



**MINISTRY OF TRANSPORTATION**

**Dedicated Gas Tax Funds For  
Public Transportation Program**

**2025-26 Guidelines and Requirements**

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## Definitions

When used in these Guidelines and Requirements, the words set out below that import the singular include the plural and vice versa:

**Canadian Content Policy:** means the Canadian Content for Transit Vehicle Procurement Policy, which the Ministry may amend from time to time.

**Cash-basis Accounting:** means an accounting method that recognizes revenues and expenses at the time cash is received or paid out.

**Contributing Municipality:** means a municipality that agrees to contribute towards, and receive, public transportation services provided by a Host Municipality.

**Conventional Transit Service:** means a Public Transportation Service which is designed and intended for use by the general public. These can include both fixed-route and on-demand services.

**Dedicated Gas Tax Funds:** means the money provided by the Ministry to a municipality to be used strictly towards Eligible Expenditures that are reasonable, in the opinion of the Ministry, and related directly to the provision of public transportation services, and "Dedicated Gas Tax Funds" has the same meaning.

**Dedicated Gas Tax Funds Reserve Account:** means an interest-bearing account set up by a municipality, under its name and in a Canadian financial institution, where Dedicated Gas Tax Funds are deposited and can be tracked separately from any other funds that may be in the account. This does not need to be a separate account, so long as the Dedicated Gas Tax Funds can be tracked separately.

**DFPTA:** means the *Dedicated Funding for Public Transportation Act, 2013*, S.O. 2013, c. 2, Sched. 3.

**Eligible Expenditures:** means expenditures made by a municipality in direct support of public transportation operating or capital costs, or both, in accordance with these Guidelines and Requirements.

**Fixed-Route Transit Service:** means public transportation services which follow defined routes and set schedules.

**Gas Tax Program:** means the Dedicated Gas Tax Funds for Public Transportation Program set up by the Ministry to provide municipalities with Dedicated Gas Tax Funds subject to and in accordance with a Letter of Agreement.

**Guidelines and Requirements:** means these guidelines and requirements entitled "Dedicated Gas Tax Funds for Public Transportation Program – 2025-26 Guidelines and Requirements", which the Ministry may amend from time to time.

**Host Municipality:** means a municipality that agrees to provide public transportation services for a Contributing Municipality.

**Indemnified Parties:** means His Majesty the King in right of Ontario, His ministers, agents, appointees, and employees.

**Letter of Agreement:** means an agreement entered into between the Ministry and a municipality, including a Host Municipality, that sets out the terms and conditions under which the Ministry agrees to provide Dedicated Gas Tax Funds to the municipality, including those under these Guidelines and Requirements, and any amendments to the letter of agreement.

**Loss:** means any and all liability, loss, costs, damages or expenses (including legal, expert and consultant fees).

**Major Refurbishment:** means (a) for a subway car, light rail car, streetcar or trolley bus, the refurbishment where the life cycle is extended for a minimum of six years beyond the designed life cycle set out by the manufacturer; and (b) for a bus thirty feet in length or over, the refurbishment where, when the bus reaches a minimum age of nine years, the life cycle of the bus is extended for a minimum of six years.

**Ministry and Minister,** respectively: means the Ministry of Transportation, which is responsible for the administration of the Gas Tax Program and the Minister responsible for the Ministry.

**Municipal Own Spending on Public Transportation:** means the funds, including those received from total operating revenue and local public donations, that a municipality contributes towards public transportation expenditures, including funds it contributes for operating and capital expenditures.

**On-demand Transit Service:** means public transportation services that are scheduled in response to individual trip requests rather than operating on fixed routes or schedules. For these services, vehicles typically operate within defined service areas and hours, and trips may be shared among multiple passengers depending on demand and routing.

**Personnel:** means the advisors, appointees, directors, officers, employees, agents, partners, affiliates, volunteers or Subcontractors of a municipality.

**Proceeding:** means any and all causes of action, actions, claims, demands, lawsuits or other proceedings.

**PRESTO:** means the fare payment system for which Metrolinx is responsible.

**Public Transportation Service:** means any service for which a fare is charged for transporting the public by vehicles operated by or on behalf of a municipality or local board as defined in the *Municipal Affairs Act*, R.S.O. 1990, c. M. 46, as amended, or under an

agreement between a municipality or local board, and a person, firm or corporation, and includes special transportation facilities for transporting persons with disabilities but does not include transportation by special purpose facilities, such as marine vessels, school buses or ambulances.

**Public Transportation Vehicle:** means a streetcar, bus, subway car, light rail car, specialized vehicles for transporting persons with disabilities or trolley bus used for Public Transportation Service.

**Reporting Forms:** means the form "2025-26 Dedicated Gas Tax Funds for Public Transportation (Gas Tax) Program" to be provided by the Ministry.

**Specialized Transit Vehicle:** means a vehicle designed to transport persons with disabilities.

**Specialized Transit Service:** means a Public Transportation Service that provides door-to-door demand response to persons that meet a specialized transit system's eligibility criteria.

**Subcontractor:** means any contractor of a municipality or any of its subcontractors at any tier of subcontracting.

## Introduction

The Gas Tax Program is an important element of the ongoing relationship between the Province of Ontario and Ontario municipalities. Municipalities receiving Dedicated Gas Tax Funds must meet the requirements set out in these Guidelines and Requirements.

As of 2013 and pursuant to the *Dedicated Funding for Public Transportation Act, 2013*, S.O. 2013, c. 2, Sched. 3 ("DFPTA"), a portion, (2 cents per litre), of the provincial gasoline tax revenue is dedicated to the provision of grants to municipalities for public transportation, including those pursuant to the Gas Tax Program. The portion of the gas tax that is dedicated in each fiscal year is an amount determined using a formula set out in the DFPTA.

The 2025-26 Gas Tax Program year runs from April 1, 2025 to March 31, 2026. The total funding envelope for the 2025-26 Gas Tax Program is approximately \$380 million which will be allocated to 107 public transit systems serving 150 municipalities.

## General Eligibility Requirements and Conditions

The purpose of the Gas Tax Program is to provide Dedicated Gas Tax Funds to Ontario municipalities to support local Public Transportation Services, and to increase overall ridership for Public Transportation Service through the expansion of capital infrastructure and levels of service. To be eligible to receive Dedicated Gas Tax Funds, a municipality must contribute financially towards its Public Transportation Services.

For 2025-26, and unless otherwise approved in writing by the Ministry, only municipalities that have submitted their 2024 annual data survey to the Canadian Urban Transit Association (CUTA), and their 2024-25 Gas Tax Reporting Form to the Ministry, will be eligible to receive Dedicated Gas Tax Funds.

Subject to the provision of a municipal by-law indicating its intent to provide Public Transportation Services, a municipality that is not currently providing Public Transportation Services, but decides to begin providing such services, may be eligible to receive Dedicated Gas Tax Funds. The provided municipal by-law must include notification of the municipality's intent to provide Public Transportation Services and specific commitment to annually fund such Public Transportation Services. Municipalities are encouraged to contact Ministry staff early in their decision-making process for providing Public Transportation Services. After the new Public Transportation Services have been implemented, and at the Ministry's sole discretion, Dedicated Gas Tax Funds may then be available.

A municipality receiving Dedicated Gas Tax Funds must ensure that all funds received and any related interest are used exclusively towards Eligible Expenditures and, unless otherwise approved in writing by the Ministry, disbursement of Dedicated Gas Tax Funds and any related interest must be net of any rebate, credit or refund, for which the municipality has received, will receive, or is eligible to receive.

All Public Transportation Services and Public Transportation Vehicles, regardless of whether they are used to provide Conventional Transit Service or Specialized Transit Service, must be fully accessible and in compliance with the requirements set out under the following statutes and regulations, as may be amended from time to time: the *Accessibility for Ontarians with Disabilities Act, 2005*, S.O. 2005, c. 11 and the *Integrated Accessibility Standards*, O. Reg. 191/11 made under that Act; and the *Highway Traffic Act*, R.S.O. 1990, c. H.8 and the *Accessible Vehicles*, R.R.O. 1990, Reg. 629 made under that Act. In addition to the above, the acquisition of Public Transportation Vehicles must comply with the Canadian Content Policy requirements.

Unless the Ministry otherwise approves in writing, in 2025-26, Dedicated Gas Tax Funds and any related interest can only be used to support municipal expenditures related to its Public Transportation Services and not to reduce or replace current levels of municipal funding related to its Public Transportation Services. External audit and financial reporting costs are not Eligible Expenditures which the Ministry may reimburse or to which Dedicated Gas Tax Funds can be applied.

**(a) Requirements for All Dedicated Gas Tax Funds Received in 2025-26**

Dedicated Gas Tax Funds and any related interest must be spent on one or more of the following initiatives related to a Public Transportation Service, which must directly support ridership growth:

- Capital expenditures;
- Operating expenditures;
- Capital expenditures for the replacement of any Public Transportation Vehicles;
- Capital expenditures that provide improvements to security and passenger safety for Public Transportation Services;
- Expenditures for Major Refurbishment on any fully accessible, or to be made fully accessible, Public Transportation Vehicle, with the exception of Specialized Transit Vehicles used for the transportation of persons with disabilities, and;
- Expenditures which enhance connections or access to and from transit ("First Mile/Last Mile" initiatives). Municipalities are encouraged to consult Ministry staff for guidance or advice on whether a specific initiative would qualify under Eligible Expenditures for the purpose of the Dedicated Gas Tax Funds.

For municipalities that provide only specialized transit for persons with disabilities, Dedicated Gas Tax Funds can be spent on initiatives related to Public Transportation Services that may not initially result in ridership growth but will provide increased accessibility.

**(b) Additional Requirements for the following Municipalities: Regions of Durham and York, the Cities of Brampton, Burlington, Hamilton, Mississauga, Ottawa and Toronto, and the Town of Oakville.**

Prior to the release of any Dedicated Gas Tax Funds, the municipalities listed under (b) above will, in addition to any other requirements in these Guidelines and Requirements, be required to:

- Participate in PRESTO and, as participants, will be required to meet their financial obligations for that system.

**(c) Additional Requirements for the following Municipalities: Regions of Durham, Peel, Niagara, Waterloo and York, the Cities of Barrie, Brampton, Burlington, Guelph, Hamilton, Mississauga, and Toronto, and the Towns of Milton and Oakville.**

Prior to the release of any Dedicated Gas Tax Funds, the municipalities listed under (c) above will, in addition to any other requirements in these Guidelines and Requirements, be required to:

- As requested by the Province, participate in an engagement process led by the Province or Metrolinx, or both, to enable regional fare and service integration.
- As requested by the Province, share information and data to support analysis on regional fare and service integration.

The eligibility requirements for Dedicated Gas Tax Funds will be determined in accordance with these Guidelines and Requirements. The eligibility for any Dedicated Gas Tax Funds is at the sole discretion of the Ministry. Municipalities should consider consulting with Ministry staff to determine whether a proposed expenditure is an Eligible Expenditure for the purpose of Dedicated Gas Tax Funds.

## **Payment Process**

### **(a) Payment Process**

The Minister, or designate, will advise each municipality that provides Public Transportation Services of the amount of Dedicated Gas Tax Funds it is eligible to receive. The Minister, or designate, will send a Letter of Agreement to each of these municipalities. The Letter of Agreement will set out the terms and conditions upon which the Dedicated Gas Tax Funds will be released to the municipality, and by which the municipality will have to agree to be bound.

The Ministry may, on a quarterly basis (or other basis, as the Ministry may decide from time to time), make payments of Dedicated Gas Tax Funds only after receipt of the following documents:

- i) A fully signed copy of the Letter of Agreement;
- ii) A completed Reporting Form, that must be submitted to the Ministry through Transfer Payment Ontario (TPON) no later than **May 15, 2026**; and
- iii) completed 2025 annual data survey(s), that must be submitted to CUTA no later than **August 31, 2026**.

The Ministry may withhold payment of Dedicated Gas Tax Funds until these reporting requirements are met. In addition, any outstanding documents from previous years will need to be submitted and approved prior to receiving 2025-26 Gas Tax funding.

Any amount of Dedicated Gas Tax Funds provided to the municipality under the Gas Tax Program will be subject to the remedies set out under Article 9 of the Letter of Agreement.

Any Dedicated Gas Tax Funds the Ministry provides to a municipality and any related interest, including those kept by the municipality in a Dedicated Gas Tax Funds Reserve Account, will have to be used by the municipality exclusively towards Public Transportation Services and in accordance with the requirements set out in these Guidelines and Requirements including, without limitation, those related to eligibility and related conditions, acquisition, disposition, accountability, records, audit, reporting, liability, and indemnity requirements.

If a municipality agrees to provide Public Transportation Services (a "Host Municipality") for another municipality ("the Contributing Municipality"), the Ministry, at its sole discretion, may provide Dedicated Gas Tax Funds only to the Host Municipality.

For any arrangement that is initiated in the 2025-26 Gas Tax Program year, and prior to the Ministry issuing any payment of Dedicated Gas Tax Funds to the Host Municipality, the Host Municipality must provide the Ministry with a copy of the Contributing Municipality's council resolution:

- designating the Host Municipality as the provider of Public Transportation Services for the Contributing Municipality; or
- authorizing the Host Municipality to provide Public Transportation Services to the Contributing Municipality,

as applicable. The council resolution must be approved in the same Gas Tax Program year in which the arrangement is initiated.

Where an arrangement between a Host Municipality and a Contributing Municipality existed in a prior Gas Tax Program year, the Host Municipality must confirm in writing to the Ministry, by **September 30, 2026**, that the arrangement remains in effect for the 2025-26 Gas Tax Program year. In such cases, a new council resolution from the Contributing Municipality is not required, unless the arrangement has been modified or renewed through council direction.

The Host Municipality will be required to enter into a Letter of Agreement with the Ministry and be in compliance with the terms and conditions set out in these Guidelines and Requirements. In addition, the Host Municipality must promptly advise the Ministry of any change in arrangements between the Host Municipality and any Contributing Municipality on whose behalf the Host Municipality is providing Public Transportation Services, such as decisions to cease contributions. The Ministry may then, at its sole discretion, make any necessary adjustment to its contribution of Dedicated Gas Tax Funds to the Host Municipality.

## **Dedicated Gas Tax Funds Reserve Account, Amalgamation, and Interest**

### **(a) Dedicated Gas Tax Funds Reserve Account**

Dedicated Gas Tax Funds must be used only towards the Eligible Expenditures for Public Transportation Services listed in these Guidelines and Requirements.

If the Ministry provides Dedicated Gas Tax Funds to a municipality before the municipality's immediate need for the funds, the municipality will be required to keep the funds, and all interest earned on such funds, in a Dedicated Gas Tax Funds Reserve Account. Dedicated Gas Tax Funds received, and any related interest earned on such funds, must be reported annually, using the Reporting Form, on a cash basis. At no time should a municipality report a negative balance in a Dedicated Gas Tax Reserve Account.

Municipalities are required to provide detailed and accurate information in the annual Reporting Form to ensure that reporting reflects the full scope of reserve fund activity.

### **(b) Amalgamation**

In the event of a merger, amalgamation of transit systems, or where the transit system in one municipality is taken over by another municipality, and the municipality originally operating the transit system has unused Dedicated Gas Tax Funds held in a Dedicated Gas Tax Reserve Account when it ceases to provide the transit system, the Ministry may, in its sole and absolute discretion, allow for the transfer of unused Dedicated Gas Tax Funds held in a Dedicated Gas Tax Reserve Account to the municipality that is assuming the transit system. Approval must be obtained by the municipality from the Ministry in writing prior to the transfer. Such Dedicated Gas Tax Funds held in a Dedicated Gas Tax Reserve Account must be deposited in a Dedicated Gas Tax Funds Reserve Account for the municipality assuming the transit system. The Ministry may, in its sole discretion, impose any other requirements appropriate under the circumstances. The municipality/municipalities shall provide the Ministry with written notice of their request, as soon as practicable.

The municipality assuming the transit system must be a participant in the Gas Tax Program. It must have an executed Letter of Agreement with the Ministry (either an existing Letter of Agreement if already participating in the Gas Tax Program or a new Letter of Agreement if joining the Gas Tax Program as a result of the amalgamation), and must remain in compliance with all terms and conditions set out in these Guidelines and Requirements. For further clarity, funds may **not** be transferred to a municipality which does not participate in the Gas Tax Program. This shall not be interpreted, however, as preventing a municipality from applying and becoming a participant in the Gas Tax Program in accordance with the terms and conditions set out in these Guidelines and Requirements.

If the Ministry for any reason declines to permit the type of transfer described above, the Ministry may demand the repayment of any unused Dedicated Gas Tax Funds held in a

Dedicated Gas Tax Reserve Account, as a debt owing and due to the Crown, as per these Guidelines and Requirements.

**(c) Interest**

Interest must accrue on funds carried over the course of the Gas Tax Program reporting period in a Dedicated Gas Tax Funds reserve account. A municipality must calculate interest on its average annual balance of funds. The interest must also be reported annually, using the Reporting Forms, and can only be applied towards Eligible Expenditures.

**Acquisition of Goods or Services, and Disposal of Assets**

If a municipality acquires goods, including supplies, materials, vehicles, equipment or services, or both, with Dedicated Gas Tax Funds, it must do so through a process that promotes the best value (with due regard for economy, efficiency and effectiveness) for the Dedicated Gas Tax Funds it spends.

The municipality must report, in writing, to the Ministry any funds accrued from the sale, lease, or disposal of assets purchased with Dedicated Gas Tax Funds, and return such funds to a Dedicated Gas Tax Funds Reserve Account. For transit buses, this requirement applies only for a period of twelve (12) years from the date of acquisition, or five (5) years in the case of Specialized Transit buses. Funds accrued from the sale, lease or disposal of transit buses beyond their useful economic life (after the applicable twelve-year or five-year period) are not required to be returned to a Dedicated Gas Tax Funds Reserve Account.

**Event of Default: Adjustment, Withholding and Payment of Dedicated Gas Tax Funds and Other Remedies**

The following will be considered an Event of Default if, in the opinion of the Ministry, a municipality:

- i) fails to comply with any term, condition or obligation set out in a Letter of Agreement, including these Guidelines and Requirements;
- ii) uses any of the Dedicated Gas Tax Funds or any related interest for a purpose not authorized without the prior written consent of the Ministry;
- iii) provides erroneous or misleading information;
- iv) fails to provide information, including requested audit information and required reports, to the Ministry for any reason whatsoever; or
- v) is unable to provide or acquire or has discontinued the provision or acquisition of any service or asset for which Dedicated Gas Tax Funds have been provided, or it is not reasonable for the municipality to continue to provide or acquire any service or asset for which such funds have been provided.

Where there is, in the opinion of the Ministry, an Event of Default, the Ministry may, unless the Ministry provides the municipality with written notice of an opportunity to remedy the Event of Default, take one or more of the following actions:

- i) initiate any action the Ministry considers necessary in order to facilitate the successful provision or acquisition of any service or asset provided or acquired with Dedicated Gas Tax Funds;
- ii) suspend the payment of Dedicated Gas Tax Funds for such period as the Ministry determines appropriate;
- iii) reduce the amount of the Dedicated Gas Tax Funds;
- iv) cancel further payments of Dedicated Gas Tax Funds;
- v) demand from the municipality the return of any Dedicated Gas Tax Funds remaining in the possession or under the control of the municipality;
- vi) demand from the municipality the payment of an amount equal to any Dedicated Gas Tax Funds the municipality used, but did not use in accordance with the Letter of Agreement;
- vii) demand from the municipality the payment of an amount equal to any Dedicated Gas Tax Funds the Ministry provided to the municipality; and
- viii) terminate the Letter of Agreement at any time, including immediately, without liability, penalty or costs to the Ministry upon giving notice to the municipality.

Where the Ministry gives the municipality an opportunity to remedy an Event of Default by giving the municipality notice of the particulars of the Event of Default and the date by which the municipality is required to remedy it, and: i) the municipality does not remedy the Event of Default by the date specified in the notice; ii) it becomes apparent to the Ministry that the municipality cannot completely remedy the Event of Default by the date specified in the notice; or iii) the municipality is not remedying the Event of Default in a way that is satisfactory to the Ministry, the Ministry may extend the date by which the municipality is required to remedy, or initiate any of the remedies for Event of Default available to it under as outlined in these Guidelines and Requirements.

Upon termination of the Letter of Agreement pursuant to these Guidelines and Requirements, the Ministry may take one or more of the actions listed in the first paragraph of this section. In regard to any demand for repayment, the Minister may not demand repayment of an aggregate amount greater than the Dedicated Gas Tax Funds that were received by the municipality.

Upon the Minister providing a municipality a written demand for repayment of Dedicated Gas Tax Funds, any related interest, or both, the amount of the demand will be deemed to be a debt due and owing to the Crown of the Province of Ontario and may be recovered as such under applicable law, including, without limitation, the *Financial Administration Act*, R.S.O. 1990, c. F.12, as amended, ("FAA"). In addition to any remedy the Crown may have under the FAA, the Ministry may decide to withhold or adjust the amount of any current or future Dedicated Gas Tax Funds, or any other funding program, that may be provided to the municipality in an amount equal to such debt or have the amount of such debt deducted from financial assistance payable on any other project(s) of the municipality under any other initiative in which the Ministry is involved (either current or future).

The Ministry may charge the municipality interest on any money owing by the municipality at the then current rate charged by the Province of Ontario on accounts receivable.

The municipality will pay any money owing to the Ministry by cheque payable to the "Ontario Minister of Finance" and delivered to the Ministry as the Ministry may require.

If a municipality: i) has failed to comply with any term, condition or obligation under any other agreement with His Majesty the King in right of Ontario or one of His Agencies (a "failure"); ii) has been provided with notice of such failure in accordance with the requirements of such other agreement; iii) has, if applicable, failed to rectify such failure in accordance with the requirements of such other agreement; and iv) such failure is continuing, the Ministry may suspend the payment of Dedicated Gas Tax Funds for such period as the Ministry determines appropriate.

When the Ministry provides its consent pursuant to a Letter of Agreement, including these Guidelines and Requirements, it may impose any terms and conditions on such consent and the municipality will comply with such terms and conditions.

If a municipality fails to comply with any term of a Letter of Agreement, including these Guidelines and Requirements, the municipality could only rely on a waiver of the Ministry if the waiver was in writing and refers to the specific failure to comply. A waiver will not have the effect of waiving any subsequent failures to comply.

Any decision made by the Minister regarding funding under the Gas Tax Program is final.

## **Expenditure, Records, Audit and Reporting Requirements**

### **(a) Expenditure**

A municipality receiving Dedicated Gas Tax Funds must use such funds, and any interest earned on such funds, exclusively towards Eligible Expenditures for Public Transportation Services and in accordance with these Guidelines and Requirements. The municipality will not be allowed to use Dedicated Gas Tax Funds and related interest to offset other municipal expenditures.

The municipality will also be required to provide such further assurances as the Ministry may request from time to time with respect to any matter to which a Letter of Agreement, including these Guidelines and Requirements, pertains, and will otherwise do or cause to be done all acts or things necessary to implement and carry into effect the terms and conditions of these documents to their full extent.

Furthermore, the municipality must ensure any information the municipality provides to the Ministry under the Gas Tax Program is true and complete at the time provided and will continue to be true and complete.

### **(b) Records**

A municipality receiving Dedicated Gas Tax Funds must keep and maintain separate records and documentation related to any Dedicated Gas Tax Funds and any related interest, including invoices and any other financially-related documents relating to the provision or acquisition of Public Transportation Services for which Dedicated Gas Tax Funds and any related interest have been used. The records and documentation must be kept and maintained in accordance with generally accepted accounting principles, and all Reporting Forms must be completed using Cash-basis Accounting. Records containing confidential information must be kept in accordance with all applicable legislation. No provision of these Guidelines and Requirements shall be construed so as to give the Ministry any control whatsoever over the municipality's records.

### **(c) Audit**

A municipality receiving Dedicated Gas Tax Funds may be subject to audit. The Ministry may, at its sole discretion, audit or have audited by any third party, any records and documentation of the municipality related to any Public Transportation Services provided or acquired with Dedicated Gas Tax Funds or any related interest, and such funds. Such audit may require the Ministry, at the municipality's expense (except as provided in the Canadian Content Policy), to retain external auditors. In addition, the Auditor General may, pursuant to the *Auditor General Act*, R.S.O. 1990, c. A. 35, as amended, audit the accounts and records of the municipality relating to any expenditure of Dedicated Gas Tax Funds.

To assist in respect of the rights set out above, a municipality will be required to disclose any information requested by the Ministry, its authorized representatives or an independent auditor identified by the Ministry, and will do so in the form requested by the Ministry, its authorized representatives or an independent auditor.

In addition to any adjustments the Ministry may make to Dedicated Gas Tax Funds under these Guidelines and Requirements, the Ministry may, upon recommendation in an audit report, adjust future payments of Dedicated Gas Tax Funds or other payments the Ministry may make to the municipality under any other funding program.

### **(d) Reporting**

Accuracy in the calculation and reporting of municipal transit ridership and Dedicated Gas Tax Funds and any related interest is paramount. When calculating ridership, municipalities must use one of the acceptable best practices identified in the 2008 Ontario Ridership Data Collection Review Report, published jointly by CUTA and iTrans Consultants (retained by CUTA).

A municipality will be accountable to use Dedicated Gas Tax Funds and any related interest towards Eligible Expenditures for Public Transportation Services that meet the Gas Tax Program eligibility requirements. Each municipality will be required to report on how Dedicated Gas Tax Funds and any related interest are spent on an annual basis, including the provision of its Canadian Content Policy declaration form(s), in accordance with the Canadian Content Policy, for any Public Transportation Vehicle funded with Dedicated Gas Tax Funds. The

Canadian Content Policy was amended effective September 21, 2017 to be aligned with government procurement commitments under the Comprehensive Economic Trade Agreement (CETA) between Canada and the European Union (EU). As of September 21, 2017, municipalities are to comply with the amended policy for all transit procurements.

For the purpose of the above reporting, **municipalities will be required** to use the Reporting Form that has been developed in consultation with municipal Public Transportation Services stakeholders, and **submit these Reporting Forms to the Ministry no later than May 15, 2026.**

Municipalities are strongly advised to carefully verify all data before submitting their Reporting Form, to ensure that all information provided is accurate. Municipalities are also encouraged to contact the Ministry if they require any guidance or assistance in completing these reports.

## Communications

Unless the Ministry otherwise approves in writing, a municipality receiving Dedicated Gas Tax Funds will be required to acknowledge the support of the Ministry in a form and manner as directed by the Ministry.

A municipality will be required to give a minimum of thirty (30) days written notice to the Ministry regarding any planned local Dedicated Gas Tax Funds communication or recognition event, or both. The municipality will also be required to provide the Ministry with detailed information regarding such communication or event, or both.

The Ministry and a municipality receiving Dedicated Gas Tax Funds will, at all times, remain independent of each other and will not represent themselves to be the agent, joint venturer, partner or employee of the other. Neither the municipality nor the Ministry will be allowed to make representations or take actions that could establish or imply any apparent relationship of agency, joint venture, partnership or employment. In addition, neither the municipality nor the Ministry will be bound in any manner whatsoever by any agreements, warranties or representations made by any of them to any other person or entity, with respect to any other action of the other.

If the municipality publishes any material of any kind, written or oral, relating to Public Transportation Services provided or acquired with Dedicated Gas Tax Funds, the municipality will indicate in the material that the views expressed in the material are the views of the municipality and do not necessarily reflect those of the Ministry.

A municipality receiving Dedicated Gas Tax Funds must comply with the requirements for the installation and maintenance of visual identity signage set out below:

- The municipality will install and maintain the exterior and interior visual identity signage on each Public Transportation Vehicles for which Dedicated Gas Tax Funds were provided.

- External visual identity signage must be located immediately to the left of the front passenger entrance doors of the vehicle. Internal visual identity signage should be placed on an interior wall in a location and height that will be convenient for passengers to read.
- Recognition stickers approximate size — 10" x 3.4".

## **Conflict of Interest**

A municipality and its Subcontractors and any of their respective Personnel must use Dedicated Gas Tax Funds and provide and acquire services and assets with such funds without an actual, potential, or perceived conflict of interest.

A conflict of interest includes any circumstances where a municipality or any person who has the capacity to influence the municipality's decisions has outside commitments, relationships or financial interests that could, or could be seen to, interfere with the municipality's objective, unbiased, and impartial judgment relating to the provision or acquisition of services or assets provided or acquired with Dedicated Gas Tax Funds, the use of such funds, or both.

A municipality will disclose to the Ministry, immediately and without delay, any situation that a reasonable person would interpret as an actual, potential, or perceived conflict of interest, and comply with any terms and conditions that the Ministry may prescribe as a result of the disclosure.

## **Freedom of Information and Protection of Privacy Act**

All applications submitted to the Ministry are subject to the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. F. 31, as amended ("FIPPA"). FIPPA provides every person with a right of access to information in the custody or under the control of the Ministry, subject to a limited set of exemptions.

Municipalities are advised that the names of municipalities receiving Dedicated Gas Tax Funds, the amount of funds provided, and the purpose for which Dedicated Gas Tax Funds are provided, is information the Ministry may be required by law to make available to the public.

## **Liabilities, Indemnities and Insurance Requirements**

A municipality receiving Dedicated Gas Tax Funds must agree that it is responsible for anything that may arise, directly or indirectly, in connection with the Gas Tax Program, including, without limitation, any activity under it such as the provision and acquisition of services and assets with Dedicated Gas Tax Funds. The Ministry's involvement under the Gas Tax Program is for the sole purpose of, and is limited to, the provision of Dedicated Gas Tax

Funds.

Furthermore, a municipality receiving Dedicated Gas Tax Funds must agree to indemnify and hold harmless the Indemnified Parties from and against any and all Losses or Proceedings, by whomever made, sustained, incurred, brought, or prosecuted, in any way arising out of, or in connection with anything done or omitted to be done by the municipality or any municipality on behalf of which the municipality receives Dedicated Gas Tax Funds, or any of their respective Personnel, the Gas Tax Program, any activity under it, or the Letter of Agreement, unless the Loss or Proceeding is solely caused by the negligence or willful misconduct of the Indemnified Parties.

A municipality receiving Dedicated Gas Tax Funds is responsible for its own insurance and must carry, at its own costs and expense, and require the same from its Subcontractors and any municipality on behalf of which it receives Dedicated Gas Tax Funds, all the necessary and appropriate insurance that a prudent municipality in similar circumstances would maintain in order to protect itself and the Ministry and sufficient to support the indemnification, as set out above.

The municipality is not covered by the Province of Ontario's insurance program and no protection will be afforded to the municipality by the Government of Ontario for any Losses or Proceedings that may arise out of the Gas Tax Program or Letter of Agreement, for which the municipality is responsible for pursuant to the indemnification above.

For greater certainty, the rights and remedies of the Ministry under a Letter of Agreement are cumulative and are in addition to, and not in substitution for, any of its rights and remedies provided by law or in equity.

## **Compliance with the Law**

A municipality receiving Dedicated Gas Tax Funds must comply with all federal and provincial laws and regulations, all municipal by-laws, and any other orders, rules and by-laws related to any aspect of the services or assets provided or acquired with the Dedicated Gas Tax Funds and the Dedicated Gas Tax Funds.

For greater clarity, by receiving Dedicated Gas Tax Funds, a municipality may become subject to legislation applicable to organizations that receive funding from the Government of Ontario, including the *Public Sector Salary Disclosure Act, 1996*, S.O. 1996, c. 1, Sched. A and the *Auditor General Act*, R.S.O. 1990, c. A.35.

## **Where to Request or Provide Information**

All forms, agreements, supporting documentation as well as any questions regarding the Gas Tax Program are to be directed to the Strategic Investments Office of the Ministry of Transportation at [MTO-PGT@ontario.ca](mailto:MTO-PGT@ontario.ca).