



MB FACT SHEET

April 2004

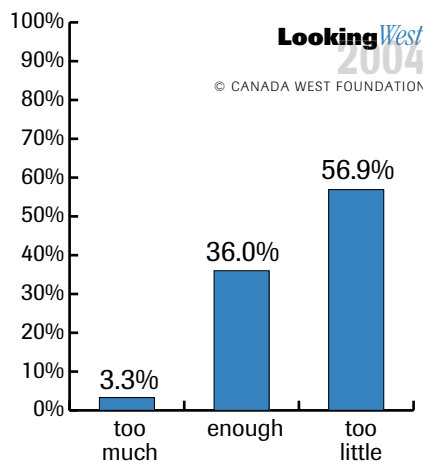
Urban Finance

Looking West 2004 survey respondents were asked three questions about municipal government finance. In the survey, municipal government was described as “your local city, town or rural district government.”

First, respondents were asked, “Do you feel that your local government has enough, too much, or too little revenue to fulfill its current responsibilities?” This question was replicated from the Looking West 2003 survey. The majority of Manitobans feels that their local government has too little revenue, while less than 5% feel their local government has too much revenue. It is interesting to note the rising numbers of Manitobans who feel their local government’s revenues are insufficient. In 2003, this was the position of only 50.1% of respondents; by 2004, this had increased by almost seven percentage points – a considerable jump. Six in ten (60.3%) Winnipeggers report that their city lacks sufficient revenue – a variation that in all likelihood relates to the widespread public discussions about urban finance issues in fall 2003.

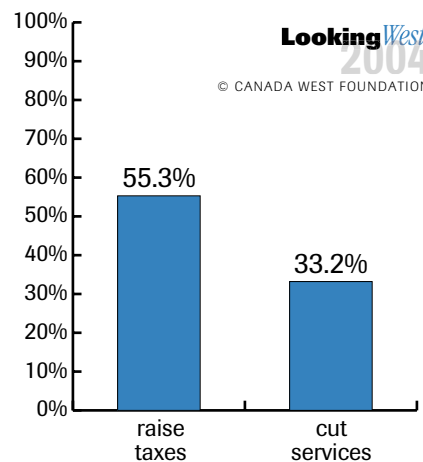
Looking West respondents were also asked, “Municipal governments typically provide services like police, fire, water treatment, transit, recreation, and building and maintaining roads and other local infrastructure. If your local government were faced with the choice of either increasing its revenues by raising taxes or decreasing expenditures by cutting services, which would you prefer? Raise local taxes in order to increase revenues; cut local services in order to reduce expenditures.” Manitobans prefer the idea of higher local taxes over the idea of reduced local services by a factor of almost two-to-one.

Figure 1:
Local Government Revenue to Fulfill Responsibilities -
MB Respondents



Do you feel that your local government has enough, too much, or too little revenue to fulfill its current responsibilities?

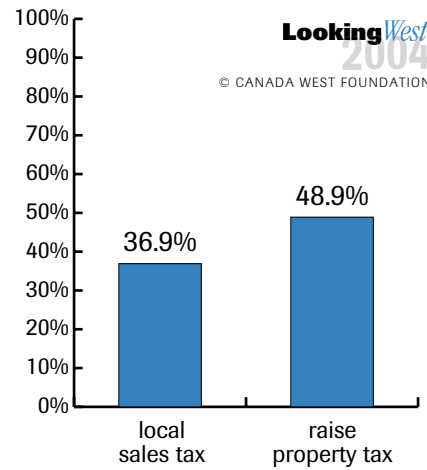
Figure 2:
Raise Local Taxes Versus Cut Local Services -
MB Respondents



Municipal governments typically provide services like police, fire, water treatment, transit, recreation, and building and maintaining roads and other local infrastructure. If your local government were faced with the choice of either increasing its revenues by raising taxes or decreasing expenditures by cutting services, which would you prefer? Raise local taxes in order to increase revenues; cut local services in order to reduce expenditures.

The last urban finance question looked at tax increases. Respondents were asked, "Imagine that your local government must increase its tax revenues. Which of the following two options would you prefer? Significantly decrease local property tax levels and introduce a local sales tax; significantly increase local property tax levels and do not introduce a local sales tax." The plurality of Manitobans prefers the idea of raising local property tax levels, while only one third favor significantly decreasing local property tax levels and introducing a local sales tax.

Figure 3:
Raise Local Property Tax Versus Introduce Local Sales Tax -
MB Respondents



Imagine that your local government must increase its tax revenues. Which of the following two options would you prefer? Significantly decrease local property tax levels and introduce a local sales tax; significantly increase local property tax levels and do not introduce a local sales tax.



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