



The Minister's Council on Municipal Sustainability | AUGUST 2005

ALBERTA'S Competitive Advantage:

Empowering
municipalities with
new municipal
revenue sources.

Municipal Revenue Options Paper – *Alberta's Competitive Advantage (draft #1)*

Review of Draft #1

- Presented to Minister's Council May 10, 2006
- Minister's Council Members provided input
- Most changes incorporated in draft #2 & additional changes to the paper are pending
- Some direction from the Council needed for further refinement

Input Received for Draft #1

- More up to date numbers
- Curb advocacy approach
- Broaden impact assessment of revenue options to include other municipalities
- Additional revenue model and options
- Adjusted & additional revenue measures
- Provide methodology
- Pros & Cons table

Decisions Required from the Minister's Council

1. Are there any more models that the Minister's Council would like to pursue? (Should any be eliminated?)
2. Are there any more revenue options that the Minister's Council would like to have analyzed? (Should any be eliminated?)
3. Are there any more measurements that the Minister's Council would like to include in the analysis? (Should any be eliminated?)

Summary Tables

- 3 Models
 - Revenue Sharing (provincial)
 - Own Source (municipal)
 - Own Source Regional Pooling
- 16 Revenue Options
- 9 Measures
 - Economic measures only
 - Standard economic measures (e.g. H. Kitchen)
 - Can be subjective in their application

Summary Tables cont'd

- 9 measures

- Economic efficiency:

- » Immobility of tax base

- Sufficiency:

- » Tax yield can meet local needs and increases with expenditures

- Stability & predictability:

- » Stable and predictable over time

- » All revenue options under the revenue sharing model – low (province may have its own financial pressures or other priorities)

This page covered under Sections 22(1) and 24(1)(a)(b)(c)

Summary Tables cont'd

- 9 measures cont'd

- Inability to export:

- » Tax should not be passed on to non-residents for services beneficial to residents

- Accountability to taxpayers (spending):

- » Tax yield can meet local needs and increases with expenditures
- » All revenue options score high

- Accountability to taxpayers (Raising):

- » The order of government responsible for levying the tax is also responsible for providing the service; the tax is funding
- » All revenue options under revenue sharing – low (if province taxes, municipalities spend)

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City of Calgary
City of Calgary

Summary Tables cont'd

• 9 measures cont'd

- Equity (taxpayer benefits):
 - » Taxpayer should receive benefits of taxation through municipal service
 - »
- Equity (taxpayer ability to pay):
 - » Tax should be levied based on ability of each taxpayer to pay the tax
 - »
- Municipal Applicability:
 - » Revenue option should be applicable to a variety of municipal types and sizes (Cities, Towns, Villages, MDs)
 - » All revenue options under revenue sharing model which (Any municipality could participate in provincial revenue sharing scheme)

Summary Tables cont'd

Model Comparisons

Municipal Applicability -

Own Source Model → Low

Own Source Regional Pooling Model → Low

Revenue Sharing Model → High

Accountability to Taxpayers (Raising) -

Own Source Model → High

Own Source Regional Pooling Model → Low

Revenue Sharing Model → Low

These pages set out under Sections 22(1) and 24(1)(a)(b) & (c)

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