



AMCTO Supports AMO's Call for a Social and Economic Prosperity Review

February 28, 2024

On February 23, the AMCTO Board of Directors passed a resolution to support the Association of Municipalities of Ontario's (AMO) request to the Government of Ontario for a Social and Economic Prosperity Review.

AMO's call for change aligns with our long-standing position advocating for predictable long-term funding supports that are reflective of the value and cost of services municipalities are expected to deliver. This call also complements our Association's foundational fiscal planning and resilience advocacy principle which is about ensuring municipal public servants can secure resilient futures for their communities.

Background

Based on information and analysis provided by AMO, municipalities are subsidizing the Province using their property tax base to deliver critical services and infrastructure that are Provincial responsibilities. While the Province either cost-shares or provides grants to provide these services, there is a gap of \$3.8 billion annually. This does not include \$400 million for hospital capital that municipalities also invest. Further, it is estimated that municipalities may invest \$250-290 billion over the next 10 years in capital expenditures with \$100 million related to growth costs.

While the Province has indicated it would roll back elements of Bill 23, *Building Homes Faster Act 2023*, which AMO estimated would cost municipal treasuries \$1 billion a year over the next 9 years, legislation has not yet been introduced to do so.

The issue is two-fold:

1. There is not enough Provincial investment in these programs and services to cover costs.
2. The property tax base was not meant to handle the types of services municipalities currently fund, especially as it is not a growing source of revenue, unlike those sources at both the federal and provincial levels.

As an Association, we hope to bring the expertise of our members and municipal leaders to the table to bring about real change.