastructure planning and investment decisions for gas tax funds
- Federal Gas Tax is not allocated to Growth projects because of the impact on development charges funding

Federal Gas Tax City of London	2016	2017	2018	2019	2020	2021	2022	2023
\$ millions	\$22.3	\$22.3	\$23.3	\$23.3	\$23.3	\$24.3	\$24.3	\$25.4



Federal Gas Tax - Allocations

FEDERAL GAS TAX ALLOCATION (\$000's) 2016 -2023

	2016	2017	2018	2019	2020	2021	2022	2023
Waste Water Rehabilitation	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500
Water Rehabilitation	\$1,414	\$1,414	\$1,425	\$1,425	\$1,425	\$1,425	\$1,425	\$1,425
Road Rehabilitation	\$7,800	\$7,800	\$8,850	\$9,162	\$9,062	\$9,121	\$9,121	\$9,379
Bridge Rehabilitation	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,500	\$2,500	\$2,800
Transit	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$2,000	\$2,000	\$2,000
Solid Waste	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$4,000
Bicycle Lanes & Thames Valley Parkway	\$700	\$700	\$700	\$700	\$800	\$800	\$800	\$800
Energy Efficient Facilities and Infrastructure	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Brownfield Rehabilitation	\$350	\$350	\$350	\$0	\$0	\$0	\$0	\$0
	\$22,264	\$22,264	\$23,325	\$23,287	\$23,287	\$24,346	\$24,346	\$25,404



Federal Gas Tax - Allocations

- In March 2019, in Budget 2019, the Federal government released a one-time doubling of the Federal Gas Tax
- The amount was \$23.3 million for the City of London
- This one-time funding was allocated to:
 - Greenway Organic Rankine Cycle Equipment Installation (\$4.5 million)
 - The remaining funding will be allocated during the 2020-2023 Multi-year Budget process



Federal Gas Tax – Sample Projects

Sample Projects by Category

Wastewater	Sewer Replacement Program	Burbrook Lateral Storm Sewer
Water	Watermain Rehabilitation	
Roads	Road Rehabilitation (Main, Local and Rural)	
Bridges	Bridges Major Upgrades	
Transit	Bus Purchase Replacement	
Solid Waste	W12A Projects	Landfill Gas Collection
	New & Emerging Solid Waste	Long Term Disposal Capacity
Bike Lanes/TVP	Maintain Thames Valley Parkway	Active Transportation
		Bike Share Program
Energy Efficiencies	Facility Energy Management	



Federal Gas Tax – Addressing Climate Change

- The following allocations of Federal Gas Tax contribute to a reduction in greenhouse gases:
 - Roads and bridges rehabilitation - improves traffic flow
 - Facility energy management – reduce energy usage
 - Bus replacements – better energy efficiency in new models
 - W12A projects – landfill gas collection and introduction of new technologies to reduce the impact of solid waste
- The following allocations of Federal Gas Tax address local climate impacts:
 - Sewer replacements – assist with flooding issues
 - Watermain rehabilitation – reduces lost water



Federal Gas Tax - Monitoring

- Council approves the source of financing in the Capital Budget that includes the allocation of Federal Gas Tax
- Administration submits a “Municipal Annual Expenditure Report” to AMO annually which is used to update the following website:



Federal Gas Tax Fund

<http://www.amo.on.ca/AMO-Content/Gas-Tax/Canada-s-Gas-Tax-Fund>

- Administration also submits “Project Outcomes” to AMO annually which are reflected on the following website, including a map showing locations of gas tax projects



Gas Tax at Work

<http://www.gastaxatwork.ca/>



Questions and Discussion