

LOCAL GOVERNMENT REVENUES & EXPENSES

SECTION 8

Revenue Sources

Local governments obtain their revenues from these principal sources:

- Taxes on real property (land and improvements), including property value taxes and parcel taxes, as well as grants in lieu of taxes (neither the federal or provincial governments pay property taxes directly, but each pays grants in lieu of taxes on some of their properties) [see Fact Sheet #10 and #11 for further information on property assessment and taxation];
- Fees and charges for services, including such things as fees for use of local government facilities, fees for services such as water or sewer, and fees in relation to various regulatory activities, such as inspection and permitting;
- Development Cost Charges support the cost of infrastructure needed to service future development and include development cost charges, latecomer agreements, development works agreements, and parkland acquisition charges; and
- Transfers or grants from other governments, which include both conditional and unconditional grants. Conditional transfers are payments to local governments that are restricted in some way, generally with respect to the use of the funding (e.g., funding must be used towards a specific project or program). Unconditional transfers do not have such restrictions, and local governments may choose where the funding will be used. The largest unconditional grant programs are the Small Community Grants, Traffic Fine Revenue Sharing, and the Peace River MOU.

Expenses

Local governments may provide a range of services (e.g., policing, fire protection, parks, recreation, garbage collection, water supply, treatment and distribution, sewage collection and treatment, local roads) and are permitted to regulate in a number of areas (e.g., buildings, land use, business). Undertaking most of these services and regulatory activities is at the discretion of individual local governments, but if a local government chooses to provide the service or regulation, it will incur expenses in relation to the activity.

In general, the authority to incur an expense is derived from an approved financial plan [see Fact Sheet #7], however, there are also a number of legislative restrictions on certain types of expenses.

**Revenue
and
Expenses
by Type**

The following tables show the aggregated total revenues and expenses for all municipalities and regional districts for 2017. While these provide an overall breakdown of revenue and expenses for that year for all local governments, readers should note that the proportions of revenues and expenses in each of these categories may vary considerably between individual local governments.

Each local government will have a different mix of services that it chooses to offer and will make different policy choices about how to recover the costs of those services, which will result in considerable variation between local governments.

Revenue (2017)	Municipal	Percent	Regional Districts	Percent
Property Taxation and GIL	4,673,430,201	44%	577,429,401	32%
Sale of Services	3,237,197,229	31%	935,582,006	52%
Developer Contributions	1,366,611,315	13%	15,951,176	1%
Transfer	764,490,839	7%	156,051,451	9%
Other Revenue	550,565,009	5%	108,822,844	6%
Total Revenue	10,592,294,593	100%	1,793,836,878	100%

Expenses (2017)	Municipal	Percent	Regional District	Percent
General Government	877,119,765	11%	143,994,416	11%
Protective Services	2,075,289,633	25%	110,289,145	8%
Solid Waste Mgmt and Recycling	280,868,329	3%	231,814,556	17%
Health, Social Services and Housing	88,619,236	1%	46,699,324	3%
Development Services	276,153,449	3%	38,714,339	3%
Transportation and Transit	910,627,625	11%	37,933,524	3%
Parks, Recreation and Culture	1,365,544,266	17%	192,522,803	14%
Water Services	538,134,591	7%	165,720,095	12%
Sewer Services	457,579,697	6%	168,370,359	13%
Other Services	183,704,283	2%	32,128,902	2%
Amortization	1,198,686,704	15%	174,274,269	13%
Total Expenses	8,251,363,296	100%	1,342,461,732	100%

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