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**REPORT TITLE: Provincial Dedicated Gas Tax By-law Amendment**

**FROM:** Stephen Van Ofwegen, Commissioner of Finance and Chief Financial Officer

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## **RECOMMENDATION**

**That a by-law be presented for enactment to provide a blanket authorization for the Regional Chair and the Regional Clerk to execute any future agreements required, between the Region of Peel and the Province of Ontario, Ministry of Transportation (MTO), in order to receive the Dedicated Gas Tax Funds for Public Transportation Program.**

## **REPORT HIGHLIGHTS**

- The Region of Peel (Region) uses the Dedicated Gas Tax funding towards the capital and operating expenditures to support the Region's TransHelp accessible bus service.
  - Regional Council is required to enact a by-law authorizing the execution of the letter of agreement with the Province of Ontario.
  - Staff recommends that the Region enact an authorizing by-law to provide a blanket authorization for the Regional Chair and the Regional Clerk to execute any required agreements to receive the Dedicated Gas Tax funding from the Province for 2021 and all future years.
  - The primary benefit of a blanket authorizing by-law is that it will streamline and advance the document execution process by providing the Region with authority to annually process the letter of agreement (as soon as it is received from the Province) without the obligation to pass an annual authorizing by-law.
  - A blanket authorization by-law process will allow the Region more flexibility to meet the agreement processing deadline (as prescribed by Province) and it will expedite the receipt of funds by the Region.
  - A blanket authorization by-law for the receipt of the Dedicated Gas Tax funds has been implemented by several municipalities in Ontario and the Ministry of Transportation has confirmed its agreement with the Region's recommended implementation of this process, subject to Regional Council's approval.
  - Staff will provide Council with an annual update relating to the Dedicated Gas Tax Funds for Public Transportation Program (including the Region's funding allocation) following the execution of the agreement.
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## **DISCUSSION**

### **1. Background**

In 2013 Ontario enacted the *Dedicated Funding for Public Transportation Act, 2013* which made permanent a Dedicated Gas Tax equivalent to 2 cents per litre. Currently, the Dedicated Gas Tax Funds for the Public Transportation Program (the "Program") runs

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annually from April to March to align with the Provincial fiscal year, with municipal allocations being available in late September at the earliest.

Since the inception of the program through 2020, the Region of Peel has received approximately \$9.9M in funding, which has been used to fund both capital and operating expenditures to support the Region's TransHelp accessible bus service.

The Region's Provincial Dedicated Gas Tax allocation for the 2019/2020 period was \$540,467 with the related letter of agreement and supporting documentation released by the Province in Spring 2020. As of the time of writing this report, the Region's allocation for the 2020-21 period has not yet been provided by the Province.

### **2. 2020/2021 & Future Years - Provincial Dedicated Gas Tax Allocation Process**

Annually, when the Program is launched, the Ministry of Transportation advises the Region of its eligibility to receive funding for the current period. Participation in the Program requires the Region to execute a letter of agreement with the Province. Accompanying the letter of agreement is the Dedicated Gas Tax Funds for Public Transportation Program Guidelines and Requirements document (please see Appendix I for the highlights of the General Eligibility Requirements for the Dedicated Gas Tax Program). The Region's allocation for the annual funding is payable with approximately 75 per cent of funding received upon execution of the agreement, and the remaining amount payable thereafter.

For the 2020-21 and future years, staff recommends that Council enact an authorizing by-law to provide a blanket authorization for the Regional Chair and the Regional Clerk to execute any future agreements required between the Region and the Province/Ministry of Transportation for the receipt of Dedicated Gas Tax funds. The primary benefit of a blanket authorizing by-law, for the purposes of the Program, is that it will streamline and advance the document execution process by providing the Region with authority to annually process the letter of agreement (as soon as it is received from the Province) without the obligation to pass an annual authorizing by-law. This will allow the Region more flexibility to meet the deadline that the Province prescribes for processing of the letter of agreement for the Program. Furthermore, the implementation of the blanket authorization by-law will expedite the receipt of Dedicated Gas Tax funds by the Region as most of this funding (75 per cent) is released by the Province upon the Region's execution of the agreement.

Currently, a blanket authorization by-law for the receipt of the Dedicated Gas Tax funds has been implemented by several municipalities in Ontario and the Ministry of Transportation has confirmed its agreement with the Region of Peel's recommended implementation of this process, subject to Regional Council's approval.

Staff will provide Council with an annual update relating to the Program (including the Region's funding allocation) after the receipt of the appropriate documentation from the Province and execution of the letter of agreement by the Region.

## **CONCLUSION**

Staff recommends that the Region enact an authorizing by-law to provide a blanket authorization for the Regional Chair and the Regional Clerk to execute any future agreements required between the Region and Province of Ontario/Ministry of Transportation (MTO), to receive the Provincial Dedicated Gas Tax Funds for the Region of Peel's Public Transportation

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Program. The Dedicated Gas Tax funds will continue to be used as prescribed by the related Dedicated Gas Tax Funds for Public Transportation Program Guidelines and Requirements document and to fund both capital and operating expenditures in support of TransHelp ridership growth.

### **APPENDICES**

#### **Appendix I – Highlights – General Eligibility Requirements for the Dedicated Gas Tax Program**

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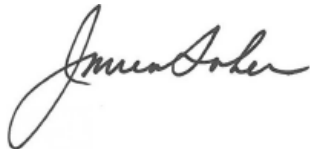
*For further information regarding this report, please contact Stephanie Nagel, Ext. 7105, [stephanie.nagel@peelregion.ca](mailto:stephanie.nagel@peelregion.ca)*

*Authored By: Kavita McBain*

#### ***Reviewed and/or approved in workflow by:***

Department Commissioner, Division Director and Legal Services.

Final approval is by the Chief Administrative Officer.



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J. Baker, Chief Administrative Officer