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March 15, 2011

Head and Members of Council
Regional Municipality of York
17250 Yonge Street
Newmarket, ON L3Y 6Z1



To the Head and Members of Council:

Subject: CAA South Central Ontario and OGRA proposal to have H.S.T. gas tax revenue dedicated to transportation infrastructure and maintenance

The need for greater investment and funding support from the Government of Ontario for Ontario's municipalities was clearly highlighted in the Report of the "Provincial-Municipal Fiscal and Service Delivery Review – Facing the Future Together". This report highlighted how Ontario's municipalities continue to struggle to keep up with transportation infrastructure demands needed to support their local economies and to ensure the highest possible standard of living and safety for their residents. With a transportation infrastructure investment gap (roads, bridges and transit) between the Government of Ontario and Ontario's municipalities of approximately \$3.8 billion, it is clear that greater funding support is needed for Ontario's municipalities to build the transportation infrastructure needed to support local economies and to sustain the quality of life that Ontarians have come to expect.

CAA South Central Ontario and the Ontario Good Roads Association are asking municipalities throughout Ontario to support our call for the Government of Ontario to consider dedicating a portion of the new revenue collected from the provincial portion of H.S.T. charged on gasoline and diesel sales to a new predictable funding mechanism directed to Ontario's municipalities for transportation infrastructure investment. Application of the H.S.T. on gas and diesel sales came into effect on July 1, 2010, effectively applying the former Provincial Sales Tax of 8 percent to gasoline and diesel sales. CAA SCO estimates that the Government of Ontario will collect approximately \$1.53 billion annually in new revenue through the application of the H.S.T. on gasoline and diesel sales.

Since the implementation of the H.S.T., over 6000 CAA members and non-members have shown their support of this initiative by signing CAA's petition and e-petition (at <https://www.caasco.com/community/worst-roads/>) calling for a

CAA South Central Ontario, 60 Commerce Valley Dr. E., Thornhill, Ontario L3T 7P9
T. 905-771-3457 F. 905-771-3292 jenn@caasco.ca www.caasco.com

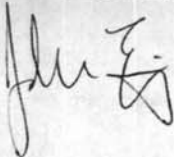
Ontario Good Roads Association, 6355 Kennedy Road, Unit 2 Mississauga, ON L5T 2L5
T. 905-795-2555. Ext. 24 F. 905-795-2660 Scott@ogra.org www.ogra.org

portion of the new revenue collected from H.S.T. on the sale of gasoline and diesel to be dedicated to transportation infrastructure and maintenance. Attaining the support of municipal councils from across the province is the next step in this initiative.

Attached you will find draft resolution text to assist your Council.

Should you have any questions or require further clarification, please do not hesitate to contact us directly.

Kind Regards,



John Ennis
Government Relations Specialist
CAA South Central Ontario



Scott R. Butler
Manager, Policy and Research
Ontario Good Roads Association

Attachments (1)

TITLE: Harmonized Sales Tax (H.S.T.) revenue and a new funding mechanism for transportation infrastructure

AUTHOR: CAA South Central Ontario and the Ontario Good Roads Association

WHEREAS the introduction of the Harmonized Sales Tax (H.S.T.) on July 1, 2010, and its application to gasoline and diesel sales will result in new revenue for the Government of Ontario; and

WHEREAS based on 2010 average price levels of gasoline and diesel, and 2009 average consumption levels in Ontario, the Government of Ontario's projected new revenue will be approximately \$1.53 billion annually; and

WHEREAS the Provincial-Municipal Fiscal and Service Delivery Review identified a transportation infrastructure investment gap between the Government of Ontario and Ontario's municipalities of approximately \$3.8 billion; and

WHEREAS a lack of sufficient funding for essential transportation infrastructure construction, maintenance and rehabilitation has created a situation where many of Ontario's municipalities do not have the financial capacity to construct new transportation infrastructure and conduct the maintenance and rehabilitation needed to sustain existing transportation infrastructure; and

THEREFORE BE IT RESOLVED THAT the Council of the Regional Municipality of York requests that the Government of Ontario consider directing a portion of the revenue derived from HST charged on gasoline and diesel sales to a new predictable funding mechanism that will allow Ontario's municipalities to make the critical investments needed to be effective stewards of transportation infrastructure; and

FURTHER THAT a copy of this resolution be forwarded to Premier Dalton McGuinty, Hon. Dwight Duncan, Minister of Finance, Hon. Kathleen Wynne, Minister of Transportation, Hon. Bob Chiarelli, Minister of Infrastructure, the Ontario Good Roads Association and to CAA South Central Ontario; and

FURTHER THAT this resolution be circulated to all municipalities in Ontario requesting their support.