



October 5, 2009

Federal Gas Tax Transfer Program

UMQ asks Regional Affairs Minister to be more flexible in meeting municipal needs

Over the past two years, the federal and provincial governments have introduced numerous programs intended to reduce municipal infrastructure shortfalls and revive the economy.

The Québec Union of Municipalities (UMQ) has pointed out several times that these programs are a crucial contribution toward rehabilitation of community infrastructures and promoting the economic prosperity of Québec.

Recently, several municipalities have let us know about problem situations that necessitated changes in the implementation of certain programs. This was particularly true of the federal gasoline excise tax revenue transfer program (TECQ-I 2006–2009). The deadline for projects under this program was set at December 31, 2009. Several municipalities believe they will not be able to meet this deadline because of delays in the course of the work, and fear they will be penalized as a result.

In fact, there would be major financial losses for municipalities that have not completed their projects by the deadline, since under the federal-provincial agreement, the subsidy payouts for projects completed after December 31, 2009 would be held over until their TECQ-II allocation in 2010–2013. But the criteria to qualify for this allocation are as yet unknown.

As soon as the UMQ was informed of this situation, we made serious efforts to ensure that the minister of Municipal and Regional Affairs and Land Occupancy, Laurent Lessard, was aware of the problem.

On September 30, UMQ president Robert Coulombe, mayor of Maniwaki, sent a letter to Mr. Lessard, suggesting that for municipalities with projects already underway, only money for work

completed after December 31, 2009 should be held back and added to their TECQ-II allocations.

The UMQ president also took the opportunity to ask that the minister announce the terms and conditions of the TECQ-II program as soon as possible, so that municipalities can work them into their budget processes and planning for fixed assets already in progress.

The UMQ also demanded that money from the program be used on a wide range of infrastructures and that the terms and conditions respect the ability of municipalities to pay.

If you have any more questions about this issue, please feel free to contact UMQ policy advisor Joël Bélanger at 514-282-7700, extension 236, or email jbelanger@umq.qc.ca.

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