



## **2026 Pre-Budget Submission**

**January 2026**

January 28, 2026

Hon. Peter Bethlenfalvy  
Minister of Finance  
Frost Building South 7<sup>th</sup> Floor  
7 Queen's Park Crescent  
Toronto, ON M7A 1Y7

*sent via email*

Dear Minister Bethlenfalvy:

Thank you for the opportunity to make a submission to the 2026 Pre-Budget process.

[AMCTO](#) represents excellence in local government, management, and leadership. Since 1938, we have provided education, accreditation, leadership, and management expertise for Ontario's municipal professionals. With more than 2,200 members working in municipalities across the province, we are Ontario's largest association of local government professionals.

We have put forward for your consideration recommendations that aim to modernize municipal operations, enabling municipalities to use their resources more effectively and ensuring they have the necessary tools to carry out their responsibilities.

Municipalities are focussed on serving their residents, providing services that Ontarians value most, but their ability to do so is challenged by the current provincial-municipal fiscal arrangement. Strategic long-term planning requires stable predictable funding sources.

Municipalities and the professionals who serve them are ready to collaborate in addressing challenges facing local communities. What is needed now is a committed Provincial partner who will work alongside the sector, rely on data and evidence, and focus on outcomes to ensure effective solutions to help Ontario municipalities and their residents thrive.

AMCTO recommends that the Province:

1. Commit to AMO's call for a social and economic prosperity review, with a goal of ensuring municipalities have revenue streams appropriate for the services they are expected to deliver
2. Complete the Property Tax and Assessment System Review and ensure that the next assessment cycle starts as soon as possible
3. Modernize the legislative and regulatory environment to improve local service delivery



Thank you for the opportunity to provide input into the 2026 Ontario Budget deliberations.

Sincerely,

[Original signed by]

Danielle Manton, AOMC  
President, AMCTO

CC. Robin Jones, President AMO  
Jason Fitzsimmons, Deputy Minister, Ministry of Finance  
Alnoor Adatia, Assistant Deputy Minister, Office of the Budget

**Recommendation 1: Commit to AMO’s call for a social and economic prosperity review, with a goal of ensuring municipalities have revenue streams appropriate for the services they are expected to deliver**

Municipalities are overloaded with responding to immediate pressures like growth, climate and technological change, and increasing social services demands. The burden on municipalities is only increasing. This puts a strain on local budgets and the ability to provide core municipal services.

AMCTO joins the AMO’s call to action requesting that the Province commit to [a social and economic prosperity review](#). There are challenges and opportunities facing the province and facing Ontarians that make now the opportune moment to commit to a review of programs and services and who delivers them. This would ensure that Ontarians get access to timely services, that our provincial priorities such as housing are addressed, and to ensure that the providers of services have the adequate funding and revenue sources to be able to deliver those services.

Reviewing responsibilities for each level of government with consideration for how each service is funded would help update the municipal-provincial partnership to ensure Ontarians have access to the services they need.

Municipalities have limited revenue streams and relying on the municipal property tax base is not sustainable, especially for many rural and northern communities who are not seeing assessment growth, nor is it an appropriate source of funding for services such as health and social programs which municipalities are increasingly expected to deliver.

AMCTO continues to call on the Province to work with municipalities to review what levels of government are responsible for public programs and services to better address service delivery needs. For services municipalities are responsible for, AMCTO continues to emphasize the need for reliable and consistent funding sources.

**Recommendation 2: Complete the Property Tax and Assessment System Review and ensure that the next assessment cycle starts as soon as possible**

We continue to hear from the Province about the importance of preserving fairness within the property assessment system. However, continuing to use the 2016 valuations means that valuations between property tax classes and property owners are unbalanced and municipal levies impact property classes and owners differently.

The property tax and assessment system has been stalled for far too long. A modernized assessment system that is transparent, up to date, and reliable is essential to give residents and businesses the certainty they deserve.

The Province should communicate with municipalities, who will first-hand hear the concerns of residents, as to the anticipated timeline of the completion of this review and the launch of the next assessment cycle so that they will have time to prepare resources to assist their ratepayers with

understanding changes and their internal processes for determining future tax rates.

### **Recommendation 3: Modernize the legislative and regulatory environment to improve local service delivery**

Outdated legislation and policy tend not to reflect the current governance, administrative and operational needs of municipalities. Municipalities may also be hesitant to modernize and look for efficiencies when the relevant legislation and regulations do not provide an adequate framework or guidance to support such a change. This creates administrative and financial burdens on municipalities and contributes to inefficient and ineffective service delivery which in turn puts pressure on municipal financial resources and ultimately Ontario ratepayers.

Modernizing key legislation would help municipalities to make the best use of their resources and avoid spending extra time navigating red tape. Some examples relevant to AMCTO members include:

- Bring forward amendments to the *Municipal Freedom of Information and Protection of Privacy Act, 1990* as [recommended by AMCTO](#) to ensure that it is future-proof and aligns with the *Enhancing Digital Trust and Security Act, 2024*.
- Continue to review the provincial offences system including considering changes to the *Provincial Offences Act, 1990* to preserve the integrity of the justice system and avoid transferring the cost of unpaid fines to local ratepayers.
- Work with municipalities to ensure changes to the *Municipal Act, 2001*, [brought forward through the Municipal Accountability Act, 2025](#), [meet the needs of residents and municipalities](#) and that corresponding regulations including a standard code of conduct are created with input from the municipal sector.
- Provide much [needed legislative clarity on the strong mayor provisions](#) added to the *Municipal Act, 2001* to avoid ratepayers being on the hook for resources being wasted by navigating unclear legislation. Further, remove the powers of the head of council with respect to employment matters the use of which bring additional costs to the municipality.
- Commit to a [comprehensive review and update](#) of the *Municipal Elections Act, 1996* well ahead of the 2030 municipal elections to bring the legislation into the 21<sup>st</sup> century.

Some legislation requires comprehensive review and updates, while others require simple fixes such as clarifying definitions, roles and responsibilities and processes. With legislation that is easy for administrators to interpret and follow, resources can be appropriately allocated to serving residents rather than navigating unnecessarily burdensome processes.