

POLICY Paper

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A case for renewal of municipal revenues in Saskatchewan

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Context

- Municipal government predates Confederation of 1867
- Need for potable water, wastewater management, and roads for property access
- When Saskatchewan became a province in 1905, municipal governments were divided into rural, urban, and northern municipalities
- Today, 296 rural municipalities serve nearly 16% of the Saskatchewan population
- Urban subsector includes 16 cities, 147 towns, and 281 villages and resort-villages
- Approximately 83% of the provincial population lives in urban municipalities
- Municipalities provide a wide range of services:
 - Fire, Police, Libraries, Parks, Recreation, Roads, and many more

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Considerations

- Municipal governments today face unique challenges, including:
 - Homelessness, affordable housing, public safety, climate change, public transit, population growth in urban areas
- The fiscal framework for municipal governance has not kept pace
- Over reliance on property tax as primary revenue source
- Other sources are user fees, fines, and permits
- Effect is a greater financial burden on lower-income residents
- Depend on provincial and federal transfers, mostly for capital projects
- Municipalities own and maintain over 60% of public infrastructure in Canada but receive only 8-10 cents of every tax dollar collected

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Questions

- Do you agree municipalities need a new funding model?
- Is steadily increasing property tax rates a realistic option?
- Are the 774 municipalities in Saskatchewan too many?
- Should the municipal sector be reorganized and consolidated?
- What are the new revenue options that should be considered?