



New Revenue Framework Expected for 2017

February 23, 2016 - During the 2015 provincial election, all political parties committed to a new revenue framework for municipalities. That commitment was reconfirmed by Premier MacLauchlan at the 2015 Annual Meeting of the Federation of PEI Municipalities. According to FPEIM President, Bruce MacDougall, "our mutual objective is to agree upon a new revenue framework this year to take effect in 2017."

For the current year, grants for equalization, police and streets are being increased by one percent. MacDougall explained that "municipal policing costs have been growing significantly for some time and the provincial grant has been losing its value. This is one of the reasons municipalities need a new revenue framework."

The grant system put in place by the Province in 2008 for streets and police is especially challenging for growing municipalities. Unlike the previous tax credit system, these grants do not increase based on assessment to provide for the increased costs of servicing new development.

"The Federation is pleased that important discussions are underway about a new financial framework and looks forward to working with the Province on a solution."

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