



## NOVA SCOTIA FEDERATION OF MUNICIPALITIES

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**8 April 2019**

**Chair: Hon. Mark Furey  
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### **A Submission to the Nova Scotia Legislature Law Amendments Committee**

**A submission regarding Bill 136 as introduced in the 2<sup>nd</sup> session of the 63<sup>rd</sup>  
General Assembly of the Nova Scotia Legislature, titled:**

**An Act Respecting Certain Financial Measures (2019)**

The Nova Scotia Federation of Municipalities (NSFM) is the voice of the province's 50 Municipal Units. We represent 379 members comprised of Mayors, Wardens and Councillors. On behalf of our members, we are pleased to write in support of Bill 136.

Renaming of the capacity grant for Nova Scotia's municipalities is a welcome first step in addressing municipal funding concerns of NSFM members.

It is important to have clarity of the issue and confusion between the federal equalization grant to the province and the provincial municipal financial capacity grant to municipalities was slowing progress on meaningful change to the funding formula. Renaming this grant eliminates that confusion and responds to concerns raised by our Board during meetings with the Minister that have taken place over the last six months.

As Members of the Legislative Assembly are aware, NSFM has been advocating for changes to the funding for municipalities to better reflect the operating costs of municipalities. At its annual conference in the Fall of 2018, municipal funding was identified as one of our top five priorities.

In this funding resolution NSFM members called on the province to:

- freeze mandatory education payments for each municipality at 2017 levels; and

- increase its annual funding for the municipal financial capacity grant by \$20 million, \$6.6 million each year over three years, beginning in 2019;
- cost share 50/50 in all municipal projects required to comply with the Accessibility Act, if those projects do not receive other funding, beginning in 2019; and
- provide municipalities with a substantial share of all the related tax revenues being generated through the sale of cannabis.

The provincial assistance to municipalities to offset operating costs has been frozen for several years now, while operating costs continue to increase at rates higher than the Consumer Price Index. The analysis to date suggests those municipalities who need financial assistance the most to provide basic services at reasonable costs are not necessarily the ones receiving assistance.

These issues are not new, and should not require extensive further study, indeed, the province convened the Towns Taskforce in 2010 and a report regarding funding principles was accepted in 2012. Additionally, despite the intent of the municipal reform in the 1990s one in five property tax dollars collected by municipalities continues to be transferred to the Province. The formulas need to be reviewed and changed to assist those with low tax bases and high taxpayer burdens. The total amount provided is also insufficient.

Recent proposals to reform the library funding formula, while increasing the amount of funding available to ensure no units suffer harm from reduced funding, provides an example of the kind of solutions that should be pursued.

NSFM would like to acknowledge that we, and our members, were consulted by the Minister of Municipal Affairs and his team last summer. We are always pleased when government consults with us and acts in the spirit of the Partnership Framework of 2016.

This Bill is just a first step. We look forward to working with the province to address these long-standing funding issues. We want all our municipalities to be able to deliver services that our communities expect and deserve. We see this change as a first step, and we support this Bill.

Thank you.

Respectfully submitted by:

A handwritten signature in black ink, appearing to read 'Wayne Mason', written in a cursive style.

Councillor Wayne Mason  
President, NSFM