

January 26, 2022

AMO Policy Update – Pre-Budget Submission, New Joint & Several Technical Group, Phase 2 CA Regulations, and Provincial Gas Tax Boost

AMO Pre-Budget Submission

Today, Jamie McGarvey, AMO President, delivered the Association's Pre-Budget Submission to the Standing Committee on Finance and Economic Affairs. His remarks highlighted three key themes for the fiscal year that lies ahead:

1. AMO seeks a provincial budget that continues to address pandemic-related municipal costs with ongoing intergovernmental cooperation and investment.
2. A budget that does not impose new unfunded responsibilities upon municipalities and builds for the future; and
3. A budget that accounts for inflation in cost-share programs, Ontario Municipal Partnership Fund allocations, and provincial payments in lieu of taxes.

His address highlighted growing municipal capital contributions to new hospital construction and the need to re-think funding approaches. The full written submission is [linked here](#). Municipalities are encouraged to re-enforce the above themes in their submissions to the government and note highlighted emerging trends.

Municipal Insurance Costs: Joint and Several Liability Technical Review

Attorney General Doug Downey has asked his Ministry to convene a Technical Working Group on joint and several liability. The Working Group is anticipated to begin work in March and will start by examining suggestions made by AMO. The announcement responds to recent calls by AMO and municipalities for the government to create a plan to address this long-standing challenge before the end of the Government's mandate.

Municipalities have experienced substantial increases in insurance costs and joint and several liability is one driver of insurance rates long identified by the municipal sector. Other drivers include climate change and the insurance market.

The Working Group will also include insurance industry representation and is a positive step by the Government. While AMO recognizes that a solution is unlikely before the June Ontario election, it is hoped that the discussions will lay the groundwork for action afterward.

Phase 2 Regulations of the *Conservation Authorities Act* Posted

Today, the Ministry of the Environment, Conservation and Parks posted the [second phase of regulations](#) under the *Conservation Authorities Act*. The posting proposes how the CA programs and services will be paid for, including the municipal levy, the voting mechanism, and other governance and transparency matters.

As part of this consultation, the Ministry is hosting three webinars in February, including one focused for municipalities and municipal associations on February 8th. If you wish to attend a webinar, please register by emailing ca.office@ontario.ca with the subject line “CAA Phase 2 Webinars” and indicate your preferred session date.

AMO will provide comments on the submission which are due in 30 days (February 25, 2022).

Ontario Gas Tax Boost

On January 21, 2020, the Honourable Caroline Mulroney, Minister of Transportation [announced](#) that the province will provide an additional \$120.4M in one time funding to top the Ontario Gas Tax for Transit Program in 2021-22. This funding brings the program to \$375.6M for the year and stabilizes it after gas tax revenues decreased during the pandemic.

The Ontario Gas Tax for Transit Program provides two cents for every litre of gasoline sold in the province. The funds are allocated based on transit ridership and can be used to support transit capital and operations. The funds are provided to 107 municipalities and support transit services in 142 communities.

Gas Tax funding stability was recommended by AMO and will provide important supports to municipal transit as the pandemic continues to challenge ridership levels. This funding is in addition to previously announced specialized COVID-19 transit supports by the provincial and federal governments.

Along with the recent [doubling](#) of Ontario Community Infrastructure Fund (OCIF), Ontario municipalities will be able to plan expenditures to improve important local services.

AMO's [COVID-19 Resources](#) page is being updated continually as you can find critical

information in one place. Please send any of your municipally related pandemic questions to covid19@amo.on.ca

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