

Ultimate Recipient Gas Tax Agreement

Summary of Program for Municipal Allocations

Disclaimer:

The information contained in this document is intended to serve as a reference for Ultimate Recipients to assist them in understanding the new Ultimate Recipient Gas Tax Agreement. This document should not serve as a substitute for the signed Ultimate Recipient Gas Tax Agreement.

This document provides a summary of the 2014-2024 gas tax program and key reminders.

Categories have expanded, there are now 18 categories:

Local roads and bridges; Highways ; Short-sea shipping; Short-line rail; Regional and Local Airports; Broadband connectivity ; Public transit ; Drinking water ; Wastewater; Solid waste ; Community energy systems; Brownfield Redevelopment; Sport Infrastructure; Recreational Infrastructure; Cultural Infrastructure; Tourism Infrastructure; Disaster Mitigation and Capacity building.

Start date for projects under the new categories is April 1, 2014:

For the following categories, projects with a start date prior to April 1, 2014 will not be considered for gas tax funding:

Highways; Short-sea shipping; Short-line rail; Regional and Local Airports; Broadband connectivity; Brownfield Redevelopment; Sport Infrastructure; Recreational Infrastructure; Cultural Infrastructure; Tourism Infrastructure; and Disaster mitigation.

Recipients must manage gas tax funds and gas tax projects

Ultimate Recipients are responsible for the management of all approved gas tax projects and gas tax funds received and disbursed. Ultimate Recipients must ensure that all approved projects are completed in accordance with all applicable legislation, rules and regulations, relevant policies and procedures.

Completion Date for Projects/Loans and Spending extended to March 2024:

All gas tax funds must be spent by March 31, 2024.

All loans must be repaid in full by March 31, 2024.

All projects must be completed and paid for by March 31, 2024.

Combining gas tax funds with other sources of funding.

When planning infrastructure spending for the period 2014-2019, it is recommended that each recipient plan to contribute the same amount of municipal funds as it did in the past. Gas Tax Funding for individual projects can be combined as follows:

A. Combining Gas Tax Funds with provincial, municipal or private funds on individual projects is not restricted

There are no gas tax program restrictions placed on gas tax recipients when combining provincial, municipal or private sources of funds on an individual project.

Recipients should take note that provincial program funding may have its own restrictions for combining funding, outside of the gas tax program.

B. Combining Gas Tax Funds with other sources of federal funds on individual projects is restricted

Gas tax funds are federal funds; therefore, if a recipient wants to use other federal sources of funds, it is the recipient's responsibility to be knowledgeable of the maximum federal contribution limitation as set out by the federal program and abide by them accordingly.

Gas Tax Funds can only be used for approved gas tax projects

Gas tax funds can only be used on projects approved by the Department of Municipal and Intergovernmental Affairs. An approval letter will be issued by the Department for all approved projects. Should the priorities of the municipality change, the municipality may submit a revised Capital Investment Plan indicating the new direction. Recipients should not undertake projects prior to the receipt of the approval letter.

Reporting Requirements:

Failure to comply with any of the following requirements will result in Gas Tax funds being held until the outstanding issues are resolved.

1. Ultimate Recipient Annual Report is required:

The submission of the Ultimate Recipient Annual Report will be prepared and delivered to the Province on a date and format prescribed by the Gas Tax Secretariat. Upon submission this report will be assessed by the Department for compliance.

2. Outcomes Report is required:

The submission of Outcomes Report for completed projects will accompany the Ultimate Recipient Annual Report in a format prescribed by the Gas Tax Secretariat.

3. Progress on Capital Asset Management Plans (CAMP) is required

Ultimate recipients are required to develop and/or implement a Capital Asset Management Plan by March 31, 2023. Progress of the development and/or implementation of this plan will be reported annually in a format prescribed by the Gas Tax Secretariat and will accompany the Ultimate Recipient Annual Report.

4. Audited Annual Financial Statements is required:

All municipalities, including cities are required to submit audited annual Financial Statements.

Gas Tax Bank Accounts must be maintained

Gas tax funds must **not** be deposited into the general operating account. Municipalities and Inuit Community Governments must set up a separate bank account. Cities are asked to refer to their Ultimate Recipient Gas Tax Agreements.