

ATTACHMENT E



Federal Budget: Gas Tax Fund Doubled for a Year

Mar. 20, 2019

Finance Minister Bill Morneau tabled the 2019 budget in the House of Commons yesterday. Local governments in British Columbia will see an immediate benefit from a top up transfer of \$2.2 billion to the Federal Gas Tax Fund for the coming year. This one-time transfer will provide an estimated \$280 million in additional funding to local governments in B.C. Other highlights of interest to local government include the following:

Housing Affordability & Tax Compliance

- The Government will extend the Rental Construction Financing Initiative with an additional \$10 billion in financing over 9 years. This is intended to help build 42,500 new housing units across Canada with a focus on areas of low rental supply.
- Municipalities and other stakeholder groups will be invited to apply for funding under a \$300 million Housing Supply Challenge, with the aim of proposing ways to break down barriers that limit the creation of new housing.
- The Federal Government, together with the Province, has established an Expert Panel on the Future of Housing Supply and Affordability. The Budget allocates \$4 million over 2 years to the work of the panel, with an additional \$5 million over two years for supply modelling and data collection.
- A new First-Time Home Buyer Incentive will offer a larger shared equity mortgage for newly constructed homes than for existing homes.
- The Government is creating four dedicated real estate audit teams at the Canada Revenue Agency to monitor real estate transactions, focusing on high-risk areas including British Columbia. It also plans to strengthen the enforcement framework to deter financial crime in real estate.
- Opportunities to improve data sharing between the Federal Government and British Columbia will be explored to improve enforcement on tax compliance and anti-money laundering. This will be supported by up to \$1 million in funding to Statistics Canada to conduct a data needs assessment, starting in 2019-20.

Energy Efficiency Financing

- \$1.01 billion to increase energy efficiency in residential, commercial and multi-unit buildings. The Federation of Canadian Municipalities (FCM) will deliver these investments through the Green Municipal Fund. These funds will be delivered through three financing streams as follows:
 - Collaboration on Community Climate Action (\$350 million) to provide municipalities and non-profit community organizations with financing and grants to retrofit and improve the energy efficiency of large community buildings as well as community pilot and demonstration projects.
 - Community EcoEfficiency Acceleration (\$300 million) to provide financing for municipal initiatives to support home energy efficiency retrofits.
 - Sustainable Affordable Housing Innovation (\$300 million) to provide financing and support to affordable housing developments to improve energy efficiency in new and existing housing and support on-site energy generation.

Broadband Connectivity

- The Government set a commitment that 95 per cent of Canadian homes and businesses will have access to internet speeds of at least 50/10 Mbps by 2026 and 100 per cent by 2030. This commitment will be funded by up to \$1.7 billion over 13 years, starting in 2019–20, to establish a new national high-speed Internet program, the Universal Broadband Fund.

Reconciliation

- 1.4 billion over seven years starting in 2018–19, to forgive all outstanding comprehensive claim negotiation loans and to reimburse Indigenous governments that have already repaid these loans.
- Renew funding for the Specific Claims Settlement Fund for a further three years, starting in 2019–20.
- Provide \$40.0 million over five years, starting in 2019–20, to First Nations to help research and develop their claims.
- \$48.0 million over two years, starting in 2019–20, to directly support communities in greatest need obtain the expertise, advice and tools required to govern their communities and deliver critical programs and services.

Asset Management

- \$60 million in 2018–19 to FCM's Municipal Asset Management Capacity Fund.

Opioid Crisis

- \$30.5 million over 5 years, starting in 2019–20, with \$1 million in ongoing funding, for targeted measures to address persistent gaps in harm reduction and treatment.

Policing

- \$68.9 million over five years and \$20 million ongoing for enhanced federal policing capacity, including to fight money laundering
- To support implementation of the Border Enforcement Strategy, invest \$1.18 billion over five years, starting in 2019–20, and \$55.0 million per year ongoing.

Tax Compliance

- To combat tax evasion and aggressive tax avoidance, invest \$150.8 million over five years, starting in 2019–20 so that the CRA may fund new initiatives and extend existing programs, including:
 - Hiring additional auditors, conducting outreach and building technical expertise to target non-compliance associated with cryptocurrency transactions and the digital economy.
 - Creating a new data quality examination team to ensure proper withholding, remitting and reporting of income earned by non-residents.
 - Extending programs aimed at combatting offshore non-compliance.

Disaster Management and Response

- \$151.23 million over five years, starting in 2019–20, and \$9.28 million per year ongoing, to improve emergency management in Canada, including in Indigenous communities.

Zero Emissions Vehicle Charging & Refueling

- Expand the network of zero-emission vehicle charging and refueling stations with \$130 million over five years, starting in 2019–20,

You can find the full federal Budget package on the Government of Canada's dedicated website.

Follow Us On

- Twitter: @ubcm

Copyright © 2012 UBCM. All rights reserved.