

ITEM	2
MANAGER'S REPORT NO.	27
COUNCIL MEETING	1984 04 09

RE: 1984 REVENUE SHARING GRANT

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendation of the Director Finance be adopted.

\* \* \* \* \*

1984 April 04

TO: MUNICIPAL MANAGER  
FROM: DIRECTOR FINANCE  
RE: 1984 REVENUE SHARING GRANT

RECOMMENDATION

1. THAT this report be received for information purposes.

REPORT

REVENUE SHARING UNCONDITIONAL GRANT FOR 1984

The Ministry of Municipal Affairs has announced the unconditional Revenue Sharing grants for British Columbia's municipalities for 1984.

All of the grants are given in Schedule 1 attached. Burnaby's 1984 unconditional grant is \$5,103,115 compared to \$5,665,754 in 1983, a reduction of \$562,639 or 9.9%. The basic grant of \$30,000 for 1984 is unchanged from 1983.

COMPARISON TO PROVISIONAL BUDGET

The total Revenue Sharing grant of \$5,133,115 is \$62,639 less than the provisional estimate of \$5,195,754. At the time the provisional estimate was prepared, it was not known what the reduction from 1983 would be - it was estimated it could vary between 5% and 15%. The provisional estimate of \$5,195,754 included in the provisional budget was 8.8% less than 1983.

COMPARISON TO PRIOR YEARS AND SELECTED MUNICIPALITIES

Schedule 2 attached shows Burnaby and selected surrounding communities' unconditional grants for the last four years.

In total, unconditional grants were reduced by 10% in 1984. Burnaby's reduction was slightly less than this percentage. Three of the selected municipalities, Surrey, Richmond, and Coquitlam, showed less than average reductions; the other municipalities showed greater than average reductions.

As a percent of the total unconditional grant, Burnaby, Vancouver and West Vancouver show a downward trend. Surrey shows an upward trend. The others show a steady state. Trend variations result from the basis on which the unconditional grant is distributed to municipalities.

The Revenue Sharing Act regulations prescribe the basis. About 80% of the grant is determined by the population base. As a result, communities with a rapidly growing population will tend to get a larger share of the grant. In 1984 the grant is roughly \$30.50 per capita. The balance of the grant of 20% is determined by the per capita assessment for school purposes and the municipality's expenditures: the lower the per capita assessment, the higher the grant; the higher the spending base, the higher the grant.

REVENUE SHARING ACT

The Province derives its total Revenue Sharing income from a variety of sources as described in the Revenue Sharing Act, Schedule 3 attached. In summary, revenue is the sum of:

- One percentage point of individual income tax
- One percentage point of corporation income tax
- Six percent of shareable revenue from gasoline, lands and forests, minerals, and the B.C. Petroleum Corporation

The amount of total revenue as prescribed by the Act available for municipalities and that portion allocated for unconditional grants is shown below for the last three years.

<u>Year</u>	<u>Total Revenue</u>	<u>Unconditional Grants</u>
1982	\$235,000,000	\$ 99,200,000
1983	210,000,000	100,000,000
1984	202,100,000	90,000,000

Apart from the unconditional grants, the total revenue is used for grants and assistance to municipalities for:

- Basic grants
- Water
- Highways
- Municipal planning
- Regional Districts
- Sewerage
- Undergrounding (of transmission lines)
- Restructuring
- Mobile homes

There are Revenue Sharing Act regulations that determine, in part, the disposition of the total revenue. The details of the calculation are not available for 1984, nor 1983.



Howard Karras  
 DIRECTOR FINANCE

Attach.

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SCHEDULE 1



Province of  
British Columbia

# NEWS RELEASE

MINISTRY OF MUNICIPAL AFFAIRS CONTACT: KEN MACLEOD

THE HONOURABLE BILL RITCHIE PHONE: 387-5925  
MINISTER

RELEASE: IMMEDIATELY DATE: March 22, 1984

SUBJECT: REVENUE SHARING

Municipal Affairs Minister Bill Ritchie today announced the distribution of Revenue Sharing basic, supplementary and unconditional grants to British Columbia's 142 municipalities. The unconditional grants total \$90,000,000, while the basic and supplementary grants amount to \$6,600,000.

Detailed lists showing the unconditional, basic and supplementary grants for each municipality were released. Payments will be made on a monthly or regular basis, as programme rules require.

The unconditional grants are calculated under a formula which takes municipal population, budget and tax base into account.

The basic grant for each municipality varies between \$30,000 and \$60,000. Municipalities with relatively smaller per capita assessment receive relatively larger amounts.

The supplementary basic grant of \$6 per capita is available only to municipalities whose 1976 populations were less than 2500.

"Revenue Sharing helps to fund essential local services and keep property taxes down," said Ritchie.

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	Unconditional Grant	Basic Grant	Supplementary Grant
Vancouver	15 898 980	30 000	
Surrey	5 980 121	38 220	
Burnaby	5 103 115	30 000	
Richmond	3 765 993	30 000	
Saanich	2 934 361	39 840	
Delta	2 792 853	34 659	
North Vancouver Dist	2 488 616	31 269	
Prince George	2 543 113	31 812	
Victoria	2 536 286	30 000	
Kamloops	2 541 065	34 743	
Coquitlam	2 276 065	34 764	
Kelowna	2 382 423	32 508	
Nanaimo City	2 051 646	33 708	
Langley District	1 749 127	42 366	
Matsqui	1 794 776	49 302	
Chilliwack	1 525 381	43 311	
New Westminster	1 560 045	31 815	
West Vancouver	1 422 787	30 000	
North Vancouver City	1 236 263	30 000	
Maple Ridge	1 253 304	42 684	
Port Coquitlam	1 034 598	37 071	
Penticton	1 011 146	35 838	
Vernon	798 055	35 409	
Mission	848 022	53 655	
Port Alberni	767 936	34 491	
North Cowichan	674 128	30 000	
Oak Bay	648 280	31 893	
Prince Rupert	728 077	30 000	
Cranbrook	699 999	41 670	
Campbell River	616 545	30 000	
Esquimalt	631 944	55 614	
Langley City	564 883	32 760	
Port Moody	550 772	30 000	
Fort St. John	576 731	37 677	
White Rock	507 119	43 560	
Abbotsford	521 953	31 218	
Powell River District	534 137	30 000	
Kitimat	532 286	30 000	
Dawson Creek	503 479	37 362	
Salmon Arm	440 239	37 746	
Terrace	446 805	46 371	
Williams Lake	395 148	36 060	
Central Saanich	388 380	34 461	
Squamish	397 728	39 738	
Courtenay	357 788	36 408	
Nelson	463 917	42 291	
Trail	383 314	30 000	
Revelstoke	348 825	47 076	

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	Unconditional Grant	Basic Grant	Supplementary Grant
Quesnel	324 847	30 000	
Sidney	320 028	37 257	
Summerland	319 065	44 268	
Pitt Meadows	280 746	44 163	
Kimberley	278 468	30 000	
Coldstream	252 467	41 391	
Castelgar	262 403	30 801	
Comox	257 512	57 612	
North Saanich	222 029	30 000	
Merritt	234 674	54 816	
Mackenzie	220 071	30 000	
Fernie	218 918	30 000	
Port Hardy	217 139	30 000	
Parksville	231 555	44 094	
Sparwood	201 276	30 000	
Smithers	191 666	35 547	
Ladysmith	172 531	45 816	
Spallumcheen	154 322	34 206	
Duncan	166 919	30 000	
Creston	168 176	39 609	
Elkford	160 223	30 000	
Rossland	174 623	60 000	24 648
Houston	153 718	40 314	
Vanderhoof	138 146	38 790	22 470
Fort Nelson	161 314	42 648	
Kent	129 620	31 206	
Grand Forks	149 353	33 441	
Golden	131 190	41 760	
Hope	124 776	42 501	
Qualicum Beach	126 094	30 483	
Peachland	113 244	43 011	
Tumbler Ridge	102 290	30 000	
Princeton	112 695	44 838	
Chetwynd	111 550	30 000	17 472
Osoyoos	107 399	30 150	17 196
Logan Lake	112 096	60 000	16 872
Armstrong	111 141	44 454	16 488
Gibsons	103 409	33 960	16 158
Lake Cowichan	106 188	60 000	15 054
Port McNeill	90 579	46 191	14 892
Fort St. James	92 037	43 170	13 884
Gold River	83 781	30 000	13 428
Ashcroft	91 762	42 777	12 624
Invermere	81 689	32 421	12 522
Cumberland	84 335	60 000	12 270
Oliver	74 036	36 321	11 850
Warfield	77 594	60 000	11 694

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	Unconditional Grant	Basic Grant	Supplementary Grant
Fruitvale	76 661	60 000	11 664
100 Mile House	71 027	30 237	11 616
Chase	69 094	42 156	11 616
Whistler	113 502	30 000	11 580
Hudson's Hope	73 626	40 359	11 496
Enderby	74 846	45 990	11 172
Burns Lake	72 961	38 997	10 728
Lillooet	67 321	52 374	10 518
Tahsis	74 719	47 352	10 356
Stewart	63 044	30 000	10 056
Port Alice	58 434	30 000	9 474
Ucluelet	55 805	37 668	9 444
Fraser Lake	60 346	30 000	9 384
Massett	61 745	60 000	8 910
Nakusp	63 604	50 145	8 868
Lumby	49 632	34 218	8 172
Cache Creek	54 174	38 532	8 064
Granisle	46 568	30 000	7 596
Montrose	48 652	60 000	7 470
Sechelt	45 272	30 000	7 470
Valemount	52 155	52 524	7 254
Salmo	46 308	60 000	6 996
Lions Bay	37 068	30 876	6 648
Kaslo	38 654	47 517	5 436
Taylor	40 239	30 000	5 370
Greenwood	36 959	60 000	5 322
Keremeos	30 568	39 351	5 178
Port Edward	33 347	30 000	5 154
Telkwa	32 351	60 000	5 034
Clinton	33 422	60 000	4 968
Pouce Coupe	36 666	60 000	4 956
New Hazelton	32 413	60 000	4 518
Tofino	25 308	30 285	4 326
New Denver	27 845	60 000	3 984
Midway	23 425	30 396	3 936
Alert Bay	28 518	60 000	3 900
McBride	29 475	58 107	3 870
Harrison Hot Springs	23 143	30 000	3 456
Sayward	21 743	55 515	3 120
Belcarra	16 251	30 000	2 766
Port Clements	21 813	60 000	2 568
Lytton	16 255	42 546	2 496
Hazelton	20 298	60 000	2 466
Slocan	13 736	30 000	2 100
Pemberton	14 055	37 197	1 944
Zeballos	17 962	60 000	1 752
Silverton	12 616	60 000	1 644

SCHEDULE 2

SELECTED MUNICIPALITIES - UNCONDITIONAL GRANT TREND

Municipalities	\$ of Unconditional Grant				1984 % Decrease vs. 1983	% of Total Amount				Trend
	1981	1982	1983	1984		1981	1982	1983	1984	
Burnaby	10,071,209	5,728,912	5,665,754	5,103,115	9.93	6.22	5.78	5.67	5.67	↑
Vancouver	30,391,674	17,904,982	17,678,480	15,898,980	10.07	18.76	18.05	17.68	17.67	↑
Surrey	10,189,312	6,257,464	6,399,485	5,980,121	6.55	6.29	6.31	6.40	6.64	↓
Richmond	6,762,605	4,046,010	4,072,378	3,765,993	7.52	4.17	4.08	4.07	4.18	↔
Delta	5,006,127	3,101,076	3,151,430	2,792,853	11.38	3.09	3.13	3.15	3.10	↔
North Vancouver District	4,421,170	2,949,534	2,814,323	2,488,616	11.57	2.73	2.97	2.81	2.77	↔
Coquitlam	4,068,499	2,544,138	2,488,736	2,276,065	8.55	2.51	2.56	2.49	2.53	↔
New Westminster	2,715,926	1,784,526	1,744,473	1,560,045	10.57	1.68	1.80	1.74	1.73	↔
West Vancouver	2,880,352	1,638,159	1,608,618	1,422,787	11.55	1.78	1.65	1.61	1.58	↑
Unconditional grants all municipalities	162,000,000	99,200,000	100,000,000	90,000,000	10.00					

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1979

REVENUE SHARING

RS CIAP. 368

## REVENUE SHARING ACT

### CHAPTER 368

*(Act administered by the Ministry of Municipal Affairs)*

#### Interpretation

**1.** In this Act

- "fiscal year" means a period of 12 months ending March 31;
- "fund" means the Revenue Sharing Fund;
- "one point of individual income tax" means, for a fiscal year, 1% of the tax payable under the Federal Act for that fiscal year under the *Income Tax Act*;
- "one point of corporation income tax" means, for a fiscal year, 1% of corporation taxable income earned in the year in British Columbia under the *Income Tax Act*;
- "shareable revenue" means, for a fiscal year, the sum of the
- (a) net revenue reported in the Public Accounts of the Province for that fiscal year under the *Gasoline (Coloured) Tax Act*, *Gasoline Tax Act*, *Motive Fuel Use Tax Act* and the *Social Service Tax Act*;
  - (b) net revenue from lands and forests reported in the Public Accounts of the Province for the fiscal year, and consisting of net revenues for
    - (i) timber lease rentals and fees, timber royalties, timber sales, rentals and licence rentals and fees, timber berth rentals and fees, timber fees and timber sales stumpage under the *Forest Act*;
    - (ii) land lease rentals and fees under the *Land Act*;
    - (iii) logging tax under the *Logging Tax Act*; and
    - (iv) grazing permits and fees under the *Range Act*;
  - (c) net revenue from minerals reported in the Public Accounts of the Province for the fiscal year, consisting of net revenues for
    - (i) royalties, licences, permits, fees and rentals under the *Coal Act*, *Mineral Act*, *Mining (Placer) Act* and *Petroleum and Natural Gas Act*;
    - (ii) mining tax under the *Mining Tax Act*;
    - (iii) mineral land tax under the *Mineral Land Tax Act*; and
    - (iv) mineral resource tax under the *Mineral Resource Tax Act*; and
  - (d) net revenue from the British Columbia Petroleum Corporation reported in the Public Accounts of the Province for that fiscal year;
- "tax payable under the Federal Act" has the meaning given it in section 3 (6) of the *Income Tax Act*;
- "taxable income earned in the year in British Columbia" has the meaning given it in section 5 (3) of the *Income Tax Act*.

1977-62-1; 1980-12-15, effective midnight March 11, 1980; 1982-25-1, effective April 1, 1980.

#### Calculation of amount for grants

- 2.** Beginning with the fiscal year ending March 31, 1979, the Minister of Finance shall determine an amount for each fiscal year by adding the estimated revenue received by the government from one point of individual income tax and one point of corporation income tax to 6% of the estimated shareable revenue.

1977-62-2.

15/10/82

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RS CIIP. 368

REVENUE SHARING

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**Fund established**

3. (1) Beginning with the fiscal year ending March 31, 1979, the Minister of Finance shall, in each fiscal year, pay from the consolidated revenue fund into a fund called the Revenue Sharing Fund the amount determined for that fiscal year by him under section 2, plus or minus adjustments representing the difference between the amount determined under section 2 and the actual revenue received by the government from one point of individual income tax, one point of corporation income tax and 6% of the shareable revenue in that fiscal year or previous fiscal years.

(2) Notwithstanding the *Financial Administration Act* and the appropriate *Supply Act*, money remaining unexpended in the fund at the end of a fiscal year remains in the fund and shall be paid out for the purpose of this Act in the following year.

1977-62-3; 1981-15-150, proclaimed effective November 26, 1981.

**Grants to municipalities and regional districts**

4. (1) In the fiscal year ending March 31, 1979, and in each subsequent fiscal year, the minister may make grants from the fund to municipalities and regional districts that qualify under the regulations.

(2) The grants may be conditional or unconditional, shall be distributed among the municipalities and regional districts under the regulations and shall not, in the aggregate, exceed the amount determined for that fiscal year by the Minister of Finance under section 2, plus or minus adjustments for overpayments or underpayments representing the difference between the grants paid under this section and the actual yield in that or previous fiscal years from one point of individual income tax, one point of corporation income tax and 6% of the shareable revenue.

(3) Conditional grants may be made under the regulations and may, for one or more of the following purposes or for any other prescribed purpose, include a grant

- (a) of a fixed amount for general housing incentives or for regional district planning or administrative purposes;
- (b) of an amount calculated under prescribed formulas for water facilities or for major municipal highways;
- (c) of amounts, calculated under prescribed formulas, to share the cost of any underground installation of power, telephone or other overhead transmission lines in municipal areas, agreed to among a municipality, a public utility, including British Columbia Hydro and Power Authority, and the Province; or
- (d) of amounts, calculated under prescribed formulas, to assist a municipality or regional district to pay the costs as determined by the Inspector of Municipalities of constructing sewage collection and disposal facilities, recommended by the Inspector of Municipalities according to prescribed criteria including debt charges incurred by the municipality or regional district in respect of such facilities before this section came into force.

(4) Unconditional grants may be made under the regulations and distributed on the basis of

- (a) the population of a municipality or regional district;
- (b) the total annual expenditures of a municipality or regional district;
- (c) a fixed amount for each municipality or regional district;
- (d) a fixed amount for new housing construction; or
- (e) any other prescribed basis.

1977-62-4; 1982-25-2.

1979

REVENUE SHARING

RS CHAP. 368

**Grants related to restructuring**

**4.1** (1) The minister may, subject to subsection (2), make conditional or unconditional grants from the fund to a municipality or a regional district to assist it to study, plan, organize or implement any establishment or reorganization of municipal government or any change in its functions, including incorporations, boundary changes and reclassification of municipalities.

(2) Grants paid under subsection (1) in a fiscal year shall not exceed a limit prescribed by the Lieutenant Governor in Council, and the Lieutenant Governor in Council may make regulations limiting or prescribing the amount of any single grant paid under subsection (1) and prescribing any other limitations and conditions the Lieutenant Governor in Council considers necessary.

1982-25-3.

**Regulations**

**5.** The Lieutenant Governor in Council may make regulations.

1977-62-5.

**Transitional**

**6.** (1) Notwithstanding the definitions of "one point of individual income tax", "one point of corporation income tax" and "shareable revenue", or any other provision of this Act, the amount determined under section 2 does not include revenue attributable to

(a) a period prior to February 1, 1978, in respect of individual income tax;

(b) a corporation taxation year ending prior to February 1, 1978, in respect of corporation income tax; or

(c) a taxation year ending prior to April 1, 1978, in respect of logging tax under the *Logging Tax Act* or mining tax under the *Mining Tax Act*.

(2) For the purpose of this section, "taxation year" means a taxation year as defined in the appropriate Act.

1977-62-7.