

Section 3.1

Revenues

Introduction

To increase taxes or not to increase taxes, that is the question?

There are a variety of options for municipalities to increase revenues.

Local governments across Nova Scotia, Canada and the United States are experiencing a common problem with the reduction of grant revenues at the same time that they are facing increasing responsibilities and expectations from their citizens. While spending reductions can be part of the solution, that is not always the public's preferred path. Furthermore, municipalities are reluctant to increase their traditional source of revenue, property taxes, to cover for these increased demands. Significant property tax increases can also encourage a shift in economic and residential development to another municipality. Consequently, there has been a greater interest in looking at alternative revenue sources or methods of delivering the municipal services.

The goal of this section is to provide decision makers with a greater perspective on what options are available to maximize revenue resources. This is not to imply that there is a series of revenue sources available to municipalities which will supplant property taxation as the main source of revenue. Rather, it should be viewed as a means of complementing the existing and traditional sources of revenue. Increasingly, these alternative sources of revenue and delivery of municipal service will mean the difference between maintaining municipal programs, reducing them or even eliminating them.

This paper is divided into three parts:

- A. Traditional Sources of Revenue
- B. Alternative Revenue Sources
- C. Cash Management

The first provides a basis for a municipality to review the existing situation prior to examining alternative sources of revenue. The goal of this review is quite simple and answers basic questions:

- What are the traditional sources of revenue for municipalities?

- Is the municipality taking advantage of all existing sources of revenue?
- Is the municipality spending its money effectively?
- Should each service the municipality provides be maintained, increased, decreased or discontinued?

In answering these questions and taking the necessary steps to rectify any overlooked sources of revenue or streamlining municipal services, a municipality may find the financial challenge is more manageable.

The second part, alternative revenue sources, provides a review of alternatives utilized in other North American municipalities to increasing revenue sources.

The *Municipal Government Act* provides all the authority for traditional and non-traditional sources of revenue.

The third part reviews cash management techniques to increase investment incomes and/or decrease overdraft charges.

A. Traditional Sources of Revenue

The MGA sets parameters for municipal revenue sources.

Municipal Government Act

The first step in examining revenue sources is to determine if the municipality is taking full advantage of the traditional sources of revenue. The Municipal Government Act specifies what revenue sources are available for municipalities to raise funds. Appendix 3.1.A, (at the end of this section) provides a brief review of the potential sources available to municipalities. For the full legislative provisions, please refer directly to the Municipal Government Act.

By and large the charts in Appendix 3.1.A are self-explanatory and it is not the intention of this section to provide a detailed analysis of each. Rather, the point is to demonstrate that a range of revenue sources is available to the municipalities. These fall into the broad categories of:

- Taxes
- Fees and Charges
- Penalties and Fines
- Grants and Transfers

In addition, there are a number of Information Bulletins in the **Municipal Government Act Resource Guide** which are related to revenue sources, these include:

- #9, Minimum Tax
- #14, Area Rates
- #22, Planning Fees and Expenses
- #26, Infrastructure Charges
- #31, Fire Protection Rates
- #32, Revenue Sharing
- #33, Municipal Property: Transfer and Sale
- #34, Urban, Rural and Suburban Tax Rates
- #35, Tax Billing and Interest Calculation
- #36, Recovery of Cost Incurred
- #39, Reserve Funds
- #40, Special Purpose Tax Accounts

Categories of Revenue Sources

Municipal Accounting and Reporting Manual

The Municipal Accounting and Reporting Manual provides another good listing of potential revenue sources available to municipalities. This manual provides greater detail in the breakdown of various taxes, as well as sources which are beyond the scope of the *Municipal Government Act* (e.g., federal grants and transfers in lieu of taxes). Appendix 3.1.B summarizes the categories for municipal revenues.

The Municipal Accounting and Reporting Manual includes the broad categories of:

- Taxes
- Sales of Services
- Services Provided to Other Governments
- Grants in Lieu of Taxes
- Other Revenue From Own Sources

B. Alternative Revenue Sources

MGA provision on fees

Fees are generally intended to recover all or part of the cost of a service. Under Section 172(2)(e)(i) of the MGA, fees can be set for the purpose of raising revenue. If a fee is intended to recover more than the cost of providing a service, in effect making a profit, this is permitted provided a by-law specifically states this.

What should be considered in developing user fees?

User Fees

The use of user fees has increased as an alternative to raising taxes. Although user fees have been in use for an extended period, extending back to the toll roads of earlier days, they are still an underutilized source of revenue. Due to the diversity of municipal services for which there can be a user fee, a universal formula is not realistic. For example, a user fee for waste collection would be quite different from the user fee for swimming lessons, because the factors to consider are so different. Rather than examining a variety of user fee formulas, the purpose of this section is to provide a review of the advantages and disadvantages of user fees and an examination of the principles of user fees. This information provides the tools for any municipality to develop their own user fee formula for each service. The final part of this section, provides a listing of potential municipal services which could have a user fee.

MGA provision

Section 79 of the Municipal Government Act provides the municipality the authority to set user fees by by-law.

Advantages and Disadvantages

Prior to embarking on a whole scale program of user fees for every municipal service, a municipality should understand the ramifications of implementing a user fee program. Such an understanding will temper the final user fee formula and provide the ability to rationalize and explain the need of user fees to the public.

Can User Fees be rationalized for a municipality?

Advantages

- User fees can have the efficiency advantages of private sector pricing, in that they serve to ration the output to those willing to pay and this acts as a signal to the

municipality to the quality and quantity of the output desired.

- It encourages the municipality to be more responsive to the market demands.
- User fees are equitable. Those people using a service pay in proportion to the benefits they receive from it. Those that do not use the service do not subsidize those who do.
- They promote efficiency by discouraging wasteful use of government services.
- User fees can further improve efficiency if they are priced properly. By adjusting prices to reflect peak and off peak use of a municipal service, a municipality can encourage a more rational use of municipal services which can have a direct impact upon operating costs.
- User fees provide a fair degree of flexibility as they can be adjusted quickly to respond to fluctuations on the cost of the service or the level of demand. In comparison, tax rates are set only once a year, therefore, if there was an unforeseen increase in costs the municipality does not have the flexibility to increase taxes at anytime. In this situation, the difference would have to be covered under the budget, often at the detriment to another municipal service.
- The costs of any publicly provided private good or service, for which specific beneficiaries can be identified, are recovered through user fees (for example, services such as water, sewage, garbage collection, public transit, recreation). Therefore, those who use the service, pay for the service.
- Customers can make an informed decision on how much of a municipal service to use.
- User fees can be implemented with conditions that the funds be spent on the services for which the charge is levied.

- User fees enable a government to reduce taxes and cause those who actually use the service to pay for it.
- They allow governments to collect money from nonresidents who benefit from services and to ration access to facilities that are used excessively.

Disadvantages

- User fees can become an impediment for the lower or fixed income users to using the service.
- The administration costs could outweigh the benefits of user charges for services which are not widely used (for example, staff and extra computer systems to collect, control and account for the fees).
- It could encourage users to switch to alternative sources of service, thus encouraging an under utilization of the municipal service.
- They are highly visible, which can make them politically unpopular.
- Those who oppose user fees believe municipal property taxes are more equitable than user fees. This is based on the argument that through property taxes the burden is shared equally, whereas user fees can create an unfair burden to a few.

Guiding Principles for User Fees

What are the guiding principles to the development of user fees?

Similar to any municipal endeavor, there is a need for a series of guiding principles or policies to provide guidance to the development of user fee formulas. There are a variety of financial, societal, political, managerial and operational factors to consider. In listing these principles, there will be conflicts between some of them, however, the municipality will have to pick those principles which best fit the needs

of the municipality as it applies to the municipal services. Below, are a number of sample principles which may be considered:

- User fees have to be developed within the context of explicit goals and objectives for the program being charged.
- If a municipal service can be traced to an individual, household or a defined group, then it can be considered a private good and a user fee could be applied (for example: waste collection, water, recreation facilities). Whereas, if the service is not traceable to an individual, household or a defined group, the service would be considered a public good and user fee would not apply (for example: police, fire, roads).
- What portion of the capital and/or operating costs should the user fees cover?
 - ▶ the full cost of providing the service, with the goal of making the municipal service self-sustaining for the operational costs;
 - ▶ a portion of the operating cost, with the goal of recouping some of the operational costs but not increasing fees to a level which would deter the public from using the service;
 - ▶ the difference between the operating costs for the basic service and an enhanced service (for example, the difference between a basic baseball field and one which has all of the amenities and is maintained to a semi-professional level), with the goal of providing a higher level of service for those willing to pay for it;
 - ▶ fees in open market, with the goal of not pricing the service out of the market;
 - ▶ the operating and depreciation costs of the capital items to provide for their eventual replacement, with the goal of making the municipal service self-sustaining for the operational and capital costs; and
 - ▶ set the user fees to enable the municipality to construct other facilities or purchase new equipment, with the goal of providing funds to maintain and expand the municipal service.
- Set the user fees to offset peak usage of systems in order to make a more rational use of the existing facilities, rather than attempting to construct additional municipal facilities to meet peak demand.

- User fees should be accompanied by a set of performance standards and evaluation criteria designed to define and measure the effectiveness and efficiency of the service.
- User fees should be at a level which does not prohibit participation, especially for the lower incomes.
- Should user fees be applied equitably or should they be based on the ability to pay, for example for recreation facilities; should all pay the same price, or should adults pay more to partially subsidize children and youths?
- User fees could be accompanied with a program of Partnership Opportunities to enable community groups who would like to maintain the facilities to do so, rather than the municipality. This would be in lieu of all or a portion of the applicable user fees.
- A user fee system should include an annual review process to examine the fee schedules, operating and capital costs, and user feedback. This will monitor the effectiveness, efficiency and fairness of the program.
- If the goal is to decrease use of the municipal service, the user fees should increase with the amount of consumption.
- If the goal is to encourage or increase the use of the municipal service, the user fees should decrease with the amount of consumption.
- If the user fees are standard, those who use less of the municipal service will subsidize those who use more, for example those who use municipal transit for short trips are subsidizing the cost of those who take longer trips.
- What are the user fees for adjacent municipalities?
- Should the user fees be greater for non-residents of the municipality (for example: recreation facilities and programs, fire protection)?

Where can user fees be applied in a municipality?

- User fees could be:
 - ▶ a fixed charge that is unrelated to consumption;
 - ▶ a charge which varies directly to the quantity consumed;
 - ▶ a mix of fixed and variable charges;
 - ▶ an average cost pricing, where the total cost of servicing an entire community is aggregated and each customer is charged the average cost of the service.

- The user fee structure should be one which is understandable and rational to the public.

- Will the implementation of a user fee on a particular service result in undesirable behavior (for example: high user fees for garbage collection may result in people dumping their refuse elsewhere; or high recreation user fees may result in greater numbers of youth on the streets rather than in the recreation facility).

Examples of User Fees for Municipal Services

If there is a municipal service, which is traceable to an identifiable individual, household or group, there is an opportunity for a user fee. Granted, the user fees must meet the requirements of the Municipal Government Act, however, as illustrated in the previous section and in Appendix 3.1.A, there is a wide range of municipal services for which user fees can be applied. The real question rests on what the municipality wishes to include in their user fees.

The following list provides a series of examples of the types of use fees other North American municipal units have employed. They are only provided as an example to provide direction, it is not implied that these are the only sources for user fees, or that these should all be utilized.

Recreation

- | | |
|------------------------------------|-------------------------|
| Athletic Fields | Ice Rinks |
| Athletic leagues | Recreation classes |
| Swimming Pools | Tennis Courts |
| Auditoriums or civic center rental | Boat Harbours |
| Concession Stands | Equipment Rental |
| Parks | Public Library Services |
-

Utility Services

- | | |
|------------------------------|---------------------------|
| Connections | Lateral permits |
| Septic Tank dumping | Temporary use of hydrants |
| Temporary use of electricity | Garbage Tipping |
-

Public Works

- | | |
|------------------------|-----------------------------------|
| Curb cuts | Temporary street closures |
| Temporary Barricades | Abandoned vehicle removal |
| Sign permits | Sidewalk snow removal |
| Grass and weed cutting | Tree trimming |
| Street Cleaning | Solid Waste Collection |
| Land fill | Large-item solid waste collection |
-

Planning and Economic Development

- | | |
|----------------------|--------------------|
| Plan Amendment | Re-zoning |
| Minor Variance | Permit processing |
| Building Plan review | Planning documents |
| Maps | |
-

Animal Control

- | | |
|----------------|--------------------|
| Animal Holding | Animal Impoundment |
| Euthanasia | Tags |
-

Police Protection

Funeral escorts
Special Events

Special Occasion escorts
Serving warrants

Transportation

Airport landings
Bus Fares
Parking meters on streets

Bridge Tolls
Municipal Parking Garages/lots

Miscellaneous

Billboards on municipal land
Document Search
Sidewalk Vendors

Document copying
Vending machine space rental
Sidewalk cafes

User Fee Equation

As noted earlier, a generic equation for user fees is impractical because each municipal service is influenced by a different set of factors and for each municipal service the determination of an appropriate user fee will be influenced by a different set of guiding principles.

User fee formulas can vary with each municipal service.

Jim McQueen, in his paper, Development of a Model for User Fees- A Model on Policy Development in Creating and Maintaining User Fees for Municipalities, proposed guidelines for a service charge analysis of individual services. This guideline would assist municipalities to identify and document the information to define a user fee for each service. This outline provides a standard format that would facilitate a thorough decision making process. An ad hoc process in the development of user fees through a municipality is not recommended, as there is a lack of consistency in the development and application of the user fees, and it becomes more difficult to justify these user fees to the stakeholders and council.

Standardized approach for the development of each user fee.

The following format is based on McQueen's work:

1. Purpose of Service
 - description of service
 - objectives of service
 - organizational placement
 - alternatives for provision of service

2. Service Demand
 - stakeholder identification
 - current service demand
 - peak-load demand

3. Policy Basis
 - policy assumptions for user fees
 - guiding principles
 - municipality's goals and objectives

4. Legal Review
 - existing legislation
 - authority to adopt or charge fees

5. Cost/Revenue Analysis
 - cost determination (operating and capital)
 - cost allocation
 - revenue determination
 - revenue potential
 - simple to understand user fee formulas

6. Schedule of Charges and Fees
 - surrounding jurisdictions
 - private companies
 - a proposed user fee schedule

7. Billing and Collection System
 - cost to implement and maintain a user fee system design

8. Review Process
 - process for annual review
 - timing of review process
 - public and administration's input

The coordination of the user fees in a municipality should be centralized in the finance department. This would ensure consistency in their application and maintain a corporate perspective in the development of the user fees. If the development and application of user fees follow the above process, their acceptance by the stakeholders is more assured and they should provide the revenues necessary to maintain municipal services at the desired level.

Entrepreneurial Governments

Municipalities can go into business.

In the larger American and Canadian municipalities, there has been a growing trend to venture into the private market as a means to creating revenues. Many of these enterprises are possible due to the size of the municipalities and their corresponding size of assets to draw upon and the markets they serve. These assets include capital goods, equipment, and most important, the staffing skill sets, which are transferable to challenges well beyond public service. Although most municipalities in Nova Scotia do not have these advantages, there are opportunities and potentials for smaller entrepreneurial local governments in Nova Scotia. In each case, however, it is important to ensure adequate legal authority for the municipality's venture, which is not normally entitled to compete with the private sector.

It does require thinking beyond the traditional parameters of what a municipality can do. Public enterprises, however, challenge local governments to accept new roles and to create new structures for customer service and to perform more as a business. This notion of a public enterprise recognizes that there is a "bottom line" in municipal government and apart from creating new revenue sources, has had the impact of fostering more efficient and effective government operations and improving customer service. It is also interesting to note, in many examples where municipal government has gone into public enterprises, they have been able to successfully compete with the private sector, which illustrates the point that not only can the public sector be as effective and efficient as the private sector, it can effectively compete

What are the types of business that municipalities could consider?

with the private sector. This can be an important consideration in boosting staff morale in the local government, as well as providing alternative sources of revenue.

Public Businesses (direct involvement in the management and operation a business)

- **Retail:** the local government in partnership with a retail store or on its own can sell items including:
 - ▶ municipal memorabilia (for example, using the municipal crest or significant local historical site or incident on items such as mugs, spoons, wall plaques, etc.)
 - ▶ surplus municipal goods (for example, recreational equipment, machinery, park benches, office equipment, parking meters, fire equipment, etc.)

- **Business:** the local government produce a product in a partnerships with the private sector or on its own
 - ▶ there are business opportunities, which for a variety or reasons, the private sector has not embraced in all areas of the province; examples of municipal businesses include:
 - methane gas plants from old land fills and sewage treatment plants;
 - compost plants and the sale of material to public or to supplement municipal public works requirements;

- **Services,** the local government in partnership with private business or on its own can provide services, including:
 - advertising kiosks, both electronic (local government website) or on municipal streets, which provides advertising space for local, regional and national businesses

- **Consulting**, the local government uses the assets of their skilled and innovative staff to create and operate business selling this expertise to other governments
 - local government departments, such as information technology, engineering, finance, planning, human resources, training programs could bid on public projects in adjacent municipalities, through inter-municipal agreements

Public Enterprise Guiding Principles

Anita White in her book Alternative Revenue Sources, has provided a series of guiding principles which a municipality should consider prior to embarking upon any entrepreneurial enterprise. These include:

1. Public entrepreneurial enterprises should be pursued in areas where local governments have a distinct competitive advantage, for example, where the municipality has existing assets, resources, expertise, legislative authority, purchasing power in or access to markets which can be sustained for an extended period of time.
2. Social equity and ethics must always be a prime consideration in these endeavors. The municipality must safeguard all citizens and their needs, not just those who have the ability to pay. Any enterprise or action must be able to stand the test of public scrutiny.
3. The notion of entrepreneurial government enterprises requires a shift in thinking on the part of the municipality in terms of service delivery patterns and traditional operations and organizations within the municipality. It requires a willingness and ability for the municipality to change.
4. Entrepreneurial government enterprises will generally be more successful in partnerships with private industry, nonprofit institutions, and others with the technological, marketing or product distribution capacity that complements the municipality's abilities.

C. Cash Management

Cash Management can result in increased investment income and lower overdraft charges.

Cash is a scarce resource which can be managed to provide significant benefit to a municipality. At some point during the year most municipalities have excess cash that is not immediately required. The objective of cash management is to maximize the municipality's cash position. That is to ensure the municipality's cash balances are sufficient to meet its obligations but not so large that the municipality is forgoing investment income. This can lead to increased investment income and/or decreased overdraft charges.

Preparation of a Cash Forecast

A cash flow forecast can be prepared by using spreadsheet software, past year's bank statements and the current year's operating and capital budgets. Cash receipts can be predicted by taking into consideration tax bill due dates, tax sale dates and expected payment dates of transfers from other governments. Cash disbursements can be predicted by using past year's payroll information and pay dates for the coming year, information on transfers to other governments and their due dates, information on Receiver General payments and information on other contractual payments for example debt charges and rental charges.

Improving Cash Flow

How can you improve your cash flow?

Municipalities can look to their policies and procedures to see where they can improve cash flow.

- Does your municipality send out an interim tax bill?
- Is the interest rate on past due taxes high enough to discourage the paying of other bills before the tax bill?
- Does your municipality have a tax sale policy?
- Does your municipality send invoices promptly?
- Does your municipality make daily bank deposits?
- Does your municipality take advantage of all discounts offered on invoices from suppliers?
- Does your municipality hold invoices until the due date or do they pay invoices when received?

Banking Agreement and Investment Policy

When possible municipalities should tender for banking services to get the best possible price for services that are required. Each bank may offer a different package of services but the package will include the amount charged for overdrafts and the rate paid for positive bank balances (usually quoted as prime plus/minus x%).

If your municipality has sufficient funds to invest in short term investment products (for example treasury bills) you should develop an investment policy. An excellent example of an investment policy can be found in the AMA publication *Model Policy Manual for Nova Scotia Municipal Units* - Chapter 11. Working with your banker or an independent investment advisor you can maximize your investment returns while protecting your initial investment.

Your investment of time and effort in cash management can lead to increased revenues and decreased expenditures.

Conclusions

The Municipal Government Act provides municipalities with a variety of sources of revenue, ranging from taxes, fees, charges and fines. The federal and provincial governments provide additional revenues in the form of grants and transfers. In the end, however, municipalities are having to examine alternative sources of revenue to deal with the current fiscal realities. There are a variety of options available for a municipality to increase its revenues. What is required is innovative thinking and the willingness to attempt new programs to supplement the traditional sources of revenue for municipalities.

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Appendix 3.1.A

Review of Revenue Sources in the Municipal Government Act

<u>Taxes</u>		
Type	MGA	Description
Taxes	3(bz)	definition
Interest Rate for Overdue Taxes	49(1)(a)	council may make policies on setting the interest rate to be charged on overdue taxes (see Bulletin #35)
Residential	73	council may set the residential tax rates for rural, suburban and urban area for residential properties (see Bulletin #34)
Commercial	73	council may set the commercial tax rates for rural, suburban and urban area for commercial properties (see Bulletin #34)
Minimum Tax	74	new authority for most municipalities to set a minimum property tax per dwelling unit (see Information Bulletin #9)
Area Rates	75	area rates may be used to finance all or part of the cost of any municipal service or facility that council deems to benefit an area; the area rate may apply to all taxable property and occupancy assessments or only some of them (see Information Bulletin #14)
Recreational Property	76	the owner of land directly and solely used for the purposes of a non-profit community, charitable, fraternal, educational, recreational, religious, cultural or sporting organization or institution shall pay an amount based on per acre, or part of an acre at a rate of five dollars per acre, which shall be increased by 5% per year from 1977, unless altered by the Governor in Council

<u>Taxes</u>		
Type	MGA	Description
Farm Property	77(1)	farm property exemption and provincial grant of \$2.10 per acre (1998-99) and increase by the same percentage as the Consumer Price Index after the fiscal year ending March 31, 2001
Forest Property	78	land used or intended to be used for forestry purposes shall pay twenty-five cents per acre for resource property (less than 50,000 acres) and forty cents per acre for commercial property (50,000 acres or more) if an area, village or commission rate for fire protection is applicable for the area, there shall be this additional tax, which shall not exceed one cent per acre
Change in Use	76(4) 77(3 to 7) 78(2 to 6)	tax payable for land which ceases to be farm, recreational or forest property
Fire Protection/Water System	80	council may levy a rate on the value of the assessable property and business occupancy assessment in the area served by a water system to recover that part of the cost of the water system which is directly attributable to fire protection (see Bulletin #31)
Special Purpose Tax	83	council may levy a special purpose tax as a means to raise all or a portion of the capital or operating cost of a special project (see Information Bulletin #40)
Deed Transfer Tax	101 to 110	the deed transfer tax is a tax levied on the transfer of real property (land and buildings), which is payable at the time of the conveyance of the title and it is based on the purchase price council may set the rate of the deed transfer tax with a by-law, provided it does not exceed up to one and one half per cent of the value of the property
By-laws	172(2)(e)(i)	fees for licences, permits or approvals may be in the nature of a reasonable tax for the activity authorized or for the purpose of raising revenue

<u>Taxes</u>		
Type	MGA	Description
Village Commission tax	439, 440	the village commission has some of the same powers as a municipality to set the rates and collect taxes, except there is not split between the residential and commercial assessments
Village Commission Area Rate	442	where the village incurs an expenditure in an area of the village, the village commission may set an area rate to finance the cost

Charges and Fees

Type	MGA	Description
Water and sewer charges	49(1)(a)	council may make policies for setting the interest rates to be charged on water charges, sewer charges and any other charges or sums owing to the municipality
Solid waste charges	49(1)(b)	council may make policies for the setting of charges for solid waste management facilities operated by the municipality
Setting Fees	49(1)(c)	council may make policies for the setting and amending of fees for licences, inspections, permits, applications, approvals and the impoundment of animals: also see 172(2)(e)(i)
Flag, symbol or coat of arms	62(3)	council may set the fee for the authorized use of the municipality's flag, symbol or coat of arms
Uniform charges	75(4)	council may in lieu of levying an area rate, levy a uniform charge on each taxable property assessment and dwelling unit
User charges	79	council may, by by-law, prescribe charges for the provision of services for persons who use or benefit from the service, on a basis to be set out in the by-law this is subject to the approval of the Board for those services that are subject to the <i>Public Utilities Act</i>
Local Improvement Charges	81	council may make by-laws imposing, fixing and providing methods of enforcing payment of charges for wastewater facilities; stormwater systems; the municipal portion of the capital cost of installing water systems; streets; curbs; sidewalks; gutters; bridges; culverts; retaining walls; tree removal; and the municipal portion of the capital cost of placing the wiring and other parts of an electrical distribution system underground
Interest on charges	82	interest is payable on unpaid charges at the same rate as for other outstanding taxes (Section 49(1)(a))
Tax certificate	132(2)	council may set the fee for a tax certificate

<u>Charges and Fees</u>		
Type	MGA	Description
Deed conveyance fee for tax sale	150(2)	fee for tax sale deed
Redemption of tax sale property fee	152(2)(d)	the person redeeming land shall pay the fee to record the certificate of discharge
By-law fees	172(2)(e)(i)	council may establish fees for licences, permits and approvals which may be for the purposes of raising revenue
Dog by-law	175	council may establish fees for registration, impounding of dogs at large, kennel fee
Price for sale of by-laws	187	the by-law may be sold at a reasonable price, having regard to the cost of printing the by-law
copying fee for Public Hearings	206(4)	council may set a fee to recover the cost of providing copies of documents or portions of planning documents for a Public Hearing
Land Use application fee	220(4)(1)	council may by policy set the fees for an application to amend the land use by-law or for entering into development agreements, site plans or variances (see Bulletin #22)
Subdivision fees	271(3)(f)	a subdivision by-law may include the fee for the processing of applications for approval or repeal of a subdivision, including recording and filing fees (see Bulletins #10 and #22)
Infrastructure charges	274 275 276	a municipal planning strategy may authorize the inclusion of infrastructure charges in the subdivision by-law to recover all or part of the capital costs incurred or anticipated to be incurred due to new development for new or expanded water systems, wastewater facilities, stormwater systems, streets and the upgrading of intersections, traffic signs, signals and new transit bus bays (see Bulletin #26)

Charges and Fees

Type	MGA	Description
Work on street fee	317	council may, by policy, prescribe the terms upon which a permit to break the surface of the street may be granted, including the setting of a fee for the permit and require a security to ensure the street is restored
solid waste deposit fee	325(f)	council may make by-laws prescribing the terms and conditions under which a deposit may be made at a solid-waste management facility, including the amount and manner of payment of fee or charge to be paid for the deposit
solid waste removal fee	325(h)	council may make by-laws which include the fees for the removal of solid waste
Village commission Charges	428	<p>the village commission may make by-laws for charges on wastewater facilities, stormwater systems, the village portion of the capital cost of installing a water system, streets, curbs, sidewalks, gutters, bridges, culverts and retaining walls, the village portion of the capital cost of placing the wiring and other parts of an electrical distribution system underground</p> <p>the village commission may by by-law levy a one-time redevelopment charge to pay for additional or trunk sanitary or storm sewers or for oversized sanitary or storm sewers</p>
Freedom of Information and Protection of Privacy (FOIPOP)	466(1)(c) 471(1)	<p>a person may obtain access to a record by paying the prescribed application fee</p> <p>Note: the fee is that prescribed by Provincial regulations</p>

<u>Charges and Fees</u>		
Type	MGA	Description
FOIPOP service fees	471	<p>except for the first hour spent locating or retrieving a record or for an applicant's own personal information or if in the opinion of the responsible officer the applicant cannot afford the payment, a fee may be charged</p> <p>the fee cannot exceed the actual cost of the services and includes the following: the locating, retrieving and producing a record; preparing the record for disclosure; shipping and handling the record; providing a copy of the record</p> <p>Note: the fee is prescribed by Provincial regulations</p>

Penalties and Fines

Type	MGA	Description
Deed Transfer Tax Penalty	107 108	where the grantee does not pay the deed transfer tax when due shall pay interest at a rate determined by council and beginning ten days after the transfer and an additional penalty of ten percent on the deed transfer tax if unpaid thirty days from the transfer
Enforcement of by-laws	172(1)	Council may make by-laws for the enforcement of by-laws including remedies for the contravention of by-laws by undertaking or directing the remedying of a contravention, apprehending, removing, impounding or disposing, including the sale or destruction of plants, animals, vehicles, improvements or other things and charging and collecting the costs thereof as a first lien on the property affected (see Bulletin #36)
	172(1)(l) (iv)	the bylaws may include for each offence, imposing a fine not exceeding ten thousand dollars
Minimum Standards	181(1)	council may make by-laws prescribing the penalty to the owners of a residential uses which does not discontinue the use where it has been found that it does not meet the minimum standards regarding sanitation, plumbing, water supply, lighting, wiring, ventilation, heating, access, maintenance, appearance, construction and material for the buildings, and the number of persons who reside in the building
Recovery of penalties, fees and fines	183	any penalty, fine or licence fee imposed, unless otherwise provided, may be recovered and enforced with costs on summary conviction
Dangerous and unsightly	348(4)	any person who permits or causes a dangerous and unsightly condition to remain after an order has been served or who fails to comply with the terms of the order, is liable on summary conviction to a penalty of not less than one hundred dollars and not more than five thousand dollars (see Bulletin #36)

<u>Penalties and Fines</u>		
Type	MGA	Description
Village Commission penalties	431	<p>the village commission may by by-law prescribe a penalty of not less than one hundred dollars and not exceeding five thousand dollars for the violation of a village by-law</p> <p>where no penalty is provided by village by-law there is a penalty of not more than five thousand dollars</p> <p>every day during which a contravention or failure to comply continues is a separate offence</p>
Offence and penalty	505	where no penalty is provided by by-law, a person who violates a provision of the MGA or of an order, regulation or by-law in force in accordance with the MGA is liable, upon summary conviction, to a penalty of not less than one hundred dollars and not more than ten thousand dollars
Offence and penalty	506	a person who removes, defaces or makes illegible a notice or order posted pursuant to the MGA is liable, on summary conviction, a penalty of not less than one hundred dollars nor more than five thousand dollars
Offence and penalty	508	where no penalty is specified for the violation of MGA, a person who contravenes the provision is liable, on summary conviction, to a penalty of not less than one hundred dollars and not more than five thousand dollars

Municipal Accounting and Reporting Manual Summary
Revenue Chart of Accounts

1100 Taxes

ASSESSABLE PROPERTY	
<ul style="list-style-type: none"> • Residential • Commercial Property • Based on Special Tax Agreements or Legislation Resource • Taxable Assessments • Recreational Property Tax • Forest Property Tax (less than 50,000 acres) • Forest Property Tax (50,000 acres or more) 	<ul style="list-style-type: none"> • Area Rates <ul style="list-style-type: none"> • Protective Services (includes fire rates) • Transportation Services (includes area street lighting and sidewalk rates) • Environmental Health Services (includes area garbage rates) • Environmental Development • Recreation, Cultural Services • Other

SPECIAL ASSESSMENTS	
<ul style="list-style-type: none"> • Frontage Rates <ul style="list-style-type: none"> • Transportation Services (includes frontage rates for paving and sidewalks) • Environmental Health Services (includes frontage rates for sewers) 	<ul style="list-style-type: none"> • Other <ul style="list-style-type: none"> • Environmental Health Services (includes flat charges and user fees for garbage and sewer, water) • Transportation Services (includes infrastructure charges)

BUSINESS PROPERTY	
<ul style="list-style-type: none"> • Business Occupancy • Based on Revenue (M.T.& T.) • Machinery & Equipment 	<ul style="list-style-type: none"> • Power Corporation • Power Corporation (HST Rebate)

OTHER TAXES	
<ul style="list-style-type: none"> • Deed Transfer Tax • Change in Use Tax (includes taxes charged on farmlands, forest and recreational property) 	<ul style="list-style-type: none"> • Other (Specify)

12000 Grants in Lieu of Taxes

FEDERAL GOVERNMENT	
<ul style="list-style-type: none"> • Federal Government • Federal Government Agencies <ul style="list-style-type: none"> • Canadian Broadcasting Corporation 	<ul style="list-style-type: none"> • Canada Post

PROVINCIAL GOVERNMENT	
<ul style="list-style-type: none"> • Provincial Property and Property of Supported Institutions (A grant in lieu is paid on provincial real property at the applicable residential non-residential or resource property tax rate except for educational and health care facilities. A grant in lieu of taxes at 40% of the applicable rate is paid on the residential facilities of post-secondary institutions) 	<ul style="list-style-type: none"> • Fire Protection (A grant in lieu is paid on all provincial buildings exempted from full taxation) • Crown Timber Lands (A grant in lieu is paid at 40¢ per acre)

Provincial Government Agencies	
<ul style="list-style-type: none"> • Liquor Commission • Sydney Steel Corporation 	<ul style="list-style-type: none"> • Business Development Corporation • Other

13000 SERVICES PROVIDED TO OTHER GOVERNMENTS

Federal Government or Provincial Government or Other Local Government	
<ul style="list-style-type: none"> • General Government Services • Protective Services • Transportation Services • Environmental Health Services • Public Health and Welfare Services 	<ul style="list-style-type: none"> • Environmental Development Services • Recreation and Cultural Services • Fiscal Services • Other Services

14000 SALES OF SERVICES

Most municipalities recoup all, or part, of the cost of certain services through charges based on the amount of such service supplied to individuals. Such services are supplied in easily measurable amounts, e.g. water; or are discrete and capable of being costed on an individual basis, e.g. snowplowing. Fees charged for certain purposes, e.g. search fees, are also considered to be sales of services except where the fee confers certain privileges on the payer when it (the fee) is classified as a license or permit (see below). The individual purchasing the service includes not only the residents of the municipality but also any other person, corporation or government purchasing the service for its own use or consumption and not on behalf of others whom the purchaser would otherwise supply from its own resources.

Sales of Service	
<ul style="list-style-type: none"> • General Government Services • Protective Services • Transportation Services • Environmental Health Services 	<ul style="list-style-type: none"> • Public Health and Welfare Services • Environmental Development Services • Recreation and Cultural Services • Other Services

15000 Other Revenue from Own Sources

Other Revenue from Own Sources	
<ul style="list-style-type: none"> • Licenses and Permits (Includes general licenses, professional licenses, business licenses, amusement licenses and permits, taxi licenses, delivery vehicle licenses, animal licences, building permits and other licenses and permits) • Fines (Includes court fees and costs, forfeited bail, fees from impounded animals as well as fines on overdue library books) • Rentals (Includes income earned on general rentals, engineering structures, buildings, machinery, and equipment and land lease. • Concessions and Franchises (Concessions and franchises are particular privileges or rights granted in respect of municipal functions, activities or responsibilities.) 	<ul style="list-style-type: none"> • Return on Investments (Includes interest earned on short term deposits and other investments which the operating fund may utilize. Interest on special funds is to be recorded in the special fund it belongs to rather than here.) • Penalties and Interest on Taxes • Miscellaneous (Includes commissions earned, gifts and sundry income which cannot be under any other caption.)

16000 Unconditional Transfers from Other Governments

Unconditional transfers cover only those intergovernmental transactions in which the transfer or does not specify any particular use to which the monies are to be put, in which the monies so transferred form part of the general revenue of the transferor and in which the transferee has discretion over the use of the monies.

Unconditional Transfers from Other Governments	
<ul style="list-style-type: none"> • Federal Government • Provincial Government <ul style="list-style-type: none"> • Department of Transportation • Ice Control and Snow Removal • Department of Housing and Municipal Affairs 	<ul style="list-style-type: none"> • Municipal Grants Act (Equalization) • Municipal Government Act, Farm Property Acreage • Other Local Governments

1700 Conditional Transfers from Federal or Provincial Governments or Agencies

Federal	
<ul style="list-style-type: none"> • Federal Agency - Canada Mortgage and Housing Corporation 	<ul style="list-style-type: none"> • Other

Provincial	
<ul style="list-style-type: none"> • Protective Services <ul style="list-style-type: none"> • Law Enforcement • Fire Protection • Emergency Measures Organization • Other Protection (i.e. Dutch Elm Disease) • Transportation services <ul style="list-style-type: none"> • Road Transport • Environmental Health Services <ul style="list-style-type: none"> • Sewage Collection and Disposal • Garbage and Refuse Collection and Disposal 	<ul style="list-style-type: none"> • Environmental Development Services <ul style="list-style-type: none"> • Community Development • Housing • Recreational and Cultural Services <ul style="list-style-type: none"> • Regional Library • Heritage Properties • Fiscal Services - Debt Charges <ul style="list-style-type: none"> • Sewers and Drains • Street Paving, Curbs and Gutters • Provincial Agency - Liquor Commission <ul style="list-style-type: none"> • re Prisoners Board

1800 Conditional Transfers From Other Local Government

There may be a situation where a municipality may provide a service for another municipality, for example a district planning commission or district fire commission.

1900 Other Transfers, Collections for Other Governments

Other Transfers, Collections for Other Governments	
<ul style="list-style-type: none">• Transfers from Own Valuation Allowances and Equity<ul style="list-style-type: none">• Valuation Allowances• Surplus of prior year• Other	<ul style="list-style-type: none">• Transfers from Other Funds• Transfers from Own Agencies (Includes solid waste authorities)• Collections for Other Governments (Includes collection of village and special commission rates)