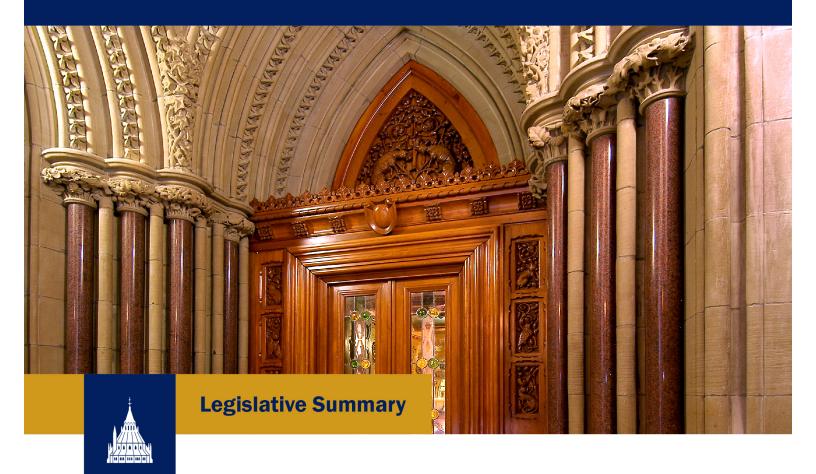
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BILL C-25:

AN ACT TO AMEND THE FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT, TO AUTHORIZE CERTAIN PAYMENTS TO BE MADE OUT OF THE CONSOLIDATED REVENUE FUND AND TO AMEND ANOTHER ACT

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For clarity of exposition, the legislative proposals set out in the bill described in this Legislative Summary are stated as if they had already been adopted or were in force. It is important to note, however, that bills may be amended during their consideration by the House of Commons and Senate, and have no force or effect unless and until they are passed by both houses of Parliament, receive Royal Assent, and come into force.

Any substantive changes in this Library of Parliament Legislative Summary that have been made since the preceding issue are indicated in **bold print**.

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Legislative Summary of Bill C-25 (Legislative Summary)

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1 BACKGROUND

Bill C-25, An Act to amend the Federal-Provincial Fiscal Arrangements Act, to authorize certain payments to be made out of the Consolidated Revenue Fund and to amend another Act, was introduced in the House of Commons on 25 March 2021 by the Honourable Chrystia Freeland, Deputy Prime Minister and Minister of Finance.

Bill C-25 authorizes the following additional payments to the provinces and territories:

- \$4 billion for immediate health care concerns, through the Canada Health Transfer;
- \$1 billion for Canada's COVID-19 immunization plan; and
- \$2.2 billion for infrastructure projects in municipalities and First Nations communities, through the Gas Tax Fund.

Bill C-25 also renames the Gas Tax Fund as the Canada Community-Building Fund.²

2 DESCRIPTION AND ANALYSIS

Bill C-25 consists of four clauses.

Clause 1 adds new section 24.72 to the *Federal-Provincial Fiscal Arrangements Act*,³ which authorizes the Minister of Finance to make additional payments totalling \$4 billion to the provinces and territories through the Canada Health Transfer:

- \$1,550,847,000 for Ontario;
- \$902,412,000 for Quebec;
- \$103,022,000 for Nova Scotia;
- \$82,196,000 for New Brunswick;
- \$145,208,000 for Manitoba;
- \$541,788,000 for British Columbia;
- \$16,792,000 for Prince Edward Island;



- \$124,089,000 for Saskatchewan;
- \$465,330,000 for Alberta;
- \$55,009,000 for Newfoundland and Labrador;
- \$4,427,000 for Yukon;
- \$4,756,000 for the Northwest Territories; and
- \$4,124,000 for Nunavut.

Clause 2 authorizes the Minister of Finance to make payments totalling \$1 billion to the provinces and territories in respect of Canada's COVID-19 immunization plan:

- \$387,712,000 for Ontario;
- \$225,603,000 for Quebec;
- \$25,755,000 for Nova Scotia;
- \$20,549,000 for New Brunswick;
- \$36,302,000 for Manitoba;
- \$135,447,000 for British Columbia;
- \$4,198,000 for Prince Edward Island;
- \$31,022,000 for Saskatchewan;
- \$116,333,000 for Alberta;
- \$13,752,000 for Newfoundland and Labrador;
- \$1,107,000 for Yukon;
- \$1,189,000 for Northwest Territories; and
- \$1,031,000 for Nunavut.

Clause 3 authorizes up to \$2.2 billion in additional payments for infrastructure projects through the Canada Community-Building Fund (formerly known as the Gas Tax Fund) at the request of the Minister of Infrastructure and Communities or the Minister of Indigenous Services, in accordance with terms and conditions approved by the Treasury Board. These payments are in addition to the existing amount specified in section 161 of the *Keeping Canada's Economy and Jobs Growing Act*, which was amended by section 233 of the *Economic Action Plan 2013 Act, No. 1.*⁵

Clause 4 of the bill renames Part 9 of the *Keeping Canada's Economy and Jobs Growing Act* in order to rename the Gas Tax Fund to the Canada Community-Building Fund.

NOTES

- Bill C-25, An Act to amend the Federal-Provincial Fiscal Arrangements Act, to authorize certain payments
 to be made out of the Consolidated Revenue Fund and to amend another Act, 43rd Parliament,
 2nd Session.
- Department of Finance Canada, <u>Government Announces Additional Pandemic Support For Vaccines</u>, <u>Health Care</u>, and <u>Municipalities</u>, News release, 25 March 2021.
- 3. Federal-Provincial Fiscal Arrangements Act, R.S.C. 1985, c. F-8.
- 4. <u>Keeping Canada's Economy and Jobs Growing Act</u>, S.C. 2011, c. 24. The amount specified in this Act is \$2 billion.
- 5. <u>Economic Action Plan 2013 Act. No. 1</u>, S.C. 2013, c. 33. The amended amount in this Act is \$2 billion for 2014–2015, and beginning in 2015–2016, \$2 billion plus \$100 million annually, if the results of the formula A x 1.02^B (where A is \$2 billion, and B equals the year in which the fiscal year begins, minus 2013) increases by at least \$100 million over the previous fiscal year.