

# Municipal Grants Act

CHAPTER 302 OF THE REVISED STATUTES, 1989

*as amended by*

1990, c. 19, ss. 72-80; 1990, c. 39; 1991, c. 15; 1992, c. 25;  
1993, c. 33; 1994, c. 27; 1994-95, c. 7, ss. 65-78; 1995-96, c. 16, ss. 212, 213;  
1998, c. 13, s. 10; 2001, c. 3, s. 19; 2001, c. 35, s. 29; 2002, c. 5, ss. 34-39;  
2002, c. 15, s. 4; 2003, c. 9, ss. 96-109; 2004, c. 7, ss. 22, 23; 2004, c. 27, s. 13;  
2005, c. 6, s. 26; 2005, c. 9, s. 16; 2007, c. 21; 2008, c. 63; 2009, c. 8, s. 2;  
2018, c. 1, Sch. A, s. 132; 2018, c. 33, s. 22; 2019, c. 4, ss. 29-33;  
2023, c. 14, ss. 11, 12, 14-18; 2025, c. 17, ss. 29, 30



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 1998, c. 13, s. 10; 2001, c. 3, s. 19; 2001, c. 35, s. 29; 2002, c. 5, ss. 34-39;  
 2002, c. 15, s. 4; 2003, c. 9, ss. 96-109; 2004, c. 7, ss. 22, 23; 2004, c. 27, s. 13;  
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 2023, c. 14, ss. 11, 12, 14-18; 2025, c. 17, ss. 29, 30

## An Act to Provide for Grants to Municipalities

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#### Short title

**1** This Act may be cited as the *Municipal Grants Act*. R.S., c. 302, s. 1.

#### Interpretation

**2** In this Act,

(a) and (b) *repealed 2003, c. 9, s. 96.*

(c) “dwelling unit” means living quarters, accessible from a private entrance either outside a building or in a common area within the building, that are occupied or, if unoccupied, are reasonably fit for occupancy, and that

(i) contain kitchen facilities within the unit, and

(ii) have toilet facilities that are not shared with the occupants of other dwelling units;

(d) “Minister” means the Minister of Municipal Affairs;

(e) “municipality” means a regional municipality, town or county or district municipality;

(f) “property of a supported institution” means the residential property of a hospital or a post-secondary educational institution whether the property of His Majesty in right of the Province or not;

(g) “Provincial property” means property of His Majesty in right of the Province that is assessed pursuant to the *Assessment Act*, excluding

- (i) public hospitals and other health care facilities,
- (ii) educational institutions,
- (iii) facilities for the permanent display of art and cultural and historical information and artifacts including historical sites,
- (iv) water and sewerage systems other than on-site systems,
- (v) any other property of His Majesty in right of the Province that would be exempt from taxation even if it were not property of His Majesty, and
- (vi) property of any agency, authority, board, commission or Crown Corporation of the Province that is not occupied by a department of the public service;

(h) “Provincially occupied federal property” means property of His Majesty in right of Canada which is leased to and occupied by a department of the public service of the Province, excluding public hospitals, educational institutions and such other property of His Majesty in right of the Province as would be exempt from taxation if it were not the property of His Majesty in right of the Province, and in respect of which no grant in lieu of taxes is otherwise paid;

(i) *repealed 2003, c. 9, s. 96.*

(j) “service commission” means a board, commission or corporation created by or under the authority of any Act and having power to

- (i) provide for an area or the residents of an area services similar to one or more of those which may be provided by a municipality for its residents, and
- (ii) levy rates and taxes, or to require a municipality or an official of a municipality to levy rates and taxes other than or in addition to water or electric rates fixed or approved under the *Public Utilities Act*,

but does not include a municipality, committee created by an inter-municipal service agreement, village or education entity;

(k) *repealed 2003, c. 9, s. 96.*

(ka) *repealed 1994-95, c. 7, s. 65.*

(l) “village” means a village as defined in the *Municipal Government Act*;

(m) “year” means the fiscal year of a municipality as defined in the *Municipal Government Act*. R.S., c. 302, s. 2; 1990, c. 19, s. 72; 1994-95, c. 7, s. 65; 2003, c. 9, s. 96; 2018, c. 1, Sch. A, s. 132; 2025, c. 17, s. 29.

**Grant in lieu of property tax**

**3** (1) The Minister shall pay out of the General Revenue Fund of the Province in each taxation year a grant in lieu of property assessment taxes to every municipality, village and service commission.

(1A) A grant under subsection (1) is payable in respect of the Provincial property, Provincially occupied federal property and property of supported institutions located within the municipality or within the area of jurisdiction of a village or service commission as shown on the filed assessment roll for that year.

(2) Where taxes are collected by a municipality on behalf of any village or service commission the grant shall be paid to the municipality for the account of the village or service commission.

(3) The grant shall be paid after receipt by the Minister of the information required from a municipality, village or service commission.

(4) The information required for a grant pursuant to subsection (3) shall be submitted by a municipality, village or service commission

(a) in the same fiscal year as that for which the taxes were levied; and

(b) at the time and in the manner prescribed by the Minister. R.S., c. 302, s. 3; 2003, c. 9, s. 97; 2008, c. 63, s. 1; 2010, c. 2, s. 84; 2023, c. 14, s. 11.

**Amount payable for certain property**

**4** (1) The grant payable in respect of Provincial property and Provincially occupied federal property shall be equal to the full taxes that would be payable in respect of the property assessment if it were not exempt from taxation.

(1A) *repealed 2023, c. 14, s. 12.*

(2) The grant payable in respect of property of supported institutions shall be equal to the full taxes that would be payable in respect of the property assessment if it were not exempt from taxation.

(3) to (11) *repealed 1994-95, c. 7, s. 66.*

R.S., c. 302, s. 4; 1990, c. 39, s. 1; 1991, c. 15, s. 1; 1992, c. 25, s. 1; 1993, c. 33, s. 1; 1994, c. 27, s. 1; 1994-95, c. 7, s. 66; 2003, c. 9, s. 98; 2005, c. 6, s. 26; 2007, c. 21, s. 1; 2009, c. 8, s. 2; 2023, c. 14, s. 12.

**Assessment and appeal of assessment**

**5** The assessment of Provincial property, Provincially occupied federal property and property of supported institutions may be appealed in accordance with the provisions of the *Assessment Act*, and the assessment of the property, if not appealed or as altered or confirmed as the result of an appeal, shall bind the Minister. R.S., c. 302, s. 5.

**No grant in lieu of property tax**

**6** A grant in lieu of property taxes shall not be paid pursuant to this Act respecting

- (a) property of His Majesty in right of Canada or any other of His realms and territories except the Province;
- (b) Provincial property occupied by any person other than in an official capacity;
- (c) property of the Minister of Community Services pursuant to the *Housing Act*;
- (d) property of a college, academy or other public institution of learning mainly used for commercial, industrial, business, rental or other non-educational purposes. R.S., c. 302, s. 6; 2003, c. 9, s. 99.

#### Question as to whether grant payable

7 (1) If any question arises between the Minister and a municipality, village or service commission as to whether a grant in lieu of property taxes is payable in respect of any property and cannot be otherwise resolved, either the Minister or the clerk of the municipality, village or service commission may apply to have the question determined by the Supreme Court according to the provisions of the *Assessment Act* within the time limited therefor.

(2) The owner and the occupant of the property in question shall be served with notice of the application made pursuant to subsection (1).

(3) The court shall determine whether a grant in lieu of property taxes is payable in respect of the property.

(4) Where the court determines that a grant in lieu of property taxes is not payable but that the property is taxable or that the occupant thereof is taxable in respect of the property, the court shall order the property or occupant thereof to be entered on the assessment roll and the owner or occupant thereof shall be liable to pay the taxes thereon. R.S., c. 302, s. 7; 1992, c. 16, s. 5; 1994-95, c. 7, s. 67.

#### Municipal financial capacity grants

8 (1) The Minister may pay an annual municipal financial capacity grant to an eligible municipality or class of municipality in an amount as established by the regulations.

(2) The total municipal financial capacity grants payable to municipalities for that fiscal year is the amount determined by the Minister.

(3) A municipal financial capacity grant for an eligible municipality or class of municipality in subsection (1) must be paid in four quarterly instalments in each fiscal year. 2023, c. 14, s. 14; 2025, c. 17, s. 30.

9 *repealed 2023, c. 14, s. 15.*

10 *repealed 1994-95, c. 7, s. 70.*

11 to 14 *repealed 2023, c. 14, s. 15.*

15 *repealed 2003, c. 9, s. 104.*

16 and 17 *repealed 2023, c. 14, s. 15.*

18 *repealed 1994-95, c. 7, s. 72.*

19 *repealed 2023, c. 14, s. 15.*

#### **Town foundation grant**

**19A (1)** The Minister may pay a town foundation grant to an eligible town or class of town.

**(2)** The total town foundation grants payable to towns for that fiscal year is the amount determined by the Minister.

**(3)** The calculation of the amount and frequency of a grant payable under subsection (1) is as established by the regulations. 2023, c. 14, s. 16.

#### **Information required**

**19B (1)** No grant shall be paid pursuant to this Act or the regulations until all information requested by the Minister has been provided by the municipality.

**(2)** Where a grant referred to in subsection (1) is not paid because information requested by the Minister has not been provided by a municipality, no interest is payable in respect to the grant that is not paid.

**(3)** Where information requested by the Minister that is required for a calculation is not provided by the municipality by the date required by the Minister, the Minister may make the calculation using such information as the Minister determines. 2002, c. 5, s. 39; 2004, c. 7, s. 23; 2023, c. 14, s. 17.

20 *repealed 2001, c. 3, s. 19.*

21 to 32 *repealed 1994-95, c. 7, s. 74.*

33 *repealed 2003, c. 9, s. 108.*

34 *repealed 1994-95, c. 7, s. 76.*

35 *repealed 2003, c. 9, s. 109.*

#### **Financial assistance**

**36 (1)** The Minister may, with the approval of the Governor in Council, provide financial assistance to individual municipalities in cases in which, in his opinion, it is necessary and expedient to do so and where the municipality faces extraordinary financial difficulty.

**(2)** No such financial assistance shall be provided until the municipality has filed with the Minister a detailed proposal satisfactory to the Min-

ister designed to remedy the financial difficulty of the municipality and has complied with any further conditions imposed by the Minister.

(3) Except as provided by this or any Provincial enactment or by an agreement made pursuant thereto, the Minister shall not provide financial assistance to an individual municipality except according to grant programs applicable to all municipalities or to any class of them. R.S., c. 302, s. 36.

### Regulations

37 The Governor in Council may make regulations

(a) respecting the designation of an eligible municipality or class of municipality under subsection 8(1);

(aa) respecting the calculation of municipal financial capacity grants and entitlements, including by use of standard expenditures per dwelling unit, uniform assessments of municipalities and standard rates for classes of municipalities;

(ab) respecting the designation of an eligible town or class of town under subsection 19A(1);

(ac) respecting the calculation of a town foundation grant entitlement under subsection 19A(2);

(ad) respecting the frequency for the granting of a town foundation grant under subsection 19A(2);

(b) defining any expression used in this Act and not defined herein;

(c) respecting any matter or thing, whether of the foregoing kind or not, that is necessary to effectively carry out the intent and purpose of this Act. R.S., c. 302, s. 37; 1994-95, c. 7, s. 76; 2023, c. 14, s. 18.

### Regulations Act

38 The exercise by the Governor in Council of the authority contained in Section 37 is regulations within the meaning of the *Regulations Act*. R.S., c. 302, s. 38; 1994-95, c. 7, s. 77.

39 and 40 *repealed 2003, c. 9, s. 109.*