

Questions and Answers for the new Gas Tax Administrative Agreement

1. What is the Gas Tax Administrative Agreement?

- A renewed Agreement between Canada and Yukon, that sets out the roles and responsibilities for administering the Gas Tax Fund. The renewed Agreement will be effective from April 1, 2014 to March 31, 2024.

2. What is the Gas Tax Fund?

- The Gas Tax Fund is part of the Building Canada Plan that provides predictable long-term funding for municipalities and First Nations to build and revitalize public infrastructure in Yukon over the next ten years.

3. What's new in the new Agreement?

- \$163M over ten years
- 2% indexing annually
- Expanded project categories:
 - Public transit
 - Wastewater infrastructure
 - Drinking water
 - Solid waste management
 - Community energy systems
 - Local roads and bridges
 - **Highways**
 - **Local and regional airports**
 - **Short-line rail**
 - **Short-sea shipping**
 - **Disaster mitigation**
 - **Broadband and connectivity**
 - **Brownfield redevelopment**
 - **Cultural infrastructure**
 - **Tourism infrastructure**
 - **Sport infrastructure**
 - **Recreation infrastructure**
- Capacity building is about local governments developing long term planning practices such as Asset Management and reporting on the progress being made.
- Outcomes are about achieving the following program goals:
 - Beneficial impacts on communities of completed eligible projects
 - Enhanced impact of GTF as a predictable source of funding
 - Progress made on improving community and regional-level planning and asset management.

- Administration costs: Yukon may deduct administration expenses approved by Canada to a maximum of 2% of the annual allocation.

4. What remains the same as in the previous Agreement?

- Allocations to Yukon Ultimate Recipients
 - 68% for Municipal Governments
 - 25% for Yukon First Nations
 - 7% for Unincorporated Communities
- Annual Reporting
- O& M costs remain ineligible
- Municipalities and First Nations continue to choose projects and prioritize them according to their needs

5. When will communities receive the new funding?

- Recipients can forward proposals to the Review Committee under the terms of the new agreement immediately.

What happens to unspent funds from the last Agreement?

- Unspent funds will remain in Ultimate Recipients accounts and be carried forward. Any funds allocated to specific projects through Contribution Agreements will remain allocated to those projects until the end date as specified in the Contribution Agreement.

Can recipients undertake multi-year projects?

- Recipients can spend as much on projects as they have allocated to them and is held in their individual trust account. It doesn't matter if that is over one year or multiple years. For example, if a recipient received \$500,000 per year and hasn't spent anything for the past 4 years, they could undertake a \$2 million dollar project. Or even slightly more, as they would have earned interest on what hadn't been spent in previous years.

6. When will the Building Canada Fund be renewed?

- Projects will be underway under the existing Building Canada Fund until March 2016. We are currently negotiating with Canada for the new Building Canada Fund. We expect to provide an update on progress in the near future.