

## How does the local government pay for the services?



Like other levels of government, the municipal government has the power of taxation. Municipalities raise most of the money that they need through property or real estate taxes. These taxes are paid by community residents and businesses. Taxes are based on the value to privately owned properties which include places of residence, land holdings, or places of business. Each property is assessed to estimate the value of the property and taxes are assessed based on this estimate. The tax rate is set once each year. However, municipalities cannot raise taxes without the consent of the provincial government.

Municipalities charge a fee when they issue permits and licenses. These include building permits and business licenses. This is actually another type of tax. However, taxes are not the only source of revenue.

The local government collects monies on public services such as transit fares, parks and recreation fees. Fines for parking, speeding and littering provide additional funds for the local government. Finally, other levels of government transfer monies to the local level in the form of General Purpose Transfers (to be used for any purpose) or Specific Purpose Transfers (to be used for a specific purpose).

