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BUDGET FULFILS REVENUE SHARING PROMISE TO COMMUNITIES

Saskatchewan municipalities will receive record revenue sharing of \$216.8 million in 2011-12, a 29.5 per cent increase from the previous year.

"Our government promised a municipal revenue sharing formula that grows with the economy and we have kept that promise," Municipal Affairs Minister Darryl Hickie said. "We will continue to work with Saskatchewan communities to keep our province moving forward and build on the Saskatchewan Advantage."

The commitment to increase revenue sharing to the equivalent of one full point of Provincial Sales Tax, follows two consecutive years of revenue sharing at a record \$167.4 million, and represents a 70 per cent (\$89.5 million) increase over total revenue sharing in 2007-08.

This year's municipal revenue sharing is the highest amount of operational funding shared with municipalities by the provincial government in the history of Saskatchewan.

Urban revenue sharing, for all cities, towns, villages and resort villages, will rise to \$138.7 million, revenue sharing for rural municipalities, which includes organized hamlets will rise to \$62.9 million and revenue sharing for northern municipalities will rise to \$15.2 million – a 29.5 per cent increase for all municipal categories.

Saskatchewan's largest city, Saskatoon, sees municipal revenue sharing increase to \$37.8 million in 2011-12 from \$29.2 million the previous year. Regina, the provincial capital, has municipal revenue sharing that will grow to \$33.5 million in 2011-12, up from \$25.9 million the previous year.

Capital funding of \$134 million for infrastructure projects will flow to municipalities, through a variety of federal-provincial programs. Included in that total is \$57.2 million in federal flow-through money from the Gas Tax Program, which will help more municipal infrastructure projects move forward.

This infrastructure funding includes \$5.5 million provided to cover the cost of municipalities' borrowing through the Saskatchewan Infrastructure Growth Initiative (SIGI) an increase of \$3.2 million over last year. This program provides assistance to growing communities for commercial and residential lot development.

A new aspect of the initiative is the SIGI Recreation Pilot Program which will provide municipalities with interest rate subsidies for up to five years on \$12.5 million of municipal borrowing to help develop recreational infrastructure to meet the needs of growing communities and surrounding areas.

Applications for the new pilot program will be accepted beginning April 1, 2011, with a deadline of May 31, 2011.

The budget also provides \$3.2 million for transit assistance for the disabled, a 10 per cent increase from the previous year. Grants in lieu of taxes total \$11.8 million and \$9.6 million is provided to the Saskatchewan Assessment Management Agency.

Overall, the budget includes \$374 million in 2011-12 for municipal financial assistance, including flow-through dollars from the federal government.

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