



Partners in Advocacy & Business

July 29, 2016

The Honourable Danielle Larivee
Minister of Municipal Affairs
204 Legislature Building
10800 - 97 Avenue
Edmonton, AB T5K 2B6

Dear Minister Larivee,

RE: Bill 21: Modernized Municipal Government Act

The Alberta Association of Municipal Districts and Counties has a unique interest in the review of the Municipal Government Act (MGA) and since the release of *Bill 21: Modernized Municipal Government Act*, has taken the opportunity to work with our members to review the legislation and develop recommendations for your consideration.

The attached document contains the AAMDC positions and comments on the various amendments to the MGA as well as positions on items that have remained unchanged.

We look forward to continuing to work with your government on next stages of this process. We thank you for your consideration of this submission and for your work on behalf of municipalities throughout Alberta.

Sincerely,

Al Kemmere
President

cc. Brad Pickering, Deputy Minister, Municipal Affairs

AAMDC Final Submission

Bill 21: Modernized Municipal Government Act

July 2016



Partners in Advocacy & Business

Prepared by the Alberta Association of Municipal Districts and Counties
2016

Introduction

In May 2016, the Government of Alberta released *Bill 21: Modernized Municipal Government Act*. This legislation, and the *Municipal Government Amendment Act* passed in 2015, is the culmination of several years of consultations and discussion between the Government of Alberta, municipal leaders, municipal associations, and other relevant stakeholders. Throughout this process, the Alberta Association of Municipal Districts and Counties (AAMDC) has worked with its membership to ensure the rural municipal perspective is accurately reflected in the new Municipal Government Act (MGA).

Following the release of *Bill 21*, the AAMDC held five sessions across Alberta to gather input on the legislation from the rural elected and administrative officials that will be responsible for implementing the proposed changes at the local level. The AAMDC also gathered feedback from members through an online survey and a workbook.

For the purpose of this submission, the feedback received has been aggregated and analysed to consider unique contexts across the province, and to provide a comprehensive review of how *Bill 21* may impact rural municipalities. Further, this submission offers recommendations on how *Bill 21* can be improved to better meet the needs of Alberta's municipalities.

The submission is broken into four sections.

- A. AAMDC Priority Issues in Planning and Development
- B. AAMDC Priority Issues in Governance and Administration
- C. AAMDC Priority Issues in Taxation and Assessment
- D. Complete Review of the MGA Policy Changes with AAMDC Input

In the first three sections, the priority issues identified by AAMDC members through the AAMDC consultation process are discussed in each category in-depth with recommendations.

In the fourth section, a summary of the AAMDC positions on the broad policy changes presented on Bill 21 is presented as well as with proposed changes found in *Municipal Government Amendment Act* (2015). In some instances, municipal issues that are not addressed in Bill 21 are discussed as possible future amendments.

The AAMDC and the Alberta Urban Municipalities Association (AUMA) have adopted a number of joint positions and recommendations. Those areas have been noted below.

SECTION A: AAMDC Priority Issues in Planning and Development

Alberta's rural municipalities govern 86% of Alberta's landmass and are home to the majority of Alberta's primary industries. As a result, the manner in which rural municipalities plan and develop land has significant province-wide economic, environmental, and social implications. Ensuring that Alberta's rural municipalities have the tools to properly manage development and plan for the future will be key to the recovery and continued prosperity of Alberta's economy, and the sustainability of Alberta's rural communities.

1. Inter-municipal collaboration

Under the proposed amendments in Bill 21, municipalities will be required to develop mandatory intermunicipal mechanisms for land use planning, and for the planning, delivery and funding of regional services. This includes the requirement for all municipalities to develop an inter-municipal collaborative framework (ICF) and an inter-municipal development plan (IDP) with other municipalities with a common border. These can also be done on a regional level with three or more municipalities partnering. ICFs will identify and coordinate services that can be or are currently delivered on a regional level and lay out the delivery and funding of those services. Bill 21 outlines the minimum standards for the services that must be discussed between neighbouring municipalities.

In the proposed legislation, municipalities will be required to complete an ICF within two years with an additional year available for arbitration. Municipalities will have five years to complete IDPs.

AAMDC Position: The AAMDC supports regional collaboration between municipal neighbors and recognizes the need for municipalities to work collaboratively to plan, fund and deliver services. Where possible, this should be done through local decision making. Bill 21's requirement for ICFs and IDPs presents a balance between local decision making and mandatory inter-municipal collaboration by requiring municipalities to meet province-wide standards in their agreements while allowing the details to be determined locally.

In general terms, the AAMDC supports the requirement to develop ICFs and IDPs, including the allowance of regional agreements, but has identified a number of recommendations below.

Recommendation 1: *Extend and align the timelines for the development of ICFs and IDPs from two years with an additional year for arbitration to five years with an additional year for arbitration.*

Rationale: The proposed timelines to develop ICFs and IDPs are not sufficient to account for the planning requirements that need to be undertaken by rural municipalities. Whereas the majority of urban municipalities in the province will only have to complete one ICF and IDP with their rural counterpart, some rural municipalities will need to negotiate in excess of a dozen agreements. This will require considerable staff time and resources that are already committed to ongoing municipal operations.

In discussions with AAMDC members, some members indicated that the two-year timeline would be sufficient as they already have agreements in place but the timeline should reflect the needs of those without current agreements.

While the option exists to complete regional agreements that encompass three or more municipalities, these agreements are likely to be more complex and equally as demanding in terms of time and resources as individual one-to-one agreements, and there is no guarantee that urban municipalities that do not share a border with one another will be willing to participate in a regional IDP.

Recommendation 2: Support municipalities with grants and resources

Rationale: The timing requirements for ICFs and IDPs are demanding for rural municipalities and small municipalities that currently lack the in-house capacity to support these plans. The Government of Alberta should develop resources and provide grant funding to ease the burden on municipalities.

Recommendation 3: Support municipalities with mediation resources prior to arbitration in the development of ICFs and IDPs

Rationale: The Government of Alberta should support the negotiation of agreements between municipalities with mediation resources prior to the arbitration, as this is a less contentious and more affordable option than arbitration.

Recommendation 4: Require municipalities to act in good faith in the negotiation of ICFs and IDPs

Rationale: Rural municipalities are concerned that the current timelines for the development of ICFs and IDPs will incentivize some municipalities to delay or stall negotiations so they can intentionally trigger arbitration in the hope that the arbitrator will provide a favourable agreement that would not have otherwise been reached in negotiations. As such, municipalities should be required to act in good faith in these negotiations.

Recommendation 6: Provide clear guidelines and processes for exemptions for the requirements to develop ICFs and IDPs

Rationale: In a number of cases across the province, including situations where two rural municipalities share a remote boundary that has few or no

transportation linkages or services, an ICF or IDP is not required. In those instances, rural municipalities have enquired about how an exemption from an ICF or IDP can be obtained. The Government of Alberta should clearly outline guidelines and the process required to obtain an exemption.

Recommendation 7: *Ensure that the ICF and IDP agreements include a provision that allows rural municipalities to have a role in the planning and funding (if appropriate) lifecycle of municipal facilities that may be located in urban municipalities but serve a regional purpose.*

Rationale: As part of the ICF and IDP agreements, rural municipalities should be involved in the planning and funding of jointly agreed upon facilities from the outset of the planning of that facility. In the past, requests to rural municipalities for joint-funding on a facility such as a swimming pool or recreation centre have followed the construction of the facility which meant the rural municipality was not present in the initial discussions and planning of the facility that would have considered the need for the facility among broader regional needs.

Recommendation 8: *Specify that arbitration is binding for the five-year period as specified by the legislation, unless both parties decide to re-negotiate before those five years.*

Rationale: Binding arbitration is a means to ensure that negotiations conclude in a timely manner and the final agreement withstands the anticipated timeline.

SECTION B: AAMDC Priority Issues in Governance and Administration

As democratic institutions and the level of government closest to the people, municipalities and municipal councils have an important role in reflecting the local perspective in municipal decisions and operations. For this reason, it is important that the governance and administrative provisions outlined in *Bill 21* empower municipalities to act in the local interest with integrity while remaining accountable and transparent to their residents.

1. Expanded mandate of the Alberta Ombudsman

In Bill 21, the mandate of the Alberta Ombudsman is expanded to include oversight of municipalities. The Ombudsman will review complaints related to whether councils and administration have properly follows the policies and bylaws of a municipality.

AAMDC Position: The municipal associations do not support the expanded oversight of the Alberta Ombudsman; however, if this amendment is to remain, the associations are seeking the below changes:

Jointly supported by the AAMDC and the AUMA

Recommendation 1: *Provide specific definitions that ensure that the Alberta Ombudsman’s scope is limited to “procedural fairness” and include additional parameters in a Ministerial Guideline on what is in and out of scope.*

Rationale: As democratically elected officials, municipalities must have the ability to make decisions in the public interest provided that appropriate accountability mechanisms are in place. The scope of the Alberta Ombudsman should be limited to “procedural fairness” and to ensuring that municipalities follow their own bylaws and the MGA. The Alberta Ombudsman should not have the ability to overturn municipal decisions. Municipalities should be exempt from the Ombudsman’s powers to correct “wrongs” as outlined in the *Alberta Ombudsman Act*.

Recommendation 2: *Provide clear direction to municipalities about how to identify when councils may have no choice but to operate outside of existing municipal policies to deal with unexpected or unique municipal issues.*

Rationale: Municipal policies are a means to a specific outcome and in some instances, policies must be revised or temporarily set aside to meet that outcome and it is important that this is recognized in the context of the expanded scope of the Alberta Ombudsman.

Recommendation 3: *Ensure that the Ombudsman’s responsibilities and powers do not interfere or overrule employee obligations to professional standards.*

Rationale: Municipal employees may be employed in fields that have independent professional standards and require professional certification (e.g. assessors). The Alberta Ombudsman’s expanded mandate should not interfere with these professional standards and the enforcement of these standards as there are current processes in place to ensure compliance.

Recommendation 4: *Require the Ombudsman to notify the affected municipality and CAO of all complaints (even those not investigated).*

Rationale: When complaints are lodged against a municipality, it would be beneficial if the municipality is notified so that the municipality may take proactive corrective action and remediate the concern raised by the complainant.

Recommendation 5: *Develop and publically post clear parameters for what constitutes a valid complaint to the Alberta Ombudsman.*

Rationale: With an expansion of the Ombudsman’s mandate, the Ombudsman can be expected to receive a significant number of concerns, many of which are likely not to trigger an investigation. Public education of this role will potentially reduce some of these complaints.

Recommendation 6: *Review the expanded mandate of the Ombudsman after three years.*

Rationale: A review of the expanded mandate of the Ombudsman should be completed within three years of it coming into force to identify if it is meeting the intended outcome.

Recommendation 7: *Require annual reporting to the public on all matters brought forward to the Ombudsman (including complaints that were not investigated and those where no recommendations were made).*

Rationale: To aid in the transparency in this office, annual reporting to the public on matters brought forward to the Ombudsman will provide better public education on what matters are appropriate to bring forward to the Ombudsman in the future.

Recommendation 8: *Require the complainant to attempt to work with the municipality to resolve the complaint before an investigation begins.*

Rationale: Requiring the complainant to work with the municipality to resolve the complaint prior to an investigation may alleviate concerns and strengthen relationships at the local level while saving resources in the Ombudsman's office.

Recommendation 9: *The Public Participation Regulation and the new Duty of a Councillor (Section 153 (a.1)) should be specifically exempt from complaints or oversight by the Ombudsman, along with Code of Conduct matters.*

Rationale: Procedural fairness will be challenging to determine in those areas that are subjective, and those areas should be excluded (e.g. Public Participation Regulation and the new duty of a councillor, especially in ICF discussions.)

2. Municipal council code of conduct

In the *Municipal Government Amendment Act* passed in 2015, municipal councils will be required to adopt and presumably abide by a council code of conduct. This is an item supported by the AAMDC as it will improve the functioning of councils and outline important good governance practices while ensuring ownership of the code of conduct through local development and implementation.

AAMDC Position: The AAMDC supports the idea of a municipal council code of conduct that has sufficient enforcement mechanisms to allow municipal councils to correct violations in the code of conduct.

Recommendation 1: *Allow municipalities to require prospective councillors to sign a code of conduct prior to signing candidate nomination papers.*

Rationale: There is some ambiguity as to how municipalities can require councillors to sign a code of conduct. Allowing municipalities to require candidates to sign the code of conduct prior to submitting their nomination

papers could ensure that elected officials will abide by the code or face sanction. This will also ensure that prospective councillors understand the expectations of the position prior to their election. However, there should be the option for each council to revisit the code of conduct and revise as needed.

Recommendation 2: *Clarify how municipalities can sanction councillors that breach the code of conduct.*

Rationale: The Government of Alberta has made it clear that municipalities will not be able to use the code of conduct to remove a councillor. This, however, leaves the door open to a wide range of other sanctions and municipalities would be well served to have clarity on what types of sanctions will be permitted.

Recommendation 3: *Allow municipalities to develop a councillor code of conduct that may provide unique provisions for a mayor/reeve, deputy reeve, etc.*

Rationale: In the *Municipal Government Amendment Act* passed in 2015, there was no distinction in the legislation between different types of elected officials (*mayor/reeve, deputy reeve, etc.*) for a code of conduct. In some cases, different elected officials on a council have different roles and responsibilities that municipalities may want to capture in a code of conduct.

Recommendation 4: *Where appropriate, allow for a suspension of a councillor from the council decision making process with or without pay as a penalty for a violation of the councillor code of conduct.*

Rationale: AAMDC members support the creation of a council code of conduct but want sufficient ‘teeth’ and enforcement to make the code of conduct relevant and useful to councils. Suspension of a councillor from the council decision making process with or without pay would be a reasonable tool to enforce the code of conduct.

Suspensions such as this should be approved by the Minister of Municipal Affairs to ensure that municipal councillors do not unfairly persecute one or more councillor.

SECTION C: AAMDC Priority Issues in Taxation and Assessment

Municipalities in Alberta rely largely on property taxes to fund their core operations and capital projects. To allow rural municipalities to remain financially sustainable, the rules that govern the property tax system must be sufficiently flexible to allow municipalities the ability to adopt tax rates that reflect local needs and circumstances.

1. Centralization of designated industrial property assessment

In *Bill 21*, assessment of properties classified as “designated industrial property” are to be assessed by the province in a manner similar to how linear properties are currently assessed.

AAMDC Position: AAMDC members have expressed considerable concern about the centralization of assessment on designated industrial property because it could lead to decreased local autonomy and local knowledge of the properties being assessed. Further, municipalities are concerned that assessment will be lost or missed and that the proposed cost reductions will not materialize as municipalities retain assessors to verify provincial assessments.

The AAMDC believes there is an alternative solution that has been advanced by the Alberta Assessors Association that can address industry concerns regarding equity. This alternative solution includes the following:

- a) The development of industry guidelines and standardized training on the guidelines to municipal assessors.
- b) Assessment of a designated industrial property is carried out by local assessors.
- c) Assessments reported to a provincial ‘Assessment Commissioner’ for review and to ensure province-wide consistency.
- d) Appeals of designated industrial property to be heard by an independent appeal board.

As noted, the AAMDC does not support the centralization of assessment of designated industrial property but if it is going to continue forward, the following recommendations are proposed to strengthen the process.

Recommendation 1: *Amend Bill 21 to clarify that designated industrial property can apply to residential and agriculture properties only in cases where there is a mixed use on the property.*

Rationale: The proposed legislation allows for designated industrial property to apply to agriculture and residential properties. Amendments are required that stipulate that the designated industrial property definition may only be applied to agriculture and residential portions of properties in cases where there is mixed use on the property and the other uses include those uses under designated industrial property (regulated by AER, NEB, etc.). Standalone residential or agricultural properties should not be allowed to be defined as designated industrial property.

Recommendation 2: *Exempt municipalities from paying the requisition to fund the centralized assessment body if an industrial property owner does not pay their property taxes.*

Rationale: It is understood that the work to complete the assessment of designated industrial property is to be funded by a requisition on the mill rate similar to the system that funds the education property tax. In instances where property owners do not pay the education property tax, municipalities are still required to pay their portion to the province which has adverse financial impacts for municipalities. Should this system be used to fund the assessment of designated industrial property, municipalities should not be required to pay the requisition if property owners cannot.

Recommendation 3: *Allow municipalities to appeal assessments on designated industrial property completed by the province.*

Rationale: Since some assessments that were previously conducted by municipalities are now being done by Alberta Municipal Affairs, there are concerns that assessment values will not reflect their true values as experience and knowledge of properties is transferred to the province. Therefore, it is important that municipalities have the ability to appeal assessments on designated industrial properties if they feel that assessment values are incorrect. Should appeals be allowed, opportunities to resolve conflicts through mediation and arbitration should be preferred as opposed to the formal legal system.

Recommendation 4: *Ensure assessors are based throughout the province and not centralized in Alberta's metropolitan centres.*

Rationale: To ensure assessments conducted on designated industrial property accurately reflect their appropriate values, it is important that assessors are located throughout the province and capable of conducting assessments in person on the properties being assessed. This will alleviate some concerns raised by AAMDC members.

2. Maintain linear assessment distribution as status quo

The AAMDC and its members have advocated for the maintenance of the current distribution of linear assessment and that the assessment and subsequent taxation revenue from linear properties goes towards the municipalities in which the property is located.

AAMDC Position: The AAMDC supports the continued distribution of linear assessment and taxation revenue in the current format.

3. Split mill-rate on non-residential properties

In the current iteration of *Bill 21*, municipalities are given the powers to separate mill-rates within the non-residential property class. This is a new and important tool that allows for additional flexibility and customization of tax rates within municipalities.

AAMDC Position: The municipal associations strongly support the proposed change to allow for splitting the non-residential mill rate and are seeking the following changes.

Jointly supported by the AAMDC and the AUMA

Recommendation 1: Subclasses should be based on type of development, zones, cost of servicing, with the number of subdivisions and types to be determined by municipalities.

Rationale: The rules guiding the subdivision should be flexible and adaptable to a range of municipal needs. Municipalities should be enabled to determine the number of subdivisions and how the subdivisions operate.

Recommendation 2: *Explore options to allow for split non-residential mill-rates based on geographic distances.*

Rationale: In some areas of the province, municipalities would benefit from a geographic difference in their non-residential mill-rates. This would allow rural municipalities to elevate non-residential mill-rates near urban centres so they align better with the non-residential mill-rate of the urban municipality which would ideally reduce competition between the two. This would also allow municipalities to incentivize development throughout the municipality by lowering mill-rates in less desirable regions of the municipality. It would also allow for the municipality to lower mill-rates in areas where it is unable or unwilling to offer certain services.

Recommendation 3: *Provide clear and concise definitions in the regulation of possible sub-classes and steps that outline how municipalities can split the non-residential mill-rate.*

Rationale: Splitting the non-residential property class will be a politically difficult process for municipalities and their property tax ratepayers. A clear and concise regulation will alleviate concerns and limit conflict. The regulation should answer:

- a) Will municipalities have the powers to define where they draw the line between non-residential property classes?
- b) How many splits are allowed within the non-residential property class?

Recommendation 4: *Allow for some subclasses to be excluded from the 5:1 linkage (e.g., brownfields, affordable housing and vacant non-residential property).*

Rationale: Types of properties that are being targeted for redevelopment (brownfields, affordable housing and vacant non-residential property) should be

exempt from the ratio as to allow flexibility in how taxation tools can stimulate development.

Recommendation 5: *Subclasses should remain non-linked in the regulation (i.e. there should be no linkages between highest and lowest residential tax rates and no linkages between lowest and highest non-residential tax rates).*

Rationale: As municipalities will be bound through the 5:1 linkage, there should be no further restrictions within the sub-classes to allow flexibility to municipalities in how the subclass tax rates are set.

4. Expanding offsite levies

In the current iteration of *Bill 21*, the scope of offsite levies is expanded to include land, buildings for community recreation facilities, fire halls, police stations and libraries where at least thirty-percent of the benefit of the facility accrues to the new development. Where this threshold is met, developers would contribute according to the proportional benefit.

AAMDC Position: The AAMDC supports the expansion of the scope of offsite levies to include the land and buildings for community recreation facilities, fire halls, police stations and libraries, and in general, supports the notion that those who benefit from a facility or service should pay for that service in a manner that is proportional to their benefit. The associations are seeking the following changes:

Jointly supported by the AAMDC and the AUMA

Recommendation 1: *Expand the scope of off-site levies to include the municipal costs of provincial transportation infrastructure that supports new development.*

Rationale: Provincial infrastructure to service new development such as intersections and overpasses are a considerable cost and should be borne by those that benefit from that infrastructure.

This should be calculated on a proportional benefit formula though consideration could be given to modify the threshold.

Recommendation 2: *Revise the formula to remove the thirty-percent threshold but maintain the tie between the proportion of the benefit served by the new development and contribution of the offsite levy to fund the new infrastructure.*

Rationale: The proposed formula for offsite levies is a concern for smaller municipalities who would not be able to meet the threshold in their developments because their developments are often small. For this reason, the AAMDC recommends removing the threshold but maintaining the proportional connection between benefits and costs for these facilities.

Recommendation 3: *Enable multiple municipalities to use offsite levies to fund the same facility when new development in each of the municipalities use and benefit from the new facility.*

Rationale: New development in multiple municipalities often benefit from a service or facility built in one of the municipalities and therefore, there requires a mechanism to allow those municipalities to jointly fund and infrastructure through offsite levies.

Recommendation 4: *Allow collection of all off-site levies in a manner consistent with existing off-site levy processes.*

Rationale: The current collection process for off site levies is effective and should be maintained for consistency.

Recommendation 5: *Allow for the re-collection of levies following significant redevelopment and allow for negotiations with developers on additional levies.*

Rationale: Given that redevelopment projects can often exert considerable costs on municipalities for increased supporting infrastructure, municipalities need the ability to re-collect levies following significant redevelopment.

Recommendation 6: *Provide clear definition of the “defined benefitting area”, appeal process and the timing of when the property needs to be built.*

Rationale: Clear definitions and clarification around the term “defined benefitting area” will avoid conflicts between municipalities and developers.

SECTION D: Complete Review of the MGA Policy Changes with AAMDC Input

PLANNING AND DEVELOPMENT	
1	Intermunicipal Collaboration (ICF and IDPs): To what degree would the Province determine how municipalities collaborate with one another?
Current Status: Cooperation between neighbouring municipalities is voluntary, with substantial variation across the province.	
Proposed Status: Implement mandatory intermunicipal mechanisms for land use planning, and for planning, delivery and funding of regional services in the form of Intermunicipal Collaboration Frameworks (ICFs). ICFs can be single agreements or with multiple municipalities. Mandate intermunicipal development plans (IDPs) as component of ICFs. IDPs must address land use, future development, transportation, infrastructure, service delivery, and other issues. Municipalities unable to agree on ICFs or IDPs required to go to arbitration. Minister has tools to penalize municipalities who do not abide by ICFs or IDPs.	
AAMDC Position: As noted above, the AAMDC supports intermunicipal collaboration and can support the requirement for inter-municipal collaborative frameworks; however, there are significant concerns regarding the timelines and ICF development process. For further detail, see the above recommendations.	
Comments: With the above noted recommendations, the requirement for ICFs could lead to enhanced rural sustainability as communities work together to meet regional needs. As noted, however, the opportunity for local decision making should be supported to maintain local autonomy.	

2	Growth Management Boards: To what degree should the Province determine how municipalities collaborate with one another?
Current Status: The Capital Region Board is the only mandatory growth management board under the MGA. The Calgary Regional Partnership is a voluntary organization that has adopted the Calgary Metropolitan Plan on the voluntary basis, but the plan only applies to participating municipalities.	
Proposed Status: Require growth management boards for Edmonton and Calgary regions, with a mandate to address land use planning, and planning, delivery and funding of regional services.	
AAMDC Position: The AAMDC recognizes the need to plan and coordinate development and services in and around Alberta's metropolitan centres but maintains that such governing arrangements should operate on a consensus basis where no one municipality has a real or de facto veto over the decision making process, and that local concerns are considered wholeheartedly in decisions.	
Comments: The AAMDC's <i>Finding Local Solutions</i> report argues that mandated regionalization and planning only be undertaken as a last resort under all of the following conditions: <ul style="list-style-type: none"> ▪ a basic and material regional need is not being met; ▪ all other legitimate options have been tried and have failed to address the need; ▪ there is agreement that a stalemate exists; ▪ when it can be demonstrated that the benefits for the region and for the participating municipalities out-weight the costs 	

AAMDC Bill 21: Modernized Municipal Government Act – Final Submission

Even in these instances, the content of agreements, planning documents, and the scope of any type of board or commission should be determined by municipalities involved and through consensus. In instances where disputes emerge, mediation should be encouraged and if that fails to resolve the impasse, final offer arbitration should be used to find a solution.

During previous mediations among the CRP membership, a number of decision-making models were proposed and the AAMDC believes the following two criteria best suit the needs of all municipalities involved.

- Support of at least two-thirds of the CRP's municipalities.
- Support of the member municipality whose land is adversely affected by the proposed amendment to the CMP.

3	Municipal Development Plans: Should all municipalities be required to adopt an MDP as a statutory plan?
Current Status: Municipal development plans (MDPs) are mandatory for municipalities with a population threshold of 3,500 or greater.	
Proposed Status: Require all municipalities, regardless of population size, to create an MDP.	
AAMDC Position: The AAMDC supports the requirement for all municipalities to have an MDP and is seeking the following changes: <ul style="list-style-type: none"> ▪ Municipalities should have up to five years to complete their MDP. ▪ The province should fund AUMA and AADMC in developing additional resources and templates to assist those municipalities with capacity challenges. <i>Jointly supported by the AAMDC and the AUMA</i>	
Comments: AAMDC members recognized that this will challenge many small municipalities including summer villages. Without sufficient resources or tools, the requirements of developing a plan could push many municipalities into dissolution. However, for many small municipalities, MDPs will not have to be extensive. There are some other concerns with these planning timelines falling during the election cycle which could impact how plans are done. Templates and resources should be available to assist in this process.	

4	Hierarchy, Relationships, and Access to Plans (2015): Should the hierarchy and relationship of statutory plans be legislated? Should the relationship of non-statutory land use plans be open and transparent to the public?
Current Status: Within the MGA there is no explicit hierarchy amongst statutory and non-statutory plans. The legislation indicates that <i>Alberta Land Stewardship Act</i> regional plans are paramount over municipal statutory plans and that statutory plans must be consistent with each other. The MGA has no requirement that municipalities publish or identify how their non-statutory plans relate to one another.	
Proposed Status: Intermunicipal development plans (IDPs) supersede municipal development plans (MDP) which supersede area structure plans (ASPs). Municipalities who adopt or utilize any non-statutory planning documents are required to publish all non-statutory planning documents and describe how those documents relate to each other and to other statutory plans.	
AAMDC Position: The AAMDC supports a clear hierarchy of plans that is logical and provides clarity to ratepayers and those seeking development within a municipality and is seeking the following changes:	

AAMDC Bill 21: Modernized Municipal Government Act – Final Submission

<ul style="list-style-type: none"> ▪ Clarify the scope of “non-statutory policies” (i.e. planning documents, transportation documents, visioning documents etc.). ▪ Clarify 638.2(2)(c), as it is unclear what kind of information is required in summarizing how the policies relate to one another. <p><i>Jointly supported by the AAMDC and the AUMA</i></p>
<p>Comments:</p> <p>The AAMDC supports municipal transparency and strategic land use planning. It will be beneficial for municipalities to have an updated inventory of all their plans (statutory and non-statutory) and how they fit together.</p> <p>With respect to the hierarchy of planning, there is concern that in areas where ALSA plans have not yet been completed, municipalities may have to revise their MDPs and other plans after completion and implementation to align with ALSA plans when they are completed. This will consume additional costs and time.</p>

5	<p>Provincial Land Use Policies: Should the Province continue to have land use policies that apply province-wide?</p>
<p>Current Status: Any MGA land use policies currently in effect will cease to apply, and any land use policies created in the future under the MGA will not apply, in any region that adopts an <i>Alberta Land Stewardship Act</i> (ALSA) regional plan.</p>	
<p>Proposed Status: Continue to phase out current MGA land-use policies as new ALSA regional plans come into force. Authorize the Minister to establish new land use policies for municipal planning matters that are not included in an ALSA regional plan.</p>	
<p>AAMDC Position: The AAMDC supports the direction outlined in Bill 21 that will see the MGA land-use policies be phased out as ALSA plans take effect and are seeking a change to specify that any legislation, regulation or policy developed under this authority shall be made in consultation with municipalities.</p> <p><i>Jointly supported by the AAMDC and the AUMA</i></p>	
<p>Comments:</p> <p>Municipalities need to have assurances that they will be engaged and able to participate in determining land use plans that include their municipalities.</p>	

6A	<p>Conservation Reserve How should Environmental Reserve be defined? When should Environmental Reserve land be determined? Should the purpose of Environmental Reserve be expanded?</p>
<p>Current Status: The MGA identifies land to consider for Environmental Reserve to prevent pollution and/or provide public access to water. In practice, Environmental Reserve is typically used for land that is not suitable for development. Environmental Reserves are identified during the subdivision process.</p>	
<p>Proposed Status: Provide clarity in the definition and purposes of Environmental Reserve land, and enable flexibility to determine Environmental Reserve earlier in the planning process. Create a new type of reserve, Conservation Reserve, to protect environmentally significant features, subject to compensation for the landowner.</p>	
<p>AAMDC Position:</p> <p>Conservation Reserve</p>	

AAMDC Bill 21: Modernized Municipal Government Act – Final Submission

The AAMDC supports the creation of the conservation reserve in Bill 21 provided that it continues to be a voluntary tool for municipalities to use within their own boundaries. The following recommendations are provided:

- Specify that lands identified as CR are included and are not subtracted out of the base lands for the purposes of calculating MR.
- Specify that municipalities have the ability to utilize land use bylaws to reach environmental and conservation outcomes.
- Include a provision for removing the CR designation or converting it to another use if the land is no longer ecologically significant (as is done for MR).
- Include a provision that lands identified as CR in a Statutory Plan be kept in a natural state prior to being provided to the municipality. In conjunction with that protection, substantial enforcement powers should be provided.
- Specify that compensation should be required at subdivision and that the manner of calculating compensation should be clearly outlined.
- The CR process will require an efficient dispute resolution mechanism to resolve any disagreement between the municipal planning authority and the developer with respect to the reserve boundaries.
- Clarification and definitions are provided with respect to the term ‘natural state’.
- Clarification is required in instances when CR is transferred following an annexation.

Jointly supported by the AAMDC and the AUMA

Comments:

The AAMDC and AUMA jointly recognize that conservation reserves will provide municipalities with broader authority to protect nature through the land development process as the scope spans sensitive or high-value ecological areas such as tree stands, wildlife habitat, and wetlands.

The province, rather than the municipality, should be responsible for compensation since the environmental protection of ecologically sensitive areas is a provincial issue

Concerns have arisen that land acquisition through the new conservation reserve tool may be interpreted as the “go-to” option for the management of environmentally significant features, whereas municipalities can currently also utilize land use bylaws.

The amendments should be clarified to reinforce that municipalities can continue to utilize land use bylaws to reach their environmental and conservation goals.

Additional clarification is needed with the term ‘natural state’ as this could include different interpretations.

6B	Environmental Reserve How should Environmental Reserve be defined? When should Environmental Reserve land be determined? Should the purpose of Environmental Reserve be expanded?
Current Status: The MGA identifies land to consider for Environmental Reserve to prevent pollution and/or provide public access to water. In practice, Environmental Reserve is typically used for land that is not suitable for development. Environmental Reserves are identified during the subdivision process.	
Proposed Status: Provide clarity in the definition and purposes of Environmental Reserve land, and enable flexibility to determine Environmental Reserve earlier in the planning process.	
AAMDC Position: The AAMDC supports the definitions and purpose of Environmental Reserves (ER) and are seeking the following changes:	

AAMDC Bill 21: Modernized Municipal Government Act – Final Submission

- Provide a broader definition of environmental reserves to protect significant lands that have a provincial benefit.
 - Provide for the ability to protect some lands from development (e.g. setbacks from a stream) without compensating for them.
 - Harmonize the definition of body of water in MGA with the Alberta Wetland Policy and other legislation and policies.
 - Clarify jurisdiction on lands, such as beds and shores, adjacent to bodies of water.
- Jointly supported by the AAMDC and the AUMA*

Comments:

The tighter definitions of environmental reserve could create a gap for municipalities to conserve environmentally significant features (that were formerly considered as part of environmental reserve) when they do not have the funds to pay for those lands as conservation reserve.

For example, is unclear as to whether municipalities would be able to use Environmental Reserve provisions to protect the riparian areas surrounding wetlands, which are necessary to maintain the health of these important ecosystems.

In Bill 21, the term ‘wetland’ is not included in the definition of ‘body of water’ and therefore does not align with the Alberta Wetland Policy. Terminology and definitions should be harmonized across the province’s policies and acts to ensure consistency for municipalities.

Currently under the Public Lands Act, the province owns most of the beds and shores of all naturally occurring lakes, rivers and streams and of all permanent and naturally occurring bodies of water. This should clearly be stated or referenced in any MGA amendments.

7	Incenting Brownfield Development (Tax Tools): Should the MGA allow municipalities to grant special tax considerations to brownfield properties for multiple years to encourage their redevelopment?
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Current Status: Municipalities confirm annually any cancellation, deferral or reduction to the municipal taxes of a property through annual passing of property tax bylaw.

Proposed Status: Allow a municipal council to provide conditional property tax cancellations, deferrals, or reductions for multiple years to identify and promote redevelopment of brownfield properties.

AAMDC Position: The AAMDC supports the amendments that allow for tax cancellations, deferrals or reductions to incent brownfield redevelopment and is seeking a change to have the province forego collection of education taxes on these properties.

- Subclasses should be based on type of development, zones/bands, cost of servicing, with the number of subdivisions and types to be determined by municipalities.
- Allow for some subclasses to be excluded from the 5:1 linkage (e.g., brownfields, affordable housing and vacant non-residential property).
- Ensure that regulation does not inadvertently determine categories by ownership.
- Subclasses should remain non-linked in the regulation (i.e. there should be no linkages between highest and lowest residential tax rates and no linkages between lowest and highest non-residential tax rates).

Jointly supported by the AAMDC and the AUMA

Comments:

AAMDC members are supportive of this change as it is one additional tool to incent redevelopment of brownfields. An additional area for improvement is to also allow for deferrals on the education property

AAMDC Bill 21: Modernized Municipal Government Act – Final Submission

tax portion of the tax bill for the owners of brownfield when municipalities allow for a deferral or cancellation on the brownfield property.

The AAMDC recommends the Government of Alberta revisit the recommendations put forward by the Alberta Brownfields Redevelopment Working Group.

8	Affordable Housing (Inclusionary Zoning): How can Municipal Affairs support improvement in the affordable housing supply in Alberta?
Current Status: The legislation is silent on affordable housing initiatives and provides municipalities with limited powers to require affordable housing.	
Proposed Status: Enable inclusionary zoning as an optional matter within municipal land use bylaws. In some instances, money in place of inclusionary housing will be permitted.	
<p>AAMDC Position: The AAMDC supports the amendments to improve inclusionary zoning and is seeking the following changes:</p> <ul style="list-style-type: none"> ▪ Developers and the province should contribute towards the offsets and the cost of affordable housing. ▪ Define “affordable housing” <p><i>Jointly supported by the AAMDC and the AUMA</i></p>	
<p>Comments:</p> <p>AAMDC members recognized that affordable housing is more likely to impact urban communities than rural areas but it will remain an optional tool for rural municipalities, especially those pursuing more traditionally urban residential development. The AAMDC also supports the cash-in-lieu option for municipalities.</p> <p>Additional clarification is required to properly define ‘affordable housing’ as this may vary among municipalities.</p>	

9	Strengthening Impartiality of Planning and Development Appeal Boards: What requirements, if any, should the province place on municipal appeal board members through legislation to reduce bias or perception of bias?
Current Status: Municipal councillors and public members sit on subdivision and development appeal boards (SDABs) but may not form the majority of the Board.	
Proposed Status: Prohibit municipal councillors from a single municipality forming the majority of SDAB. An immunity clause has been added to protect SDAB members. It indicates that members of a SDAB are not personally liable for anything done in good faith and will not be liable for costs in respect to an application for permission to appeal or an appeal.	
<p>AAMDC Position: The AAMDC supports the amendments to membership of MGA-referenced appeal boards and are seeking the following changes:</p> <ul style="list-style-type: none"> ▪ Amend 454.11(2)(b) to allow for the majority of members of a hearing panel to be councillors outside of the formalized regional appeal board, provided that this majority is a result of the inclusion of councillors from other municipalities. ▪ Exemptions should be made available for unique circumstances where board recruitment efforts have been exhausted. <p><i>Jointly supported by the AAMDC and the AUMA</i></p>	
Comments:	

AAMDC Bill 21: Modernized Municipal Government Act – Final Submission

Many AAMDC members have noted that it is difficult to attract and retain members and that there should be a provision that exempts a municipality if in its due diligence, they cannot find replacements, they can be allowed to have a council majority or allow the MGB to take over that role.

It was generally recognized that this may force municipalities to work together on SDABs and that this may be something to recommend municipalities to consider in their ICF discussions with regional neighbours.

10	Sub-Division Appeal Board (SDAB) Training (2015): How should the Province ensure that local subdivision and development appeal boards are knowledgeable about their roles and responsibilities?
Current Status: Subdivision and Development Appeal Board (SDAB) members can voluntarily access training but are not required to do so. Training can be locally developed and delivered.	
Proposed Status: SDAB members are required to complete a training program in accordance with a regulation to be developed by the Minister.	
AAMDC Position: The AAMDC supports training for SDAB members and supports provincial support in the provision of this training. Additionally, given the similarities between SDAB functions and training for LARBs and CARBs, the AAMDC recommends that some form of credit be given to those individuals who have completed similar training.	
Comments: Positive feedback was received on this issue though the costs to provide the training was raised as a concern. Efforts should be made to streamline training requirements and for the Government of Alberta to develop resources and tools that can be delivered in a low-cost manner.	

11	Decision Making Timelines for Development Permits: What should be the timelines for the review, decision, and approval of subdivision and development permit applications in the MGA?
Current Status: The MGA specifies the timelines for issuing decisions and lodging appeals for subdivision and development applications.	
Proposed Status: Maintain existing decision timelines for most municipalities, but allow additional time to determine whether an application is complete. Allow cities and larger municipalities to pass a bylaw outlining different timelines.	
AAMDC Position: The AAMDC supports the changes to the decision making timelines and the allowance for municipalities to take more time to determine whether an application is complete. The AAMDC supports the changes to the decision making timelines, but would recommend that the allowance for municipalities to determine their own timelines be based on a population measure (e.g. 15,000). <i>Jointly supported by the AAMDC and the AUMA</i>	
Comments: Allowing for additional time to determine whether an application is complete is a valuable amendment to the development review process as in the past, many complex development proposals were not able to be reviewed in the allotted time and extensions are commonly needed. With the proposed option for large cities and specialized municipalities to outline their own timelines, all efforts should be made to find reasonable consistency between timelines in different municipalities.	

Other types of municipalities (besides cities and specialized municipalities) have an appropriate level of knowledge and sophistication, and complexity in the development applications received, to adopt their own decision timelines. Further, these municipalities also experience rapid growth and therefore this flexibility should be based on population or growth rate, not type of municipal structure.

12	Municipal Reserve and School Reserves: What types of reserve land should be dedicated during subdivision? How should the reserve land amounts be calculated?
<p>Current Status: Up to 10 per cent of the land can be dedicated as Municipal Reserve (MR), School Reserve (SR) or Municipal and School Reserve (MSR). Up to an additional 5 per cent may be dedicated as MR, SR or MSR if the development meets a certain density requirement. Calculation of MR, SR and MSR occurs after Environmental Reserve (ER) lands have been dedicated. There is no indication on whether MR, SR or MSR is calculated before or after roads and utilities are dedicated.</p>	
<p>Proposed Status: No legislated changes.</p>	
<p>AAMDC Position: The AAMDC is asking that this matter be included in the MGA amendments and are seeking the following changes to how municipal and school reserves are administered, including expanding the range of allowable uses to increase flexibility in the use of those lands:</p> <ul style="list-style-type: none"> ▪ Enable municipalities to take up to 15 per cent reserve or provide for the option of cash-in lieu. ▪ Mandate joint use agreements and articulate criteria to ensure these agreements: define a process for acquiring land for future schools, define standards for school sites, articulate responsibilities for site development and maintenance, contain stipulations regarding joint use of facilities and playing fields, articulate a process for dispute resolution, and contain a mechanism for regular review. ▪ In instances of significant redevelopment, municipalities should have the ability to rededicate reserve lands. <p><i>Jointly supported by the AAMDC and the AUMA</i></p>	
<p>Comments:</p> <p>The AAMDC is anticipating future discussions with Alberta Education to potentially alleviate concerns with respect to school reserves and municipalities.</p> <p>For municipal reserves, municipalities should be enabled to determine appropriate uses within their jurisdictions in order to best meet their needs. This should include public use and public-private partnership use that is complementary to public use and aligns with ‘municipal purposes’ as identified by the council.</p>	

13	Regional Pooling of Municipal Taxes or Grant Revenues: Should there be mandatory sharing of municipal tax revenues from non-residential development? If so, should redistribution of revenues be at the municipal, regional, or Provincial level?
<p>Current Status: Funding for regional initiatives or inter-municipal transfers are done on a voluntary basis.</p>	
<p>Proposed Status: No mandated pooling of regional taxes. However, municipalities will have to work with their municipal neighbours to ensure the planning, delivery, and funding of regional services is addressed through an inter-municipal collaborative framework.</p>	
<p>AAMDC Position: As a general principle, the AAMDC does not support regional pooling of municipal taxes or grant revenues, and therefore, supports the province’s maintenance of the status quo on this item.</p>	

Comments:
The AAMDC supports cost-sharing as opposed to revenue-sharing.

14	Bodies of Water: Should the definition of bodies of water be changed?
Current Status: Currently, the MGA does not have a clear definition of “Body of Water”	
Proposed Status: Bill 21 proposes a change to the definition of water body. The proposed definition of water body: <ul style="list-style-type: none"> ▪ a permanent and naturally occurring body of water, or ▪ a naturally occurring river, stream, watercourse or lake. 	
AAMDC Position: Ensure alignment in Bill 21 with regard to wetlands with the Alberta Wetland Policy and support the term “wetland” being added to the definition of water body to allow improved policy alignment for land-use planning and environmental consideration at the local level. Provide definitions of ‘jurisdictional’ be clarified on the ownership and party responsible for lands adjacent, such as beds and shores, to bodies of water. <i>Jointly supported by the AAMDC and the AUMA</i>	
Comments: For municipalities to be prudent land managers, there must be consistency in the regulations and legislation for bodies or water, wetlands, etc.	

GOVERNANCE AND ADMINISTRATION	
15	Provincial-Municipal Relationship (Preamble): Should the province legislate municipal and provincial roles and responsibilities?
Current Status: The partnership between the Province and municipalities is implied but not explicitly mentioned in the MGA or other legislation. Roles and responsibilities are not legislated.	
Proposed Status: A preamble will be incorporated into the MGA to describe the partnership relationship between the province and municipalities.	
AAMDC Position: The AAMDC supports the inclusion of a preamble in the MGA and believes it is a strong recognition of the role municipalities play in Alberta. <i>Jointly supported by the AAMDC and the AUMA</i>	
Comments: The inclusion of a preamble that illustrates our partnership is a positive step in building a collaborative relationship between the Government of Alberta and municipalities. However, in order to be meaningful, the principles in the preamble must be acted upon by the province in their day-to-day interactions with municipalities.	

16	Enforcement of the MGA: Should the existing mechanism for the oversight of municipalities be maintained, or should some other legislated mechanism be introduced.
Current Status: Enforcement is at the local level, through the courts, or in certain circumstances, by the Minister.	
Proposed Status: Expand the mandate of the Alberta Ombudsman to include oversight of municipalities and to respond to complaints about municipalities. The Ombudsman will review cases to ensure actions and decisions were fair and consistent with relevant legislation, policies and procedures.	
AAMDC Position: The AAMDC does not support the expanded oversight of the Alberta Ombudsman; however, if this amendment is to remain, the AAMDC is seeking the following changes: <ul style="list-style-type: none"> ▪ Include additional parameters in a Ministerial Guideline on what is in and out of scope regarding an issue of administrative fairness. ▪ Include a 3-year review of these provisions as a trial period. ▪ Require annual reporting to the public on all matters brought forward to the Ombudsman (including complaints that were not investigated and those where no recommendations were made). ▪ Require the Ombudsman to notify the affected municipality and CAO for all complaints (even those not investigated). ▪ Require the complainant to attempt to work with the municipality to resolve the complaint before an investigation begins. ▪ The Public Participation Regulation and the new Duty of a Councillor (Section 153 (a.1)) should be specifically exempt from complaints or oversight by the Ombudsman, along with Code of Conduct matters ▪ Provide clear direction to municipalities about how to identify when councils may have no choice but to operate outside of existing municipal policies to deal with unexpected or unique municipal issues. 	

<ul style="list-style-type: none"> ▪ Ensure that the Ombudsman’s responsibilities and powers do not interfere or overrule employee obligations to professional standards. <p><i>Jointly supported by the AAMDC and the AUMA</i></p>
<p>Comments:</p> <p>The AAMDC believes that the current enforcement and accountability mechanisms in the MGA are typically effective. The inclusion of additional mechanisms should meet a demonstrated gap in the existing tools and not place municipalities at risk of being exposed to frivolous or unwarranted complaints that could cause an administrative burden or unnecessary tension between the municipality and ratepayers.</p> <p>AAMDC members expressed concern about the expansion of the Alberta Ombudsman’s powers to include oversight of municipalities. Subjecting municipal decision-making and administrative processes to the oversight of the Ombudsman may compromise municipal autonomy and provide an additional avenue for those unhappy with a council’s decision, rather than the process followed, to overturn or delay the implementation of that decision. Additionally, even if the municipality is found not at fault, the launching of an investigation by the Alberta Ombudsman can erode public trust in an elected council.</p> <p>Municipalities should have the ability to go before the Ombudsman to present meeting minutes or supporting documentation in instances where a complaint is being heard.</p> <p>It is the AAMDC’s current understanding that the Minister will have final approval over any corrective action. This is an important addition into this process.</p>

17	<p>Councillor Responsibilities: Should the <i>Municipal Government Act</i> (MGA) establish minimum standards for council orientation and training of municipal elected officials? Should the MGA require municipalities to adopt a councillor code of conduct?</p>
<p>Current Status: The MGA does not require council or administration orientation or training. The MGA does not require municipalities to adopt a councillor code of conduct.</p>	
<p>Proposed Status: Require all municipalities to offer elected officials orientation training following each municipal election, including by-elections. Municipalities will be required to adopt a councillor code of conduct based off minimum standards outlined in a regulation.</p>	
<p>AAMDC Position: The AAMDC supports the amendments that require the offering of training for municipal councillors following elections and by-elections and that councils to adopt a code of conduct. The AAMDC recommends the following additions:</p> <ul style="list-style-type: none"> ▪ Require attendance of the orientation mandatory within the MGA. ▪ Amend the <i>Local Authorities Election Act</i> (LAEA) to require prospective councillors to sign the code of conduct when they sign their nomination papers. ▪ Amend the LAEA to also require mandatory orientation be completed <u>before</u> a candidate can file a nomination form. This would include an acknowledgment of having read and understood the council code of conduct. <p><i>Jointly supported by the AAMDC and the AUMA</i></p>	
<p>Comments:</p> <p>AAMDC members support the inclusion of codes of conduct and councillor training as proactive tools to support councils in making educated and collaborative decisions. However, a lack of detail on how codes of conduct will be mandatory for democratically elected officials, as well as consequences if codes of conduct and/or training requirements are ignored result in speculation as to how effective each tool would ultimately be in strengthening councils.</p>	

AAMDC Bill 21: Modernized Municipal Government Act – Final Submission

The code of conduct must be adopted in a manner that does not demean or exclude people from council, and must not be a bar to entry. The code of conduct's ultimate purpose must be to provide strong governance to a municipality.

The AAMDC has been identified as an avenue to highlight best practices for AAMDC members and will look to work with the Government of Alberta on in this process.

18

Strategic Corporate Planning (2015): Should the MGA place more onus on municipalities to plan for the future, by requiring the development, implementation, and updating of tools such as business plans, strategic plans, asset management plans and longer-term financial plans?

Current Status: Municipalities are not required to develop multi-year capital and operating plans.

Proposed Status: Municipalities must prepare a financial operations plan over a period of at least three years. Each municipality must prepare a capital plan over a period of at least five years. The Minister may develop a regulation respecting financial plans and capital plans.

AAMDC Position: The AAMDC supports the strategic corporate planning requirements within the MGA with the request that planning tools and resources be made available to municipalities.

Comments:

AAMDC members support the creation and implementation of multi-year operating and capital plans, both for improving planning and administration in their own municipalities, and for improving the viability of small urban municipalities. Despite this, there is concern around how these planning requirements will align with mandatory intermunicipal planning, particularly for small municipalities with limited capacity.

There are additional concerns raised that municipalities cannot develop multi-year financial plans without a knowledge of long-term future grants and reliable provincial funding. For this reason, it is important the municipalities have long-term sustainable funding.

19

Voluntary Amalgamation (2015): Should voluntary amalgamation be enabled?

Current Status: The MGA currently does not readily enable voluntary amalgamation, and does not fully address all amalgamation scenarios.

Proposed Status: Following instances where an amalgamation process is initiated, whether voluntary or other, a report must be completed that reflects the results of the negotiations, and must be approved by the council of the initiating municipality. The other municipality must either: 1) approve the report through resolution by the other municipality's council, or 2) provide comments in the report why it is not approving the report.

AAMDC Position: The AAMDC supports the streamlining of the voluntary amalgamation process, subject to support from the councils and public of all participating municipalities and are requesting further changes to expedite the process for voluntary amalgamation involving contiguous municipalities. For example, a municipal petition could trigger a plebiscite for an amalgamation.

Jointly supported by the AAMDC and the AUMA

Comments:

In voluntary amalgamations, steps should be taken to streamline the process of amalgamation.

As opposed to mandating a plebiscite for amalgamations which can often come at considerable cost, the municipal associations support the use of a petition to trigger a plebiscite on an amalgamation.

AAMDC Bill 21: Modernized Municipal Government Act – Final Submission

20	Non-contiguous amalgamation (2015): Should non-contiguous amalgamation be permitted under the MGA?
Current Status: Non-contiguous amalgamation is not permitted under the MGA.	
Proposed Status: Non-contiguous amalgamation is permitted among summer villages that share the same body of water.	
AAMDC Position: The AAMDC supports non-contiguous amalgamations for summer villages on a common body of water.	
<p>Comments:</p> <p>AAMDC members are supportive of non-contiguous amalgamations for summer villages on a common body of water, but not for other municipalities.</p>	

21	Annexations (2015): What conditions should municipalities be required to meet before an annexation application is accepted?
Current Status: Annexation proposals are reviewed by the Municipal Government Board but there is no regulation or guiding principles to govern annexations.	
Proposed Status: The Minister may create a regulation that specifies the procedure when an annexation request is refused.	
AAMDC Position: The AAMDC supports the creation of an annexation regulation that will provide clear guidelines for when and if an annexation is an appropriate measure to manage growth and development. In all instances, annexation and other boundary changes should be viewed as a last resort after other collaborative efforts have been exhausted.	
<p>Comments:</p> <p>AAMDC members are supportive of the development of a regulation around annexations, although it was difficult to form a strong position given the fact that details are not yet available. There is a sense among members that the current annexation process often puts rural municipalities in a defensive position against what they often perceive as unjustified attempts by urban municipalities to grow outwards. Under ideal circumstances, the proposed regulation will reduce contested annexations while maintaining annexations as a tool for municipalities with a legitimate need to grow. This outcome may also be achieved through the development of ICFs/IDPs.</p> <p>Additional concerns have been raised regarding the needs for clear annexation timelines and a process that doesn't neutralize land for years while decisions are heard.</p> <p>The timeline for projected growth in an annexation should be justified and capped at 20 years.</p>	

22	Public Engagement and Notification (2015): What requirements should municipalities have to engage and notify their residents?
Current Status: Municipalities can engage with public as they see fit, with some requirements. Municipalities must also notify residents through newspaper/mail and other methods	
Proposed Status: The Minister can establish regulations guiding engagement policies and notification that will require municipalities to pass by-laws establishing how they notify and engage with the public.	
AAMDC Position: The AAMDC supports the approach to public notification and engagement that was featured in the <i>Municipal Government Amendment Act (2015)</i> .	
Comments:	

AAMDC Bill 21: Modernized Municipal Government Act – Final Submission

AAMDC members were generally supportive of the modernization of public engagement and notification requirements, as long as adequate flexibility was included to allow municipalities to adapt to local circumstances and capacities.

Clarification was provided that these specific provisions do not relate to a municipality's relationship with First Nations or Indigenous communities unless those communities are within the jurisdiction (a neighborhood or hamlet) of the municipality.

23	Municipally Controlled Corporations: What role, if any, should Municipal Affairs have in the establishment and operation of municipally controlled corporations?
Current Status: Municipalities require the approval of the Minister of Municipal Affairs to establish a municipally controlled for-profit corporation.	
Proposed Status: Allow municipalities to establish municipally controlled for-profit corporations without specific permission, but legislate requirements regarding the allowable scope of these corporations and the transparency of their formation and operation.	
<p>AAMDC Position: The AAMDC supports the amendments with respect to municipally controlled corporations and are seeking the following changes:</p> <ul style="list-style-type: none"> ▪ Expand to encompass corporations owned by multiple municipalities and not just corporations owned by a single municipality. ▪ Allow new and existing Regional Services Commissions to have the same ability to form and to be amended without requiring permission from the Minister. <p><i>Jointly supported by the AAMDC and the AUMA</i></p>	
<p>Comments:</p> <p>This is a positive change as it allows greater local autonomy in the formation of municipally controlled corporations. It streamlines the process and provides greater flexibility and less onerous requirements for the creation and acquisition of for-profit corporations. Given the trend towards intermunicipal collaboration and regional service delivery – and the benefits that can be derived by increasing economies of scale through a regional approach – it is important that the Act recognize ownership by multiple municipalities.</p>	

24	Open Council Meetings (2015): Should municipal councils have expanded flexibility to meet in private or be required to increase transparency for council deliberation?
Current Status: The MGA requires councils to hold meetings in public, unless the purpose is to discuss specific matters as permitted under the <i>Freedom of Information and Protection of Privacy (FOIP) Act</i> . There is no definition of “council meeting” in the MGA.	
Proposed Status: Rules will be clarified for when meetings can go “in-camera”. A meeting can only be closed following a resolution and the resolution must state why it is being closed. The Minister will create a regulation on closed meetings for councils and council committee meetings.	
AAMDC Position: The AAMDC supports the proposed changes to the opening and closing of council meetings as featured in the <i>Municipal Government Amendment Act (2015)</i> .	
<p>Comments:</p> <p>AAMDC members are supportive of creating more consistency around when and how meetings can be closed to the public. The current status often leads to inconsistent standards around transparency. The regulation guiding meetings should ensure that informal get-togethers and retreats are not considered council meetings and should be exempt for FOIP.</p>	

25	Petitioning Processes (2015): Does the MGA provide appropriate requirements for municipal petitions?
Current Status: The MGA mandates petition sufficiency based on specific requirements that include a specific percentage of eligible signatories and time limits for completion.	
Proposed Status: The CAO will have 45 days, instead of 30, to declare to council or the Minister that a petition is valid. A bylaw can be introduced to change the percentage rules for petitions, allow residents to remove their names, allow for electronic submissions, and extend the timelines for submissions. Information collected through petitions must only be used to validate the petition. Residents will be able to use an email on a petition. Provincial inspections of municipalities can be triggered through petitions.	
AAMDC Position: The AAMDC supports the proposed changes to the petitioning process as featured in the <i>Municipal Government Amendment Act (2015)</i> .	
Comments: The AAMDC is supportive of enabling local flexibility in setting the standards for what constitutes a valid petition. The use of electronic petitions is also generally supported, although some concerns were expressed related to validating the identities of signatories to electronic petitions. The regulation for petitions should set a maximum and minimum threshold for the percentages of signatures needed to validate a petition. Additional clarification is required around who can be a commissioner of oaths as in some instances, this role has been unclear and improperly used.	

26	Municipal Structures: How should municipal types/structures be determined and enforced?
Current Status: Population and land density are the determining factors in categorizing municipalities (cities, towns, rural municipalities, etc.); however, municipalities choose what structure type they request the Minister to grant them.	
Proposed Status: No legislative changes.	
AAMDC Position: The AAMDC supports the maintenance of the status quo with respect to how municipal structures are determined.	
Comments: No comments	

27	Municipal Viability: Should the MGA establish minimum thresholds for measuring municipal viability, and include a mechanism to address situations where municipalities do not meet the thresholds?
Current Status: The Municipal Sustainability Strategy (MSS) focuses on providing capacity building support to municipalities, and on a more proactive and inclusive viability review process to assist municipalities in assessing and making choices about their long-term future sustainability.	
Proposed Status: No legislative changes.	
AAMDC Position: The AAMDC recommends changes to the viability process for municipalities in Alberta to ensure that the process is proactive and designed to prevent dissolutions.	

AAMDC Bill 21: Modernized Municipal Government Act – Final Submission

The AAMDC is seeking a change so that the MGA explicitly states that there will be predictable, long-term funding for municipalities so that they can be sufficiently resources to carry out their core responsibilities and be sustainable and viable.

Comments:

AAMDC members expressed concern that there were no changes to the current viability review process, especially related to the use of viability review tools to proactively prevent dissolutions. As rural municipalities almost always take responsibility over dissolved municipalities and the associated debts and deficits that they had no role in accruing, a greater provincial role in monitoring the status of municipalities before the reach the point of dissolution would assist in supporting municipal viability.

With the current grant programs provided by the province, municipalities cannot be assured that the province will meet its commitments to provide funding

It is inappropriate for the province to require municipalities to create long term financial plans (i.e., three year operating and five-year capital) when municipal revenue sources can fluctuate widely from year to year depending on last minute changes relating to provincial grants or the downloading of a provincial responsibility to municipalities. These challenges are further complicated by the new ICF requirements where municipalities must enter into long term funding agreements for infrastructure and services without knowing what their ability to fund will be.

As municipalities cannot have a deficit operating budget, they must be assured of their revenue streams so that their expenditures are managed accordingly.

28

Consultation with Municipalities: Should the province be required to consult with municipalities on issues where there is a high likelihood that a decision could substantively impact municipal operations?

Current Status: The MGA does not require the province to consult with municipalities.

Proposed Status: No legislative changes.

AAMDC Position: The AAMDC is seeking a change so that the MGA specifies that the Government of Alberta engage in meaningful consultation with municipalities regarding any legislative or regulatory change with a substantial municipal impact and must provide at least three years notice of any reduced funding to municipalities before it takes effect.

Comments:

Municipalities cannot be accountable for land use planning and the provision of infrastructure and services when we do not know what the province is considering in terms of its economic, social and environmental policies.

Involving municipalities would allow the province to better appreciate the consequences of its policies on municipalities.

As well, the lack of engagement creates inefficiencies and makes it challenging to provide services.

Further, there is currently an inconsistency that municipalities are being required to develop public participation plans, but the province is not.

A minimum three-year notice period for any funding changes would ensure that municipalities have appropriate information needed to prepare their required three-year operating and five-year capital plans.

29

Duty of a Councillor: Should the MGA establish the duties of a councillor?

Current Status: The MGA outlines duties of a councillor.

<p>Proposed Status: The duty of a councillor has been expanded to include working collaboratively with other municipalities.</p>
<p>AAMDC Position: The AAMDC supports the expansion of councillor duties to include the promotion of intermunicipal collaboration, as long as there is clarity regarding the hierarchy of a councillor’s duties (i.e., between a municipality’s interests and regional interests).</p>
<p>Comments: The municipal associations support intermunicipal collaboration and feel that the added wording supports the expanded expectation to work collaboratively across municipal boundaries.</p>

<p>30</p>	<p>Increased Inspections: Should the inspection powers of the Minister of Municipal Affairs be expanded?</p>
<p>Current Status: The MGA outlines the scope and mandate of the minister’s ability to investigate municipalities.</p>	
<p>Proposed Status: The Minister will be able to require an inspection for any matter connected with the management, administration or operation of any municipality including:</p> <ul style="list-style-type: none"> a) the affairs of the municipality, b) the conduct of a councillor or of an employee or agent of the municipality, and c) the conduct of a person who has an agreement with the municipality relating to the duties or obligations of the municipality or the person under the agreement. 	
<p>AAMDC Position: The AAMDC is requesting that the reference to (c) relating to conduct of a third-party contractor be removed. As well, modifications are required so this does not contradict requirements for code of conduct reviews.</p>	
<p>Comments: The new inspection powers appear to be too expansive, as the powers will include inspection of a municipality because of the actions of an employee or independent contractor. The MGA does not govern the behaviour of third party contractors to a municipality; therefore, municipal inspections should not be allowable based on their conduct. Further, codes of conduct will include the conduct of a councillor and include sanctions and consequences. Therefore, additional enforcement measures for the conduct of councillors are unnecessary. Any Ministerial inspections will need to be aligned and consistent with what is set out in the Code of Conduct regulation.</p>	

<p>31</p>	<p>Review of the MGA: How often should the MGA be reviewed?</p>
<p>Current Status: The MGA does not outline when the MGA should be reviewed.</p>	
<p>Proposed Status: No legislative changes.</p>	
<p>AAMDC Position: The municipal associations support mandated regular reviews of the MGA and suggest a ten-year review period.</p>	
<p>Comments: Regular reviews of the MGA are required to ensure the legislation continues to meet the evolving needs of municipalities.</p>	

AAMDC Bill 21: Modernized Municipal Government Act – Final Submission

Provisions within the MGA will need to be reviewed and revised regularly, to ensure it keeps pace with governance requirements and changing municipal needs. Further, changes to the appeals processes may create court decisions and precedents that are contrary to the intent of the legislation. Providing periodic reviews allows for making adjustments as required.

The MGA should be reviewed every ten years with minor amendments passed on an as needed basis in consultation with municipalities and their associations.

32

Joint and Several Liability: Should joint and several liability be changed for municipalities?

Current Status: Joint and several liability remains for municipalities which can result in disproportionate costs to municipalities.

Proposed Status: No changes were made to the MGA regarding joint and several liability as the matter was referred to the Minister of Justice and Solicitor General.

AAMDC Position: The AAMDC calls for further amendments to the MGA and/or other relevant legislation that protect municipalities from liability for damages caused by a municipality responding in good faith to emergencies or providing services to its region unless the municipality is grossly negligent.

Amendments required:

- Protect municipalities from liability for damages caused by a municipality acting in good faith to provide infrastructure and services unless the municipality is grossly negligent.
- Provide a limitation period for any person claiming compensation arising from a road closure.
- Reform joint and several liability, particularly in the areas of contribution shortfall and the creation of a minimum threshold of liability prior to the application of joint and several liability principles.

Comments:

The system of joint and several liability allows a person who was harmed or wronged by several parties to be awarded damages from any one, several, or all of the liable parties. Because municipalities are seen as an easy target given their access to financial resources, they are often included as defendants in lawsuits even where the level of municipal liability is extremely low (e.g. one per cent liable). If other defendants are unable to pay, the municipality will be in the position of paying the entire judgment. This issue comes up frequently with regard to linking municipal road maintenance and design to auto accidents.

Reform is necessary to ensure that municipalities are not required to make financial restitutions that are disproportionate to their liability if co-defendants are unable to pay.

TAXATION AND ASSESSMNT	
33	Linear Assessment and Taxation: Should there be changes to the collection of municipal property tax revenue from linear properties?
Current Status: Tax revenues from linear assessment flow to the municipality in which the property is located.	
Proposed Status: No substantive legislative changes though railways are now considered linear property. Linear tax revenues from linear assessment will continue to flow to the municipality in which the property is located. Requirement for intermunicipal collaborative frameworks will ensure appropriate regional planning, services, and funding of those services.	
AAMDC Position: The AAMDC supports the maintenance of the status quo with respect to the distribution of linear assessment.	
Comments: AAMDC members are pleased to see that the revenue generated from linear assessment and taxation will remain in the municipalities that the property is located within; however, members recognize that discussions around the redistribution of linear tax dollars will take place within the context of ICF discussions. The AAMDC is concerned that with linear property falling under the “designated industrial property” (DIP) class, alterations in the regulated rate for these properties could lead to a decrease in linear revenues, which would have adverse impacts on rural municipalities. The AAMDC supports supplemental assessment on linear property and will await further information on how this will be accomplished.	
34	Economic Competitiveness (Linking Residential and Non-Residential Tax Rates): Should a minimum ratio between residential and non-residential tax rates be legislated?
Current Status: Municipalities are free to set non-residential and residential tax rates independent of one another.	
Proposed Status: Establish a minimum ratio of 5:1 between non-residential and residential municipal property tax rates. Municipalities with ratios beyond 5:1 will be grandfathered (the existing ratio will be allowed to remain in place). If municipalities that are grandfathered want to increase their non-residential mill rate, they will also have to raise their residential mill rate in a proportional manner.	
AAMDC Position: While noting that this change does limit local autonomy and flexibility in setting mill-rates, the AAMDC recognizes the proposed changes as reasonable and acceptable.	
Comments: AAMDC members are generally accepting of the linkage between the residential and non-residential property class recognizing that the grandfathering provisions and 5:1 ratio are better than alternative proposals put forward by other stakeholders.	
35	Splitting the non-residential property classes: Should municipalities be permitted to establish and set different property tax rates for sub-classes of non-residential property?

<p>Current Status: Municipalities do not have the authority to split the improved non-residential property assessment class into sub-classes in order to levy different tax rates against different types of improved non-residential property.</p>
<p>Proposed Status: Allow the non-residential property class to be split into sub-classes and taxed at different rates as defined in regulation. These tax rates will be subject to the maximum ratio limitation on all tax rates.</p>
<p>AAMDC Position: The AAMDC strongly supports the proposed change to allow for splitting the non-residential mill rate and is seeking the following changes:</p> <ul style="list-style-type: none"> ▪ Subclasses should be based on type of development, zones/bands, cost of servicing, with the number of subdivisions and types to be determined by municipalities. ▪ Allow for some subclasses to be excluded from the 5:1 linkage (e.g., brownfields, affordable housing and vacant non-residential property). ▪ Ensure that regulation does not inadvertently determine categories by ownership. ▪ Subclasses should remain non-linked in the regulation (i.e. there should be no linkages between highest and lowest residential tax rates and no linkages between lowest and highest non-residential tax rates). <p><i>Jointly supported by the AAMDC and the AUMA</i></p>
<p>Comments:</p> <p>The municipal associations are supportive of the splitting of the non-residential property class as it will provide an additional tool to municipalities to promote economic development and ensure that the tax rates placed on businesses are proportional to the impacts that they have on municipal infrastructure, services and planning.</p> <p>The rules guiding the subdivision should be flexible and adaptable to a range of municipal needs and municipalities should be enabled to determine the number of subclasses and how the subclasses operate.</p>

36	Centralized Industrial Assessment: Should all industrial property be centrally assessed?
<p>Current Status: The application of definitions and valuation methodologies are varied due to the complex nature of regulating industrial properties. Assessment of these properties is currently separated between municipalities and the province.</p>	
<p>Proposed Status: Centralize all industrial property assessment within Municipal Affairs. Recover costs associated with centralized assessment from industrial property owners. Assign jurisdiction for appeals related to industrial property to the MGB.</p>	
<p>AAMDC Position: The AAMDC opposes the centralization of assessment for designated industrial property as noted above.</p>	
<p>Comments:</p> <p>AAMDC members have expressed considerable concern about the centralization of assessment on designated industrial property because it could lead to decreased local autonomy and local knowledge of the properties being assessed. Further, municipalities are concerned that assessment will be lost or missed and that the proposed cost reductions will not materialize as municipalities retain assessors to verify provincial assessments.</p> <p>The AAMDC believes there are alternative solutions that have been advanced by the Alberta Assessors Association that can address industry concerns regarding equity throughout the province. They include:</p>	

AAMDC Bill 21: Modernized Municipal Government Act – Final Submission

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| a) | The development of industry guidelines and standardized training, and the provision of training on the guidelines to municipal assessors. |
| b) | Assessment of a designated industrial property is carried out by local assessors. |
| c) | Assessments reported to a provincial body ‘Assessment Commissioner’ for review and to ensure province wide consistency. |
| d) | Appeals of designated industrial property to be heard by an independent appeal board. |

37	Fairness for Urban Farms (Assessment of Farm Buildings): How should farm buildings be assessed?
Current Status: In rural municipalities, farm buildings are fully exempt from assessment, while in urban municipalities, they are assessed at 50 per cent of their market value for agricultural use.	
Proposed Status: Exempt all farm buildings in both rural and urban municipalities from assessment.	
AAMDC Position: The AAMDC supports the changes to the assessment on urban farm buildings as a means to level the playing field and remove the disparity between those farming in an urban area versus a rural area.	
Comments: The AAMDC does not have significant concerns with the change to the assessment of farm buildings; however, it was noted that this will impact urban municipalities and could have impacts in terms of their revenue sources. This should be something rural municipalities should be aware of as they discuss ICFs and IDPs. The AAMDC recognizes that this may impact future annexations as agriculture producers will not face an increase in their assessment if they are absorbed by an urban municipality. This may reduce the resistance by those producers to be annexed.	

33	Assessment of Farmland Intended for Development: How should farm land intended for development be assessed and taxed?
Current Status: Farmland is assessed and taxed annually at its agriculture use value until the year in which it is converted to non-farm use.	
Proposed Status: Farmland will be assessed at market value once the land is no longer used for farming operations. The definition of farming operation will be updated through regulation to include the triggers that indicate when land is no longer farmed.	
AAMDC Position: The AAMDC supports the amendment to ensure that the assessment of farmland intended for development fairly reflects the true uses of the land and are seeking a change to specify that land must be actively farmed in order to be considered as farmland. <i>Jointly supported by the AAMDC and the AUMA</i>	
Comments: AAMDC members did not raise any significant concerns about this issue but noted that the definition of farming operations should be revised and clarified. In the regulation, it was noted that a possible solution could be to identify two triggers that could signal the need to change the assessment of the property: 1) the removal of topsoil; and 2) the approval to re-zone the property.	

38	Funding New Development (Offsite Levies): What municipal purposes and infrastructure should offsite levies be collected and used for? How should offsite levies be calculated?
<p>Current Status: Offsite levies can be used for sanitary sewer, storm sewer, roads, and water infrastructure in new developments.</p>	
<p>Proposed Status: Expand the scope of offsite levies to include land, buildings for community recreation facilities, fire halls, police stations and libraries where at least thirty-percent of the benefit of the facility accrues to the new development. Where this threshold is met, developers would contribute according to the proportional benefit.</p>	
<p>AAMDC Position: The AAMDC supports the expansion of the scope of offsite levies to include the land and buildings for community recreation facilities, fire halls, police stations and libraries, and in general, supports the notion that those who benefit from a facility or service should pay for that service in a manner that is proportional to their benefit. The associations are seeking the following changes:</p> <ul style="list-style-type: none"> ▪ Remove the 30 per cent benefit threshold. ▪ Allow collection of all off-site levies in a manner consistent with existing off-site levy processes. ▪ Provide clear definition of the “defined benefitting area”, appeal process and the timing of when the property needs to be built. ▪ Allow for the re-collection of levies following significant redevelopment and allow for negotiations with developers on additional levies. ▪ Allow for regional and intermunicipal offsite levies. ▪ Allow offsite levies to cover municipal costs associated with provincial infrastructure supporting new development such as highways and overpasses. <p><i>Jointly supported by the AAMDC and the AUMA</i></p>	
<p>Comments:</p> <p>The expansion of off-site levies to include land, buildings for community recreation facilities, fire halls, police stations and libraries is a welcome addition to the MGA. These items are important community infrastructure items that support ‘complete communities’. However, there is an additional need for offsite levies to apply to provincial infrastructure and in particular, highways and overpasses that support new development.</p> <p>As noted, the thirty-percent threshold should be removed; however, the AAMDC supports maintaining the tie between the proportion of the benefit served by the new development and contribution of the offsite levy to fund the new infrastructure. This will ensure that smaller municipalities are not penalized for their inability to meet the thirty-percent threshold. Removing the 30 per cent clause will enable municipalities to charge as they deem appropriate, as is done with current offsite levies (where a proportional amount is utilized).</p> <p>Given that redevelopment projects can often exert considerable costs on municipalities for increased supporting infrastructure, municipalities need the ability to re-collect levies following significant redevelopment.</p> <p>Intermunicipal offsite levies should be considered as a tool to increase collaboration under ICFs. Lastly, AAMDC members have noted that different types of development warrant a different level of service and for industrial properties, fire stations tend to have more extensive requirements and this must be accounted for in the regulation.</p>	

39	Access to Assessment Information for Assessors and Property Owners: What information sharing should be required of assessors and property owners, and how might shared information be used by the recipient?
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AAMDC Bill 21: Modernized Municipal Government Act – Final Submission

<p>Current Status: The MGA outlines requirements for sharing of assessment information, but stakeholders have indicated that the MGA provisions are not sufficiently clear in some cases.</p>
<p>Proposed Status: Clarifies the information requirements for both assessors and property owners without increasing the scope of the information required. This will be done by enhancing regulation-making authority and providing detailed direction in a best practices guide.</p>
<p>AAMDC Position: The AAMDC supports the Government of Alberta’s proposed changes relating to access to assessment information, as they will increase clarity and consistency for both assessors and property owners. <i>Jointly supported by the AAMDC and the AUMA</i></p>
<p>Comments: The AAMDC supports greater clarity for assessment information as a means to provide for an efficient assessment process.</p>

40	<p>Assessment Complaints: How should complaint timelines, awarding of costs, assessment complaint corrections, agent authorization and judicial appeals be treated?</p>
<p>Current Status: Local Assessment Review Boards hear business tax and business improvement area levy complaints. The assessor may not make corrections to an assessment under complaint. An assessed person must seek leave to appeal, and then an appeal must proceed before the case can be judicially reviewed.</p>	
<p>Proposed Status: Composite Assessment Review Boards (CARBs) hear business tax and business improvement area levy complaints. The assessor may make corrections to an assessment that is under complaint without assessment review board ratification or withdrawal of the complaint. ARB decisions may be appealed at Court of Queen’s Bench by judicial review only.</p>	
<p>AAMDC Position: The AAMDC supports the transfer of assessment complaints to CARBs. The AAMDC supports the ability for an assessor to make corrections to an assessment that is under complaint. The municipal associations support a regular review of the changes to the Leave to Appeal step in the appeals process to ensure it meets its intended outcome. <i>Jointly supported by the AAMDC and the AUMA</i></p>	
<p>Comments: The proposed changes are reasonable and should ensure that complaints are well founded. Additionally, the ability to revise assessments under complaint may alleviate concerns identified by property owners that led to the initial complaint. Ideally, this will improve the complaint process by allowing for issues to be revised prior to reaching appeal boards.</p>	

41	<p>Municipal Taxation Powers: Should municipalities be granted authority to levy new and broader types of taxes?</p>
<p>Current Status: Municipal taxation powers are: property tax, business tax, special tax, well drilling equipment tax, business revitalization zone tax, local improvement tax, as well as fees and levies. The sharing of provincial revenues with municipalities is non-legislated, and is administered through the grants model.</p>	
<p>Proposed Status: No legislative change.</p>	

AAMDC Position: The AAMDC is seeking a change so that the MGA enables expanded revenue tools through a wider variety of taxes and levies as well as increased flexibility in the current tools available to municipalities so that they can manage growth pressures and unique challenges in their communities.

Jointly supported by the AAMDC and the AUMA

Comments:

The AAMDC supports long-term sustainable funding for municipalities which could be realized through different means including an expansion of the revenue tools available to municipalities. This could also be realized through the expansion of grant programs and statutory transfers from other levels of government.

While municipalities currently have access to a limited range of revenue generating tools, not all of these tools are suitable for all municipalities due to differences in size, location, and demographics. As well, not all municipalities have access to the same economic base from which to draw revenues. Additional and more innovative funding mechanisms are required so that all communities regardless of location or size can deliver high quality services and infrastructure to their citizens.

Prospective additional tools that municipalities would otherwise seek to use often lead to costly and time consuming legal challenges given ambiguous wording in the legislation, which deters municipalities from taking advantage of the full suite of resources the province appears to believe they have access to. In addition, municipalities' main source of revenue – property tax – is already at capacity in many communities and cannot be increased without downloading an undue burden on ratepayers. This effect is compounded by the refusal of the province to vacate the education property tax requisition.

Further, a lack of legislated certainty for municipal funding has implications ranging from challenges in providing services, to the inability to budget for infrastructure, which creates asset management issues.

42

Education Property Taxes: Should the Province continue to require municipalities to collect the education property tax? If yes, should municipalities be reimbursed for administrative costs associated with collecting and submitting the education property tax?

Current Status: Education property taxes are collected by municipalities and transferred to the Province.

Proposed Status: No legislative change.

AAMDC Position: The AAMDC supports amendments to the MGA to exempt municipalities from paying for the education property tax requisition on delinquent or defunct property owners, as this places an unfair burden on municipalities due to circumstances beyond their control. These amendments should include all properties.

Jointly supported by the AAMDC and the AUMA

Comments:

AAMDC members argued that municipalities should either have the tools to collect unpaid education property taxes in a cost-effective manner, or they should be exempt from paying that portion of the requisition.

Further, AAMDC members have noted that municipalities should not be administering education property tax as it is another 'download' to municipal governments. The current arrangement removes tax room for municipalities and limits their flexibility to collect revenue

43

Provincial Revenue Sharing: Should the Province commit to legislated revenue sharing with municipalities?

Current Status: The province does not commit a legislated amount of funding to municipalities.
Proposed Status: No legislative change.
AAMDC Position: The AAMDC supports long-term sustainable funding for municipalities and would support a legislated link between municipal funding and provincial revenue streams to provide stable funding that is also reflective of the ebbs and flows of the provincial economy.
Comments: No comments.

44	Property Tax Recovery Tools: What changes or tools should municipalities have to recover unpaid taxes?
Current Status: The MGA provides limited means for municipalities to recover taxes that are unpaid.	
Proposed Status: No legislative change.	
AAMDC Position: The AAMDC supports stronger property tax recovery tools and an exemption from paying the education property tax requisition on behalf of delinquent or defunct property owners. <i>Jointly supported by the AAMDC and the AUMA</i>	
Comments: AAMDC members raised numerous concerns that the current tax recovery tools available to municipalities are not sufficient, especially in light of the economic conditions of the province. This issue is also directly related to the lack of changes in the education property tax requisitions that need to be paid regardless of whether the property owner paid the tax (see item 38). The province must either exempt non-paid taxes as part of the education property tax requisition or give municipalities the tools to collect those taxes at a reasonable cost to the municipality. A significant challenge for municipalities are leases on Crown lands and the inability to hold any party to account for unpaid taxes in those instances.	

45	Responsibility for Costs Associated with Dissolution: Who should carry the burden of costs associated with dissolution?
Current Status: The absorbing municipality tends to carry the debits and infrastructure deficits of dissolved municipalities despite having no say in the decisions that created the liabilities. Some grants are available to offset costs.	
Proposed Status: No legislative change.	
AAMDC Position: That the province, following dissolution, fund all of the costs of the infrastructure deficit and liabilities of the absorbed municipality and provide such funds to the receiving municipality. <i>Jointly supported by the AAMDC and the AUMA</i>	
Comments: AAMDC members remain concerned that the current Municipal Sustainability Strategy (MSS) and the costs associated with absorbing municipalities deemed non-viable are remaining status quo. AAMDC members have noted that the extensive planning demands put forward in the MGA are going to stress small towns and villages and may increase dissolutions, and that the MSS process is already struggling to meet the needs of Alberta’s communities. As a principle, the absorbing municipality should not be responsible for the debts and liabilities of the dissolved municipality because in most instances, the absorbing municipality had no voice in the	

AAMDC Bill 21: Modernized Municipal Government Act – Final Submission

creation of those debts and liabilities, and the absorbing municipality does not have the option not to accept the dissolved municipality. Though differential millrates may be applied to the dissolved municipality's property owners to offset some of the cost, often the property owners of the absorbing municipality are required to cover a portion or all of the cost.

To ease the planning requirements on municipalities, the Government of Alberta should develop tools, templates and other resources to reduce the demands on small communities and use the MSS Strategy as a tool to proactively prevent dissolutions, rather than facilitate the process after a dissolution is inevitable.

46	Industrial Property Assessment: Should changes be made to the industrial property assessment definitions, timing, valuation or appeals?
Current Status: Industrial properties are valued using regulated rates and procedures, and using definitions not updated since 1995.	
Proposed Status: No legislative change.	
AAMDC Position: The AAMDC recommends updating the valuation criteria outlined in the Minister's Guidelines for machinery and equipment, as these have not been updated to match current technology. Companies should be required to register any name changes with the local municipality to allow for greater tracking for tax notices.	
Comments: AAMDC members have identified concerns with the immediate depreciation on M&E assessment. At the time it was brought in, it was to incentivize development but this may no longer be needed and if so, it could be dealt with on the taxation side of the equation through the split mill-rate provisions.	

47	Farmland and Farm Residences: Should farm residences continue to receive a level of exemption?
Current Status: Farm properties receive an assessment exemption on farm residences that are based on the total assessed value of any owned or leased farm land. The purpose and amount of this exemption has not been updated since the 1980s. This exemption does not apply to residences on acreages. Assessment for farm land is assessed at its agriculture value based on the regulated rate formula.	
Proposed Status: No legislative change.	
AAMDC Position: The AAMDC supports the status quo with regard to the exemption for farm residences and the maintenance of the regulated rate on farmland.	
Comments: The AAMDC supports the exemption for farm residences and the regulated rate on farmland though discussions on revisiting the formula for the regulated rate may be prudent to ensure it is equitable to municipalities and property owners and reflects current farm practices.	

48	Intensive Agriculture Operations: How should farm buildings that are used for intensive farming operations be assessed?
Current Status: Assessment for farm land including those used for 'intensive agriculture operations' is assessed at its agriculture value based on the same regulated rate formula for non-intensive farms.	

AAMDC Bill 21: Modernized Municipal Government Act – Final Submission

Proposed Status: No legislative change.
AAMDC Position: The AAMDC support an enabling amendment to the MGA that allows for a voluntary levy to be levied on intensive agriculture. The details of the levy should be determined through a regulation developed in partnership with commodity groups. <i>Jointly supported by the AAMDC and the AUMA</i>
Comments: AAMDC has long supported agriculture as the heart of our rural municipal communities and believes that it will continue to be one of the industries to carry our provincial economy well into the future. It is recognized that as agriculture evolves, the impacts on some municipalities that are home to the large and intensive operations also change. Traffic impacts due to multiple heavy loads travelling to large or intensive operations often are required on roads that were never designed this type of traffic. The AAMDC supports a voluntary levy that municipalities can use to collect fees from intensive agricultural producers to help offset infrastructure costs related to heavy hauling and repetitive heavy hauling from intensive agriculture activities. Please see the additional submission made by the AAMDC as part of the Intensive Agriculture Operations Working Group process.

49	Airport Property Assessments: How should airport terminals be assessed?
Current Status: Airport terminals are assessed at market value.	
Proposed Status: No legislative change.	
AAMDC Position: The AAMDC supports the status quo.	
Comments: <i>No comments.</i>	

50	Assessment Complaints Process: Are timelines within the assessment complaints provisions appropriate?
Current Status: A property owner may file an assessment complaint within 60 days of an assessment notice being sent.	
Proposed Status: No legislative change.	
AAMDC Position: The AAMDC agrees generally to the changes to the assessment complaints and specifically, with respect to the shift of complaints related to business taxes and business improvement area levies from local authority review boards to composite authority review boards, as well as the allowance for assessors to correct assessment under complaint. The AAMDC is seeking a change to specify a regular review of the in addition to a specific, regular (i.e. two to three year) review of the removal of the Leave to Appeal step in the appeals process to ensure it meets its intended outcome. <i>Jointly supported by the AAMDC and the AUMA</i>	
Comments: The proposed changes appear reasonable and should ensure that complaints are well founded. Additionally, the ability to revise assessments under complaint may alleviate concerns identified by property owners that led to the initial complaint. Ideally, this will improve the complaint process by allowing for issues to be revised prior to reaching appeal boards	

AAMDC Bill 21: Modernized Municipal Government Act – Final Submission

51	Condition and Valuation Dates: Are the condition and valuation dates of different types of property set appropriately?
Current Status: For all property other than linear property, the condition date is December 31 and the valuation date is July 1. The reporting (condition) date of linear property is October 31.	
Proposed Status: The condition and valuation date of designated industrial property is October 31.	
AAMDC Position: The AAMDC supports the shift of the condition and valuation date for designated industrial property to October 31 and supports aligning condition and valuation dates for different types of property to ensure that more assessment complaints can be heard prior to setting tax rates. The AAMDC also supports the changes to supplemental assessment for linear property.	
Comments: Currently, for all property other than linear property, the condition date is December 31 and the valuation date is July 1. The reporting (condition) date of linear property is October 31. Aligning the dates for different types of property would ensure that more complaints can be heard prior to setting the tax rates.	

52	Tax and Assessment Exemptions: Should changes be made to grants in lieu of taxes, non-assessable/taxable properties, and assessments non-profit/community organizations?
Current Status: Currently, exemptions on assessment or taxes are offered to certain properties that provide a public or social good, or are operated by the provincial government.	
Proposed Status: No legislative change.	
AAMDC Position: The AAMDC supports a focused review of the Grants in Place of Taxes (GIPOT) program that would consider the array of criteria and valuation standards appropriate for basing any GIPOT program to ensure the program meets the intended outcome.	
Comments: There were no specific comments related to exemptions remaining status quo in the MGA.	