

MOTION: Municipal allocation of Land Transfer Tax and GST on property transactions

Moved by Santos (Committee of Council – Wednesday, January 29)

Whereas:

- Municipalities face growing infrastructure needs, including roads, bridges, public transit, water systems, and other critical services, which are essential to community well-being and economic development; and
- Current sources of municipal revenue, including property taxes and user fees, are insufficient to meet these increasing demands and costs for infrastructure investment and services; and
- Province of Ontario currently collects the Land Transfer Tax (LTT) on property transactions in municipalities across the province, generating significant revenue that is not directly shared with municipalities; and
- Federal Government collects the Goods and Services Tax (GST) on property transactions, a portion of which could be directed to municipalities to address local infrastructure needs; and
- Redistributing a portion of the Provincial LTT and GST to municipalities would provide a predictable and sustainable source of funding that is tied to growth, without creating a new tax burden on residents or homebuyers; and
- Redistribution of a portion of the existing LTT and GST would allow municipalities to better plan and invest in long-term infrastructure initiatives, supporting local economic growth and improving the quality of life for residents; and
- For decades, the City of Brampton and the Region of Peel, have been chronically underfunded by other orders of government and continues to advocate for fair share funding, and joins municipalities across the province and country to advocate for a revised funding model and additional revenue tools; and
- The Federal and Provincial governments continue to enable the proliferation of ARUs (additional resident units) in the City of Brampton through criteria for funding programs and mandated legislation; and
- The City of Brampton is the 3rd most populous City in Ontario and 2nd in the GTHA, accommodating growth through mandated ARU provision, which requires additional infrastructure and city services such as fire and emergency services, bylaw enforcement, garbage collection, etc.; and
- ARU supply has “good intentions” – but can generate “unintended consequences” through additional strain on services (i.e. by-law enforcement, fire) to ensure quality and safe housing;

Now therefore be it resolved that:

1. The City of Brampton Council, join over 100 municipalities in formally requesting the Provincial Government to consider redistributing a portion of the LTT collected on property transactions to municipalities; and
2. The City of Brampton Council, calls on the Federal Government to allocate a percentage of the GST collected on property sales to municipalities; and
3. This redistribution of the LTT and GST should be structured to provide predictable and sustainable funding to municipalities, allowing for better long-term planning and investment in city services and infrastructure projects that benefit local communities, thus ensuring that local governments receive a fair share of the revenue to address critical infrastructure and service needs; and
4. Specific for the City of Brampton, requesting the redistribution of the Provincial LTT and GST to ensure Brampton get's it's fair share to pay for additional services associated with ARU accommodation to support Brampton's significant growth; and

5. Copies of this resolution be forwarded to Prime Minister Justin Trudeau, Premier Doug Ford, the Ontario Minister of Finance, the Minister of Municipal Affairs and Housing, Leaders of the official opposition and third parties, local Members of Parliament (MPs) and Members of Provincial Parliament (MPPs); and
6. Copies of this resolution be forwarded to the Region of Peel Council, Federation of Canadian Municipalities (FCM), and the Association of Municipalities of Ontario (AMO) for their endorsement and advocacy.