



New Toronto act, two years later

December 28, 2008

So, you don't like paying thousands of dollars to city hall through Toronto's land transfer tax? Well, it wouldn't be possible without the new City of Toronto Act. You object to a municipally imposed motor vehicle registration fee? Put it down to the act. You don't want to have to pay a nickel for a plastic shopping bag? Blame the act again.

Indeed, few pieces of legislation have had more impact on Canada's largest city than the new act, which came into force Jan. 1, 2007. It gave Toronto new autonomy and taxing powers.

But the framers of the act wisely included a provision requiring a review after two years.

We are now at that point. Oddly, however, both the city and province seem uninspired by the occasion. Instead of a far-ranging and public review of the strengths and weaknesses of the groundbreaking law and possible amendments, it will likely be a perfunctory affair – perhaps little more than a token meeting of civil servants from both Queen's Park and city hall.

That would be a shame. There is much to discuss regarding this legislation, including: a frank assessment of its impact; the importance of sections that the city has not yet used; the office of the mayor and whether it should be further strengthened; and new powers that city officials failed to get included in the act two years ago.

Municipal negotiators had pressed for broader taxing powers that would have enabled the city to tap revenue sources that grow with the economy, such as income and sales taxes. Instead, the province gave the city a more limited range of taxing powers. Some, like the land transfer tax and motor vehicle registration fee, have been utilized. Others, such as taxes on alcohol and tobacco, have not.

It could be argued that this is a good time for the city to renew its demand for broader taxing powers, especially since the recent uploading of the costs of social services from the city to the province fell well short of what was expected. But municipal sources say the city will not use the scheduled review to press this point. It seems that Mayor David Miller and city councillors, having been burned by the backlash over the land transfer tax, in particular, have lost their appetite for more taxing powers.

This is not to say that the new act is now regretted by the city. It is worth

recalling how tightly Toronto was restricted before the act was implemented. At 2.5 million, Toronto's population is greater than that of the four Atlantic provinces combined, but the city could not adjust local bar hours, change the speed limit on a street or rename a city ward without going to Queen's Park for permission.

Toronto has been largely been freed from that tight "legislative and fiscal straitjacket," as Premier Dalton McGuinty called it.

But, two years on, it is worth looking not only back – at how far Toronto has come – but also ahead, to where a strengthened act might yet take Canada's largest city. Bureaucrats alone should not be entrusted with this review. A more thorough and open process is needed, involving public hearings with input from a wide range of interests, including city councillors, business, labour and community leaders, and the general public.

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