

## Appendix 1

**Table 1. Examples of regional costs charged to local municipalities**

Regions	Body or structure delivering the service	Functions or services for which costs are shared	Basis (formula)	Rationale / other comments
Minneapolis-St. Paul, Minnesota	Minneapolis Metro council	Wastewater	<p>The Metro Council charges its member municipalities on the basis of wastewater flow. The unit cost of the service is the same for all users. Municipalities then collect fees from residential and non-residential customers. In 2006, the rate used was 1,544.33 / 1 million gallons of flow.</p> <p>In addition to the municipal charges, communities must pay for additional capacity demanded by new development or increased industrial or commercial use. Communities collect these one-time Service Availability Charges (SAC) fees from property owners at the time of development. Generally, one SAC unit equals 274 gallons of potential daily wastewater flow capacity.</p> <p>Finally, industries pay MCES directly for a variety of charges that are targeted to specific customer services. The following charges/fees are included:</p> <ol style="list-style-type: none"> <li>1) Industrial strength charges</li> <li>2) Liquid waste hauler load charges</li> <li>3) Industrial discharge and permit fees</li> <li>4) Add-on service charges</li> <li>5) Enforcement fees (e.g., Self-monitoring report late fees)</li> <li>6) Stipulation agreement payments</li> <li>7) Cost recovery fees</li> </ol>	
Metro Louisville, Kentucky	Water and other regional services	User fees for water and regional occupational taxes for other services, including a zoo, regional parks, housing and planning. Sewer and Transit are the responsibility of special districts and have other sources of revenues.	The Louisville Water Company is almost exclusively funded through user fees. Residential and non-residential rates are the same in the Metro territory. However, the Louisville Water Company wholesales water to surrounding counties (not part of the Metro Louisville or former Jefferson County) at a different rate. Wholesales of water represent only 2% of the Louisville Water Company.	Jefferson County and the City of Louisville were merged in 2003, but the surrounding municipalities remain independent entities. The new entity, Metro Louisville, now provides services to the surrounding municipalities in place of Jefferson County. The Louisville Water Company is owned by the Metro Louisville.
Québec Regional County Municipalities	Regional County Municipalities and Intermunicipal service agencies	They are responsible for several regional functions including, but not limited to property assessment, parks, water, wastewater, transit and emergency planning.	Each local municipality pays a contribution equivalent to its share of the regional county municipality's total standardized property value. For example, if a local municipality's share of the standardized property value is 10%, the municipality would pay 10% of the service's cost.	The standard property value measures local municipalities' capacity to generate revenues.
Several US regions	Councils of Governments	It varies from one to another. The list of responsibilities of Council of governments include, but are not limited to: planning, transit planning, sewage treatment, water, border patrols, environment, air quality control, etc.	The municipal share of the budget usually has three components: assessed property evaluation, population and gross income subject to income tax. In some cases, the gross earned income tax factor is adjusted by a multiplier, which corresponds to each municipality's per capita earned income relative to the regional per capita earned income. Each component accounts for 1/3 of the municipal contribution.	Councils of Governments determine a municipal contribution based on the cost of each regional functions or services. They receive different amounts of intergovernmental transfers linked for each responsibility, but municipal contributions are always determined by the same formula.

**Table 2. Examples of Dedicated own source of revenues**

Regions	Body or structure delivering the service	Functions or services for which costs are shared	Basis (formula)	Rationale
Montréal	Transit	A \$30 registration fee on private-owned cars, a 1.5 cent gas tax and a parking tax.	<p>The taxes are collected by the provincial government and then apportioned to the Agence métropolitaine de Transport (AMT).</p> <p>The vehicle registration fee is distributed among the AMT, the Société de Transport de Montréal, the Société de transport de la ville de Laval and the Réseau de Transport de Longueuil in a proportion of 80 % on the basis of the receipts generated from users of their respective public transit networks, and in a proportion of 20 % on the basis of the contributions of motorists having their address in the territory of a municipality or of an Indian reserve located in their respective territories.</p> <p>The 1.5 cent per liter gas tax is an additional tax collected only within the territory of the AMT (approximately equivalent to the CMA territory) and is allocated to the AMT.</p> <p>The parking tax has never been implemented.</p>	
Atlanta	Transit	A 1% sales tax levied on behalf of the Metropolitan Atlanta Regional Transit Authority by the City of Atlanta, Fulton County and DeKalb County.	<p>The tax is levied on the same base as the 4% State sales and use tax. In 2006, more than 66% (\$334,486,000) of the transit authority's revenues came from the sales and use tax. By law, the transit authority's sales tax revenues must be split between operating and capital expenditure budgets.</p>	
Chicago	Regional Transportation Authority (RTA)	A metropolitan wide sales tax on goods, food and drugs with rates that vary across the region (different rate in the City of Chicago than in surrounding counties).	<p>Revenues from the tax are distributed to the three transit authorities in the RTA operators in the region:</p> <ol style="list-style-type: none"> <li>1) 100% of the tax revenues collected in Chicago go to the Chicago Transit Authority (CTA)</li> <li>2) 30% of the tax revenues collected in Cook County go to the CTA, 55% goes to the Commuter Service Board (Metra), which covers 100 municipalities and 15% go to the Suburban Bus Board (Pace) which covers 235 municipalities;</li> <li>3) 70% of the tax revenues collected in the other 5 counties go to Metra and 30% go to Pace.</li> </ol> <p>The amount of revenues from the sales tax count for approximately 40% for the CTA and Metra and 60% for Pace of their total operating revenues.</p>	
Denver, Colorado	The Scientific and Cultural Facilities District (7 counties)	0.1% retail tax	<p>The receipts from the tax are distributed to three categories of recipients:</p> <ol style="list-style-type: none"> <li>1) Regional facilities defined by the Act: the Denver Art Museum, Denver Botanic Gardens, Denver Museum of Nature and Science, the Denver Zoo, and the Denver Center for the Performing Arts (65.5%)</li> <li>2) Regional organizations that meet certain criteria (21%)</li> <li>3) Local and volunteer organizations (13.5%).</li> </ol>	There are other similar districts like this one in Colorado, including one approved by voters that funded the football stadium in Denver (Invesco Field). In addition to regional facilities, two districts can also be created to finance regional transit, also with a 0.1% tax.
State of Washington	Regional facilities, mainly regional centers	Regional Facilities Districts have the authority to levy of the following taxes: lodging taxes as well as property taxes and issue general obligation bonds.	<p>The tax is levied on the territory of regional facilities districts</p>	Public Facilities Districts (PFDs) are municipal corporations created by a city or county to perform specific statutory functions. Under the City PFD Statute, PFDs can also be created jointly by a number of contiguous cities or by a combination of such cities and counties. They are formed through an interlocal agreement.

**Table 3. Examples of regional services funded through local tax base**

Regions	Body or structure delivering the service	Functions or services for which costs are shared	Basis (formula)	Rationale
Santa Clara County	Santa Clara County Parks and Recreation Department	Regional Park - parkland acquisition, development, operation and maintenance	\$0.0145 per \$100 of properties' assessed valuation; there is a minimum of 20% of revenues that must be allocated for acquisition and the remaining 80% for development, operations and maintenance	Over the years, the formula was changed. At first (1972), there was a 50% minimum for acquisition and gradually, the emphasis was placed on operations and maintenance.
Californian counties	County	Hospitals, education, traffic, open-space planning, earthquake recovery and others.	21 Californian counties collect a transaction and use tax on top of the municipal sales and use tax. More than one transaction and use tax may be imposed in a county, although the total may not exceed the statewide rate by more than 1.5%.	
Ontario Upper Tier Municipalities	Regions, counties, districts	Typical services provided by upper tier bodies are: police, waste management, social housing, roads (usually capital only), emergency services, long term care and regional planning. Water and wastewater services are usually rate-supported services.	In addition to municipal property taxes, upper tiers collect taxes through the lower tier municipality for services provided at the regional level. The amount of taxes needed are based on annual budgets and service provision levels.	According to the Municipal Act, rates for each class of property must be the same for each lower-tier municipality included in an upper-tier municipality.
Several US states including Florida	Counties	All countywide services, except those for which there are special districts that levy their own revenue sources, such as special assessments.	Florida law allows a county to charge one property tax rate for countywide services provided to the entire county population and another tax rate for the unincorporated area for the city-type services supplied by the county.	They decide how much revenue it needs and calculate the rate required to raise that amount.
Texas	Water districts and counties	Wastewater treatment and water services are the responsibility of water districts which have their own separate tax rates.	Counties and other taxing units in Texas need to fix an effective tax rate and a rollback tax rate. A unit's rollback tax rate is a calculated rate that divides the overall property taxes into two categories—maintenance and operations (M&O) and debt service. For all taxing units, the debt service portion of the rollback tax rate is the current year's debt payments divided by the current year's property values	Unlike counties, water districts have to hold public consultation prior to raising rates.