

## Modernized Municipal Government Act Policy Issues Overview

	Policy Issue	Current Status	Proposed Changes	Implications
<b>Planning and Development</b>				
1a	<p><b>Intermunicipal Collaboration:</b> To what degree would the Province determine how municipalities collaborate with one another?</p> <p>(Section 631 and 708.28)</p>	<p>Cooperation between neighbouring municipalities is voluntary, with substantial variation across the province.</p>	<p>Intermunicipal collaboration is a theme throughout the revised legislation. In fact, the section detailing the purpose of a municipality has been revised to include “to work collaboratively with neighboring municipalities to plan, deliver and fund intermunicipal services.”</p> <p>This commitment to collaboration is most present in the introduction of two new mandatory requirements: intermunicipal collaboration frameworks and intermunicipal development plans.</p> <p><i>Intermunicipal Collaboration Frameworks (ICFs).</i> A municipality must develop an ICF with any municipality, either urban or rural, that shares a border. The purpose of an ICF is to provide for integrated and strategic</p>	<p>This will require all municipalities to collaborate, in some way, with their neighboring municipalities. This will include collaboration on planning and service delivery, as well as how regional services are funded. Minimum standards will be found in the regulations. Contents of an ICF are identified in s. 708.29.</p> <p>ICFs are to be completed within two years with a mandatory review every five years at minimum.</p> <p>The requirement for ICFs apply to all municipalities, except those who are members of growth management boards (see issue 2). However, if a member of a growth management board shares a boundary with a municipality that is not a</p>



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			<p>planning, delivery and funding of intermunicipal services, and to ensure municipalities contribute funding to services that benefit their residents.</p> <p>ICFs can include single agreements with individual municipalities or regional agreements with multiple municipalities.</p> <p>If municipalities are unable to come to an agreement on the framework within the allotted timeframe, they are required to go to arbitration and pay for that expense.</p> <p>If the Minister considers that a municipality is not complying with the terms of a framework, the Minister may take all necessary measures to ensure compliance. These measures are found in s. 708.43(3).</p>	<p>member of the growth board, ICFs are mandatory between those municipalities.</p>

<p><b>1b</b></p>	<p><b>Intermunicipal Collaboration:</b> To what degree would the Province determine how municipalities collaborate with one another?</p> <p>(Section 631 and 708)</p>	<p>Cooperation between neighbouring municipalities is voluntary, with substantial variation across the province.</p>	<p><i>Intermunicipal development plans (IDPs):</i> Municipalities with common boundaries who are not members of a growth management board must adopt an IDP by passing a bylaw that includes areas of land within boundaries of the municipalities as they see necessary.</p> <p>The Minister may, by order, exempt one or more municipal councils from the requirement to adopt an IDP.</p> <p>Section 631(1.2) of the revised legislation indicates that municipalities who are not required to adopt an IDP because they do not have a shared border may still adopt an IDP if they so choose.</p> <p>IDPs must address:</p> <ul style="list-style-type: none"> <li>▪ Future land use within the area</li> <li>▪ Manner of and proposals for future development</li> <li>▪ Provision of transportation systems</li> <li>▪ Proposals for the financing and programming of intermunicipal infrastructure</li> <li>▪ Coordination of intermunicipal programs (physical social and economic development)</li> <li>▪ Environmental matters</li> </ul>	<p>Municipalities required to develop IDPs under s. 631(1) of the revised legislation will have five years after the date the new MGA comes into force to comply. An ICF is not considered complete until an IDP is finalized as a component of it (s. 708.3).</p> <p>IDPs being a required component of ICFs may present challenges for municipalities with limited capacity to develop these plans in the identified timeline.</p> <p>The cost of arbitration can be extensive, placing additional strain on municipalities.</p>
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			<ul style="list-style-type: none"> <li>Provision of intermunicipal services and facilities</li> </ul> <p>An arbitration process similar to that found in the section on ICFs is in effect for IDPs in the event that municipalities are unable to come to an agreement locally.</p>	
2	<p><b>Growth Management Boards:</b> To what degree should the Province determine how municipalities collaborate with one another?</p> <p>(Section 708)</p>	<p>The Capital Region Board is the only mandatory growth management board under the MGA. The Calgary Regional Partnership is a voluntary organization that has prepared and adopted the Calgary Metropolitan Plan on the voluntary basis, but the plan only applies to participating municipalities.</p>	<p>Require growth management boards for the Edmonton and Calgary regions, with an expanded mandate to address integrated and strategic planning for future growth which will likely include land use planning, and the planning, delivery and funding of regional services. Economic development may also be a component of GMBs.</p>	<p>This will mandate the membership of the growth management boards as well as expand the scope of the matters that they address. Outside of the Calgary and Edmonton regions, two or more municipalities may continue to create a growth management board on a voluntary basis.</p> <p>At this point, it is unclear who will be responsible for funding the operation of growth management boards.</p>

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3	<p><b>Municipal Development Plans:</b> Should all municipalities be required to adopt an MDP as a statutory plan?</p> <p>(Section 632)</p>	<p>Municipal development plans (MDPs) are mandatory for municipalities with a population threshold of 3,500 or greater.</p>	<p>Require all municipalities, regardless of population size, to create an MDP.</p>	<p>This amendment will improve planning particularly in those municipalities that do not currently have MDPs. However, this will create challenges for small municipalities that lack capacity to develop such plans, which may impact the pace of intermunicipal planning with municipalities currently without an MDP.</p> <p>Municipalities currently without MDPs will have three years after the date the new MGA becomes law to comply.</p>
4	<p><b>Hierarchy, Relationships, and Access to Plans (2015):</b> 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?</p> <p>(Section 638)</p>	<p>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.</p>	<p>Intermunicipal development plans (IDPs) supersede municipal development plans (MDPs) which supersede area structure plans (ASPs).</p> <p>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.</p>	<p>This should provide consistency and transparency to municipal planning.</p>

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5	<p><b>Provincial Land Use Policies:</b> Should the Province continue to have land use policies that apply province-wide?</p> <p>(Section 622)</p>	<p>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>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>As provincial land-use plans are developed, MGA land-use policies will be replaced. The Minister may propose policies to fill the gaps left between ALSA and municipal land-use planning though greater clarity around these powers is needed.</p>
6	<p><b>Environmental Reserve:</b> How should Environmental Reserve (ER) be defined? When should ER land be determined? Should the purpose of ER be expanded?</p> <p>(Section 664 and 674)</p>	<p>The MGA identifies land to consider for ER to prevent pollution and/or provide public access to water. In practice, ER is typically used for land that is not suitable for development. Environmental Reserves are identified during the subdivision process.</p>	<p>Provide clarity in the definition and purposes of ER land, and enable flexibility to determine ER earlier in the planning process.</p> <p>A new type of reserve is created, Conservation Reserve, to protect environmentally significant features. The dedication of Conservation Reserves is subject to compensation at present day market value of the land at the time of application for the landowner. A municipality must not dispose of conservation reserve and must ensure that the land remains in its natural state.</p>	<p>These will provide new optional tools to municipalities to protect environmentally important areas. It will also provide greater predictability in the planning phase for developers and prospective businesses owners.</p> <p>The creation of Conservation Reserves will enable the protection of environmentally significant lands and features.</p>

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7	<p><b>Incenting Brownfield Development (Tax Tools):</b> Should the MGA allow municipalities to grant special tax considerations to brownfield properties for multiple years to encourage their redevelopment?</p> <p>(Section 364.1)</p>	<p>Municipalities confirm annually any cancelation, deferral or reduction to the municipal taxes of a property through annual passing of property tax bylaw.</p>	<p>Allow a municipal council to provide conditional property tax cancellations, deferrals, or reductions for multiple years to identify and promote redevelopment of brownfield properties.</p> <p>Councils may undertake these deferrals through bylaw if they wish to exempt multiple properties meeting certain characteristics of a “brownfield property” as identified in s. 364.1(1)(a-b), or an agreement with the owner of a specific brownfield property for a site specific exemption under 364.1(11-13).</p>	<p>This provides an additional tool to municipalities to ensure brownfields are recovered into productive land at a faster rate.</p> <p>This change complements a recommendation that was made from the Alberta Brownfields Redevelopment Working Group, in which AAMDC was actively involved.</p>
8	<p><b>Affordable Housing (Inclusionary Zoning):</b> How can Municipal Affairs support improvement in the affordable housing supply in Alberta?</p> <p>(Section 650)</p>	<p>The legislation is silent on affordable housing initiatives and provides municipalities with limited powers to require affordable housing.</p>	<p>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>	<p>This will allow for greater flexibility in zoning and planning to ensure communities have low-income housing available.</p>

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9	<p><b>Strengthening Impartiality of Planning and Development Appeal Boards:</b> What requirements, if any, should the province place on municipal appeal board members through legislation to reduce bias or perception of bias?</p> <p>(Section 485, 627 and 628)</p>	<p>Municipal councillors and public members sit on subdivision and development appeal boards (SDABs) but may not form the majority of the Board.</p> <p><b>MGB:</b> The Chair of the Municipal Government Board (MGB) is the Deputy Minister or a designate.</p>	<p><i>Impartiality of Appeal Boards:</i> Prohibit municipal councillors from a single municipality forming the majority of members on any MGA referenced appeal board including SDABs, CARBs, and LARBs.</p> <p>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> <p><b>MGB:</b> The Chair of the MGB will be appointed by Cabinet and report to the Minister of Municipal Affairs.</p>	<p>This amendment may reduce risk of bias on boards but may also create difficulties for smaller municipalities to find public members.</p> <p>The immunity clause may entice members to join an SDAB knowing that the risk of decision in good faith are removed.</p>
10	<p><b>Sub-Division Appeal Board (SDAB) Training (2015):</b> How should the Province ensure that local subdivision and development appeal boards are knowledgeable about their roles and responsibilities?</p>	<p>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.</p>	<p>SDAB members are required to complete a training program in accordance with a regulation to be developed by the Minister</p>	<p>This amendment should improve the quality of SDAB decisions and ensure greater consistency in decisions. However, it could also reduce the number of eligible SDAB members.</p>



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11	<p><b>Decision Making Timelines for Development Permits:</b> What should be the timelines for the review, decision, and approval of subdivision and development permit applications in the MGA?</p> <p>(Section 640)</p>	<p>The MGA specifies the timelines for issuing decisions and lodging appeals for subdivision and development applications.</p>	<p>Maintain existing decision timelines for most municipalities, but allow additional time to determine whether an application is complete. Allow cities and larger specialized municipalities to set their own timelines by bylaw.</p>	<p>As it appears that only larger cities and specialized municipalities will have additional timelines for development permit applications, this should not impact rural municipalities significantly other than allowing for additional time to review applications.</p>
12	<p><b>Municipal Reserve and School Reserves:</b> What types of reserve land should be dedicated during subdivision? How should the reserve land amounts be calculated?</p> <p>(Section 666)</p>	<p>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>No legislative changes.</p>	<p>There are no proposed changes to how reserves are dedicated so some longstanding concerns will persist including issues in the dedication of school reserves when schools are not built within decades of initial subdivision.</p>

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13	<p><b>Regional Pooling of Municipal Taxes or Grant Revenues:</b> 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>	<p>Funding for regional initiatives or inter-municipal transfers are done on a voluntary basis.</p>	<p>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 intermunicipal collaboration framework (ICF).</p> <p>(708.28 establishes mandatory ICFs, including how intermunicipal services are funded – no reference to mandatory revenue sharing).</p>	<p>While municipalities will not see their municipal tax revenue pooled, there will be mandated collaboration with other municipalities that could see municipal tax revenue dedicated to regional services used by the residents of that municipality.</p>

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<b>Governance and Administration</b>				
14	<p><b>Provincial-Municipal Relationship (Preamble):</b> Should the province legislate municipal and provincial roles and responsibilities?</p> <p>(MGA Preamble) – Before the enacting clause</p>	<p>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.</p>	<p>A preamble will be incorporated into the MGA to describe the partnership relationship between the province and municipalities. It is intended to set the tone for the MGA and outline the general roles of municipalities as democratically elected and accountable local governments that contribute to the economic, social, and environmental prosperity of Alberta. It also outlines the importance for municipalities to collaborate and that flexible approaches are required to meet intermunicipal and regional needs.</p>	<p>The relationship between municipalities and the province is clarified in the MGA which describes the relationship as a partnership. This was advocated on to elevate the status of municipalities and ensure discussions between the province and municipalities are truly government to government.</p>

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15	<p><b>Enforcement of the MGA:</b> Should the existing mechanism for the oversight of municipalities be maintained, or should some other legislated mechanism be introduced.</p>	<p>Enforcement is at the local level, through the courts, or in certain circumstances, by the Minister. Municipalities are primarily accountable to their citizens through election and public participation processes.</p> <p>In certain circumstances, the Minister may step in. The province helps to protect the public interest and ensure that municipal actions and decisions are administered fairly through requirements in the MGA. Currently, citizens can petition the Minister for an audit or an inquiry, but not for an inspection.</p>	<p>Expand the mandate of the Alberta Ombudsman to include oversight of municipalities and to respond to complaints about municipalities. The ombudsman will review the case to ensure actions and decisions were fair and consistent with relevant legislation, policies and procedures.</p> <p>Other changes to the MGA's provisions on inspection and inquiry will mean citizens can petition the Minister for an audit or inspection on matters of municipal affairs, including the conduct of councillors, employees, agents and contractors of the municipality.</p> <p>The Alberta Ombudsman is projected to accept municipal complaints starting April 1, 2018.</p>	<p>The Ombudsman would only look at the process elements of how municipalities operate, not the actual decisions being made by municipalities. This should ensure relative consistency in the application of the MGA and improve accountability for residents; however, it could create an administrative burden for municipalities.</p> <p>Municipal audits, inspections and inquiries will continue under the current system until the legislative amendments are in effect. Cases partly underway will not be affected. Municipal Affairs is working with the Office of the Alberta Ombudsman to make sure its expanded mandate receives adequate supports.</p>

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16	<p><b>Councillor Responsibilities:</b> 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>(Section 201.1 - training)</p> <p>(Code of conduct – forthcoming regulation)</p>	<p>The MGA does not require council or administration orientation or training.</p> <p>The MGA does not require municipalities to adopt a councillor code of conduct.</p>	<p>Require all municipalities to offer elected officials orientation training following each municipal election, including by-elections.</p> <p>The following topics must be addressed in training:</p> <ul style="list-style-type: none"> <li>▪ Role of municipalities</li> <li>▪ Municipal organizations and functions</li> <li>▪ Plans, policies and projects</li> <li>▪ Roles and responsibilities of council and councillors</li> <li>▪ Roles and responsibilities of CAO and staff</li> <li>▪ Budgeting and financial admin.</li> <li>▪ Public participation</li> <li>▪ Other topics prescribed by regulation</li> </ul> <p>Municipalities will be required to adopt a councillor code of conduct based off minimum standards outlined in a regulation.</p>	<p>Training and the codes of conduct will be able to be tailored specifically to each municipality.</p>

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17	<p><b>Strategic Corporate Planning (2015):</b> 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?</p> <p>(Part 8)</p>	<p>Municipalities are not required to develop multi-year capital and operating plans.</p>	<p>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.</p>	<p>As long as realistic expectations and capacity-building support are provided, these requirements should improve municipal planning and accountability. This may also tie into future asset management planning.</p>
18	<p><b>Voluntary Amalgamation (2015):</b> Should voluntary amalgamation be enabled?</p> <p>(Section 120)</p>	<p>The MGA currently does not readily enable voluntary amalgamation, and does not fully address all amalgamation scenarios.</p>	<p>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.</p>	<p>Through regulation, there should be details that outline how the amalgamation process can be streamlined to reduce the administrative burden on municipalities pursuing voluntary amalgamations.</p> <p>Provincial involvement will remain in contested amalgamations.</p>
19	<p><b>Non-contiguous amalgamation (2015):</b> Should non-contiguous amalgamation be permitted under the MGA?</p>	<p>Non-contiguous amalgamation is not permitted under the MGA.</p>	<p>Non-contiguous amalgamation is permitted among summer villages that share the same body of water.</p>	<p>Greater efficiencies in administration will be realized by summer villages. Should not have a significant impact on other municipalities.</p>

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20	<p><b>Annexations (2015):</b> What conditions should municipalities be required to meet before an annexation application is accepted?</p>	<p>Annexation proposals are reviewed by the Municipal Government Board but there is no regulation or guiding principles to govern annexations.</p>	<p>The Minister may create a regulation that specifies the procedure when an annexation request is refused.</p>	<p>Implications cannot be assessed without seeing the regulation though greater consistency in annexation decisions should be expected.</p> <p>The requirement for ICFs and IDPs should contribute to fewer contested annexations, as these tools are intended to facilitate intermunicipal planning.</p>
21	<p><b>Public Engagement and Notification (2015):</b> What requirements should municipalities have to engage and notify their residents?</p> <p>(Part 7)</p>	<p>Municipalities can engage with public as they see fit, with some requirements. Municipalities must also notify residents through newspaper/mail and other methods</p>	<p>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.</p>	<p>If flexibility is allowed, this should improve and modernize notification and engagement practices and ensure communication with citizens is more consistent.</p>

<p><b>22</b></p>	<p><b>Municipally Controlled Corporations:</b> What role, if any, should Municipal Affairs have in the establishment and operation of municipally controlled corporations (MCCs)?</p> <p>(Section 75.1 – 75.5)</p>	<p>Municipalities require the approval of the Minister of Municipal Affairs to establish a municipally controlled for-profit corporation.</p>	<p>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> <p>Prior to establishing an MCC, a council must undertake a due diligence study that discloses potential environmental, financial, labour or other reliability risk in controlling the corporation.</p> <p>A municipality also must develop a business plan that includes a number of components, including:</p> <ul style="list-style-type: none"> <li>▪ The costs of establishing or obtaining control of the corporation</li> <li>▪ The value of assets the municipality will transfer to the corporation</li> <li>▪ A cash flow projection for three years</li> <li>▪ Financial statements of the corporation for the previous five years (if applicable)</li> </ul> <p>There will also be a regulation developed providing further guidance on areas such as:</p> <ul style="list-style-type: none"> <li>▪ Types of corporation that can be formed without the Minister’s approval</li> </ul>	<p>This will provide greater autonomy for municipalities to create municipally controlled corporations provided they fit within the parameters outlined by the provincial government.</p>
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			<ul style="list-style-type: none"> <li>▪ The terms and conditions that will guide the formation of MCCs</li> <li>▪ The information required in a due diligence study or business plan under s. 75.1(3) and 75.1(4)</li> <li>▪ The form and nature of public hearings related to the formation of an MCC</li> <li>▪ Reporting mechanisms</li> <li>▪ Council reporting to citizens on changes to a MCC</li> </ul>	
23	<p><b>Open Council Meetings (2015):</b> Should municipal councils have expanded flexibility to meet in private or be required to increase transparency for council deliberation?</p> <p>(Section 192)</p>	<p>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.</p>	<p>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 committees meetings.</p>	<p>This should provide consistency and guidance to council meetings and when meetings can go “in-camera”. This allows for greater transparency and accountability.</p>

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24	<p><b>Petitioning Processes (2015):</b> Does the MGA provide appropriate requirements for municipal petitions?</p> <p>(Section 219)</p>	<p>The MGA mandates petition sufficiency based on specific requirements that include a specific percentage of eligible signatories and time limits for completion.</p>	<p>The CAO will have 45 days, instead of 30, to declare to council or the Minister that a petition is valid.</p> <p>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.</p> <p>Under s. 571(1), a provincial inspection of a municipality can now be triggered through a petition if at least 20% of municipality residents have signed (30% in summer villages).</p>	<p>This should provide more flexibility to municipalities in reviewing and administering petitions, as well as increase tools available for residents to use petitions in an appropriate manner.</p>
25	<p><b>Municipal Structures:</b> How should municipal types/structures be determined and enforced?</p> <p>(Section 77)</p>	<p>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.</p>	<p>No legislative changes.</p>	<p>The structures of municipalities and how they are determined will remain the same.</p>

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26	<b>Municipal Viability:</b> Should the MGA establish minimum thresholds for measuring municipal viability, and include a mechanism to address situations where municipalities do not meet the thresholds?	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.	No legislative changes.	The MSS will continue to guide the viability review process and ensure municipalities are sustainable.
27	<b>Clerical Amendments to Bylaws:</b> Should the MGA provide greater flexibility with regard to municipal bylaws to allow for minor revisions of existing bylaws without passing a separate bylaw?	Councils may by bylaw, revise bylaws for the purposes of consolidation of amendments, omitting, re-organizing, correcting clerical errors, and clarifying policy intent. Mistakes made during a revision of a bylaw may also be corrected by bylaw. Bylaws require three separate readings, and a proposed bylaw must not have more than two readings at a council meeting unless the councilors present unanimously agree to consider third reading.	No legislative changes.	Simple clerical errors will continue to require the full by-law process to be remedied.

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<b>Taxation and Assessment</b>				
28	<b>Linear Assessment and Taxation:</b> Should there be changes to the collection of municipal property tax revenue from linear properties?	Tax revenues from linear assessment flow to the municipality in which the property is located.	<p>No legislative change.</p> <p>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.</p> <p>Railway properties are now considered linear properties.</p> <p>Supplemental assessment will be allowed on linear property.</p>	This will ensure that the funds raised through linear taxation in rural municipalities will remain in the rural municipalities so it can continue to fund key infrastructure, support industry across the province, and be used to assist neighboring municipalities based on intermunicipal agreements.

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29	<p><b>Economic Competitiveness (Linking Residential and Non-Residential Tax Rates):</b> Should a minimum ratio between residential and non-residential tax rates be legislated?</p> <p>(Section 358.1)</p>	<p>Municipalities are free to set non-residential and residential tax rates independent of one another.</p>	<p>Establishes a maximum ratio of 5:1 between non-residential and residential municipal property tax rates. Municipalities with ratios beyond 5:1 (titled non-conforming municipalities) 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. If a non-conforming municipality reduces their mill rate ratio but remains above the 5:1, they cannot increase the ratio in a later year.</p>	<p>This amendment will cap the ratio between residential and non-residential mill rates though those municipalities current exceeding the 5:1 ratio will be grandfathered. If those municipalities want to increase their non-residential mill rate, they will also have to raise their residential mill rate in a proportional manner. This should not have a significant adverse impact on municipalities though it does impose restrictions.</p>
30	<p><b>Splitting the non-residential property classes):</b> Should municipalities be permitted to establish and set different property tax rates for sub-classes of non-residential property?</p> <p>(Section 297(2))</p>	<p>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>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>This will allow municipalities to set mill rates that will entice small business and separate “mom &amp; pop” businesses from large industrial/corporate businesses that may have a much greater impact on municipal infrastructure and land use planning.</p>

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31	<p><b>Centralized Industrial Assessment:</b> Should all industrial property be centrally assessed?</p> <p>(Section 284)</p>	<p>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>Centralize all designated 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>Railway property is now designated as linear property assessed by the province.</p> <p>Designated industrial property assessment will be the responsibility of the province beginning in 2018.</p>	<p>This amendment will centralize assessment on industrial property including linear, properties regulated by the Alberta Utilities Commission, Alberta Energy Regulator and the National Energy Board, as well as 'major plants', and any other buildings designated by the regulation including those serving residential, vacant, or agriculture purposes. This will have staffing implications for Municipal Affairs and is the only amendment in the MGA that will increase costs for the provincial government. This change also requires the act to designate between provincial and local assessors.</p> <p>Costs associated with centralizing assessment are to be recovered by industrial property owners though overall costs for municipalities may actually increase as assessors are retained to verify and appeal. Assessments. Implications of the true costs cannot be fully developed without further details which are expected in the associated regulation.</p>

	Policy Issue	Current Status	Proposed Changes	Implications
32	<p><b>Fairness for Urban Farms (Assessment of Farm Buildings):</b> How should farm buildings be assessed?</p> <p>(Section 22 of the <i>Matters Relating to Assessment and Taxation Regulation</i>)</p>	<p>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.</p>	<p>Exempt all farm buildings in both rural and urban municipalities from assessment.</p> <p>This proposed change requires a change in the associated regulation.</p>	<p>This amendment will ensure equity among agriculture producers regardless of which municipality they are located within.</p>
33	<p><b>Assessment of Farmland Intended for Development:</b> How should farm land intended for development be assessed and taxed?</p> <p>(Section 4 of the <i>Matters Relating to Assessment and Taxation Regulation</i>)</p>	<p>Farm properties have an assessment and tax benefit not afforded to commercial or residential properties. In some instances, top soil has been removed in preparation for development, limiting usefulness for farming operations, yet the property still receives the assessment and tax benefits intended for farmland. Currently, land developers and investors, who intend to sell the land for development, may buy or hold farm property for future commercial or residential development. The owner may continue farming operations to take advantage of the substantial tax benefits until the land is ready for development. Consequently, owners of these lands pay considerably less tax than if the lands were assessed at market value.</p>	<p>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 (removal of the top soil) that indicate when land is no longer suitable for farming operations.</p> <p>This proposed change requires a change in the associated regulation.</p>	<p>Farmland intended for development will be assessed at a different rate once it is no longer farmed. This will prevent speculative buyers from holding land that would otherwise be productive.</p>

	Policy Issue	Current Status	Proposed Changes	Implications
34	<p><b>Funding New Development (Offsite Levies):</b> What municipal purposes and infrastructure should offsite levies be collected and used for? How should offsite levies be calculated?</p> <p>(Section 648)</p>	<p>Offsite levies can be used for sanitary sewer, storm sewer, roads, and water infrastructure in new developments.</p>	<p>Expand the scope of offsite levies to include land, buildings for community recreation facilities, fire halls, police stations and libraries where at least 30% of the benefit of the facility accrues to the new development. Where this threshold is met, developers would contribute according to the proportional benefit while municipalities will fund the rest through general revenue. If, before the Act comes into force, a fee or other charge is imposed on the developer, no additional charges are able to be imposed.</p> <p>A regulation will outline the implementation of the 30% threshold.</p> <p>The existing Principles and Criteria for Off-Site Levies Regulation will be amended to include dispute resolution and increase transparency on how the levies are calculated and collected.</p> <p>Offsite levies are now eligible to be appealed to the Municipal Government Board.</p>	<p>These changes will allow greater flexibility for municipalities to fund core services for their communities which is an important step. The 30% benefit threshold means that for an infrastructure project listed as eligible for the levy, 30% of those who benefit from it are from the new development.</p> <p>The 30% benefit threshold may have adverse impacts, particularly in small communities where it may be difficult to meet that threshold because the scale of development is much smaller. In some instances, this will force municipalities to propose much larger area structure plans and other plans that will eventually be big enough to meet that threshold.</p> <p>Major interchanges outside of communities are not included as within the scope of offsite levies. Offsite levies will also not apply to improvements of provincial highways.</p>



	Policy Issue	Current Status	Proposed Changes	Implications
35	<p><b>Access to Assessment Information for Assessors and Property Owners:</b> What information sharing should be required of assessors and property owners, and how might shared information be used by the recipient?</p> <p>(Section 296, 299, and 300)</p>	<p>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>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>This amendment will clarify what is required information and should ease the administrative burden for both assessors and property owners. It will also create a more consistent assessment and appeal process.</p>
36	<p><b>Assessment Complaints:</b> How should complaint timelines, awarding of costs, assessment complaint corrections, agent authorization and judicial appeals be treated?</p> <p>(Section 468)</p>	<p>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>Currently, there are three bodies that hear complaints, depending on the type of property being assessed: Local Assessment Review Boards, Composite Assessment Review Boards, and the Municipal Government Board.</p>	<p>Composite Assessment Review Boards (CARBs) hear business tax and business improvement area levy complaints, and can award costs. 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>The information required on an assessment notice to file a complaint is updated.</p>	<p>CARBs will be able to award costs in reviews of business taxes and improvement area levies. This may cost municipalities money but could also lead to a reduction in the number of complaints.</p> <p>The ability to correct complaint errors should ease the administrative burden on assessors and the complaint processes.</p>

	Policy Issue	Current Status	Proposed Changes	Implications
37	<p><b>Municipal Taxation Powers:</b> Should municipalities be granted authority to levy new and broader types of taxes?</p> <p>(Part 10)</p>	<p>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>No legislative change.</p>	<p>Municipalities will continue to operate with the same taxation tools with minor changes to development levies.</p>
38	<p><b>Education Property Taxes:</b> 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?</p> <p>(Section 359)</p>	<p>Education property taxes are collected by municipalities and transferred to the Province.</p>	<p>No legislative change</p>	<p>Education property taxes will continue to be collected by municipalities and transferred to the Province which reduces the 'tax room' or the flexibility to raise mill rates for municipalities.</p>
39	<p><b>Provincial Revenue Sharing:</b> Should the Province commit to legislated revenue sharing with municipalities?</p>	<p>The province does not commit a legislated amount of funding to municipalities.</p>	<p>No legislative change</p>	<p>Without the legislated link, municipalities will continue to be subject to variable grant programs which may change year to year.</p>

	Policy Issue	Current Status	Proposed Changes	Implications
40	<p><b>Property Tax Recovery Tools:</b> What changes or tools should municipalities have to recover unpaid taxes?</p> <p>(Section 410-452)</p>	<p>The MGA provides limited means for municipalities to recover taxes that are unpaid.</p>	<p>No legislative change</p>	<p>Municipalities will continue to use the current tools for tax recovery which are limited and administratively burdensome.</p>
41	<p><b>Responsibility for Costs Associated with Dissolution:</b> Who should care the burden of costs associated with dissolution?</p> <p>(Section 129-134)</p>	<p>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.</p>	<p>No legislative change</p>	<p>Rural municipalities will continue to absorb the financial costs and liabilities of a dissolved municipality.</p>
42	<p><b>Industrial Property Assessment:</b> Should changes be made to the industrial property assessment definitions, timing, valuation or appeals?</p>	<p>Industrial properties are valued using regulated rates and procedures, and using definitions not updated since 1995.</p>	<p>No legislative change</p>	<p>As no changes are proposed, the current practices for industrial property assessment will apply though these will largely take place within the centralized assessment authority of Municipal Affairs.</p> <p>The centralization of assessment could have an impact on valuation levels depending on how the regulations are drafted. The AAMDC will pay attention to this matter and follow-up as needed.</p>

	Policy Issue	Current Status	Proposed Changes	Implications
43	<p><b>Farmland and Farm Residences:</b> Should farm residences continue to receive a level of exemption?</p> <p>(Section 370)</p>	<p>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.</p>	<p>No legislative change</p>	<p>Farm properties will continue to receive an assessment exemption on farm residences that are based on the total assessed value of any owned or leased farm land. Since the exemption amount has not been updated since the 1980s, inflationary increases and rising property values mean that the value of the exemption has decreased considerably over time.</p>
44	<p><b>Intensive Agriculture Operations:</b> How should farm buildings that are used for intensive farming operations be assessed?</p>	<p>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.</p>	<p>No legislative change</p>	<p>The AAMDC is involved in ongoing discussions with the Intensive Agriculture Operations Working Group to identify solutions to the infrastructure challenges faced by municipalities with intensive agriculture operations within their boundaries.</p>
45	<p><b>Airport Property Assessments:</b> How should airport terminals be assessed?</p> <p>(Section 298)</p>	<p>Airport terminals are assessed at market value.</p>	<p>No legislative change</p>	<p>Assessments on airport properties will remain the same.</p>

	Policy Issue	Current Status	Proposed Changes	Implications
46	<p><b>Assessment Complaints Process:</b> Are timelines within the assessment complaints provisions appropriate?</p> <p>(Was s. 309(1)(c) – now s. 309(2), but no change to the timeline, etc.)</p>	A property owner may file an assessment complaint within 60 days of an assessment notice being sent.	No legislative change	Timelines for assessment complaints will remain the same.
47	<p><b>Condition and Valuation Dates:</b> Are the condition and valuation dates of different types of property set appropriately?</p> <p>(Section 289(2))</p>	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.	No legislative change	The dates for condition and valuation will remain the same.
48	<p><b>Tax and Assessment Exemptions:</b> Should changes be made to grants in lieu of taxes, non-assessable/taxable properties, and assessments non-profit/community organizations?</p> <p>(Section 375 and 376)</p>	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. Some types of industrial property receive special tax benefits to encourage investment. Most prominently, machinery and equipment property is assessed at 77 per cent of its value, which is regulated. Machinery and equipment, as well as electric power generation property do not pay education tax.	No legislative change	Some terms used to define which properties are entitled to receive an exemption are ambiguous, including “charitable”, “benevolent”, and “general public”. There are different opinions on the interpretation of the Community Organization Property Tax Exemption Regulation (COPTER), which has led to essentially identical properties receiving different exemption statuses depending on the municipality they are located in. With no change, these definitions will remain.