

3 December 2010

(Warning: the following contains a graphic description of a new tax. It could induce somnolence in some, virulence in others.)

It was December 1990. Your faithful scribe was Westmount's Commissioner of Finance; Mayor Gérald Tremblay was then a Liberal cabinet minister; and Tremblay's colleague Claude Ryan was Minister of Municipal Affairs.

Ryan suddenly announced that the Quebec government, in a savage measure unique in North America, was wiping out all operating subsidies for mass transit. Up until then, the cost of running buses and the metro had been shared roughly equally among Quebec, the riders, and property taxpayers.

Not to worry, said Ryan to the Montreal Island cities left to carry the empty can: we'll increase the ceiling on the welcome tax, we'll let you charge a commercial surtax, and we'll give you \$30 per car registration to help pay for busses and the metro.

Today, one-half of that \$30 subsidizes suburban trains, which also gobble up one-half of a 3 cents-per-litre gas tax. (Far-flung suburban train services, such as the new one to Mascouche, cost a fortune and actually encourage urban sprawl.)

Today, the riders of the STM (the Montreal Island bus and metro system) pay one-half of its costs. A monthly pass, \$32.75 in 1990, costs \$72.75 today: a 50% growth *after inflation*.

You think that's bad? Well, Montreal Island property taxpayers fork over roughly \$400 million to the STM, *double* what they paid in 1990 after inflation.

Property taxes, which started off life as a way to pay for local municipal services, have been turned into a cash cow for mass transit, a strictly regional service.

And, while improved public transit increases property values (and therefore taxes!), it also de-clogs roads for drivers, yet they contribute a small fraction of what property owners pay. And the amount of property tax you pay has absolutely nothing to do with your use of public transit.

Currently, the City of Montreal has the power to institute a car registration tax, but the rest of the region hasn't. Mayor Tremblay and I have been working to get the government to allow Montreal Island (and, ultimately, the whole metropolitan region) the same power, in order to reduce the property tax burden.

This would be a tax earmarked for public transit exclusively.

Two weeks ago, I managed to get all the cities on the Island to rally to this idea: a very difficult job, as there are more cars per household on the West Island than in, say, Westmount.

Still, while the demerged cities pay 19% of the Agglomeration shared costs via property taxes, they have 16% of the Island's cars.

With a \$45 car tax, Westmounters would contribute about \$425,000 a year, yet save a lot more in property taxes going to the Agglomeration.

So the goal is *not* more tax revenue, but to spread the tax burden by reducing our dependency on property taxes.

And if you don't like the idea, just try and get Quebec to restore mass transit subsidies. Just try.

