

AAMDC What We Heard

Modernized MGA Member
Consultations

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Partners in Advocacy & Business

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What the AAMDC Heard from Member Consultations on the Modernized MGA

Through consultations held in five locations across the province, the AAMDC a large number of comments on *Bill 21: Modernized Municipal Government Act*. AAMDC members provided feedback through questions and comments during the consultations as well as the completion of workbooks during and after the consultation, which have been aggregated into the following document.

PLEASE NOTE: The following does not represent the positions of the AAMDC or its members but rather, is an aggregation of comments received in consultations with AAMDC members.

Bill 21: Modernized Municipal Government Act makes a number of significant changes to the MGA, as well as many that will not drastically impact how municipalities operate. The AAMDC focused consultations with members on the more significant items and asked members to prioritize those issues.

The top priority issues identified by members are:

- Inter-municipal collaboration
- Centralized assessment
- Role of the Alberta Ombudsman
- Linear assessment
- Mandatory code of conduct and councillor training
- Dissolutions and the Municipal Sustainability Strategy (MSS)
- Amalgamation
- Split mill rate on non-residential assessment

The following pages will summarize what we heard from members by breaking down *Bill 21: Modernized Municipal Government Act* into 48 separate policy issues falling into into three broad sections:

- Planning and Development
- Governance and Administration
- Taxation and Assessment

Each issue is presented with the current status and the proposed change (if there is a change). Member feedback on each issue is summarized, followed by a list of any outstanding questions that were raised by members as being in need of additional clarification in the legislation or in the forthcoming regulations.

PLANNING AND DEVELOPMENT

1

Intermunicipal Collaboration (ICF and IDP): 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.

Comments: AAMDC members indicated that the requirement for mandatory IDPs and ICFs will strain municipal resources and financial commitments in addition to increasing capacity challenges for some municipalities. Rural municipalities will have to develop multiple IDPs and ICFs to address the needs of all municipalities with their boundaries and with whom they share borders. Further, the timeline for requirements (five years for IDPs and two years for ICFs) do not align, bringing to question the feasibility of meeting these requirements in a relatively short timeframe.

Members also expressed concerns as to the level of support, both financial and capacity related, that the Government of Alberta would provide to municipalities related to developing IDPs, MDPs and ICFs and suggested that there may be a role for the AAMDC to play in developing templates for member use.

Though members recognized the benefit that collaboration can provide, they also expressed concerns that the new requirements to develop IDPs, ICFs and MDPs may push smaller urban municipalities closer to dissolution.

Members drew attention to the breadth of the arbitrator's powers and concerns over the loss of municipal autonomy, and the potential costs to a municipality. The proposed changes appear to allow an arbitrator to compel a municipality to contribute to services in another municipality that its residents use, when the first municipality did not agree to the need, cost, or scope of the service. The municipality foresees an arbitrator's decision may result in unbalanced services across the municipality, or raise municipality-wide service levels beyond their fiscal resources. Ensuring that negotiations are based on needs as opposed to wants was highly important.

To alleviate this concern, AAMDC members did support the idea that rural municipalities should be included from the outset in the planning of facilities in their region such as a recreation centre as opposed to being asked to contribute funding once the facility is already constructed. This level of planning will ideally rationalize the number of facilities in a region. In general, there is apprehension about the funding and support of existing facilities while there is great support for cost-sharing towards new projects that can be planned and funded appropriately and collaboratively from the outset.

AAMDC members generally questioned the need for agreements between municipalities with no collaborative services or development, particularly neighbouring rural municipalities. Exemptions should be granted in instances where both municipalities agree that an IDP/ICF is not required.

A point raised referred to the composition of the negotiation teams by municipalities. At this point, the province has not provided direction on who will negotiate ICFs, and it very well may be a local decision but there may need to be some consistency between municipalities.

There was a concern raised that the timing of ICF negotiations may lead to councillors elected in 2017 being required to negotiate ICFs without sufficient experience to make the important decisions required.

Overall, there were mixed opinions on this issue and those who were supportive of this change still have questions and concerns that need to be addressed.

Clarification has been provided that the minimum requirements for an ICF are outlined in Bill 21 and that no additional standards will be outlined. Municipalities must identify that they had a conversation about those minimum standards and that municipalities party to the discussion are satisfied with the outcome of the discussion. If this is not completed within the allotted timeline, arbitration will be pursued.

Outstanding Questions/Issues:

- *How does the Act define what a service or shared service is?*
- *Is there potential for one municipality to misuse ICF negotiations as a means to garner an unfair level of support or resources from a neighbouring municipality?*
- *ICFs should include some kind of requirement for urban municipalities to work together as well so that services and requests are not being duplicated to the rural municipality from every urban municipality (ex. arenas in every small urban within a rural municipality).*
- *What is the process for ICF exemptions?*
- *Determining who takes a leadership role and manages the process could be challenging. Will there be facilitator support provided from the Government of Alberta to help guide this negotiation process?*
- *Prescriptive language used in legislation moves from a collaboration model to a full-blown governance model. Will this completely change the way that municipalities operate anything because they will constantly have to reference IDPs, etc. and how decisions impact regional neighbours?*
- *Is there a minimum requirement for recreation? Going forward this may be appropriate, but applying this to existing facilities would be unfair.*
- *How do municipalities identify levels of services?*
- *Will mediation be available prior to arbitration?*
- *Will grants be made available to municipalities to complete these and other plans?*
- *If 8 of 10 issues are agreed upon, do the 2 issues go to arbitration with the agreed upon issues forming the ICF? (This was answered by Alberta Municipal Affairs that said arbitration will only be used in areas where there is no agreement)*
- *Who will comprise the negotiation team for municipalities? Is this determined locally?*

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.	
Comments: AAMDC members expressed some confusion related to the differences between growth management boards (GMBs) and ICFs, and which are required in the metropolitan areas. There was additional concern regarding the membership of the GMBs and who would be mandated to attend. It	

was clarified that within a GMB area, municipalities can also have an IDP/ICF with another municipality in the GMB area but presumably, it would have to align with the overall GMB plan. For those members on the fringe of a GMB, they will have to have ICFs/IDPs with their municipal neighbors that are not a part of the GMB. Additionally, some members recommended that only the areas of a municipality in close proximity to an urban centre be subject to GMB processes. It was discussed that municipalities within the GMB may still have IDPs/ICFs to coordinate more local inter-municipal services and planning needs.

There was general consensus that GMB should be restricted to Calgary and Edmonton, and only be convened when there is a demonstrated need.

Additional concerns raised are that the GMB may not in fact manage growth but instead, could feed more urban sprawl.

Outstanding Questions:

- *How does this change existing agreements? What if one existing IDP says one thing about service delivery and another says something else?*
- *For growth management boards, what is the trigger that indicates when other city-regions need a GMB?*

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.	
<p>Comments: AAMDC members recognized that this will challenge many small municipalities including summer villages and that 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 too 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.</p> <p>There is a concern that the lack of ALSA plans means that MDPs will be developed but will be out of alignment with forthcoming ALSA plans and need to be redone which requires considerable energy and resources.</p> <p>There is a desire for MDPs to be reviewed and updated as necessary every five years.</p> <p><i>Outstanding Questions:</i></p> <ul style="list-style-type: none"> ▪ <i>What resources or templates will be available to municipalities to develop these plans?</i> ▪ <i>Will there be flexibility in how detailed a plan must be to account for different municipal sizes and capacities?</i> ▪ <i>Without a timeline for ALSA plans, how can municipalities develop MDPs in an efficient manner that will not be a waste of resources once ALSA plans are released?</i> 	

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.

Comments: AAMDC members commented on the difficulty in aligning these plans with the allotted timeframes, especially if ALSA plans are not being prepared according to the government's initial timelines. This could cause municipalities to have to resubmit plans that were developed with neighboring municipalities.

Outstanding Questions:

- *With the current non-alignment of planning requirements and timelines, how should municipalities proceed to minimize the resources and time to complete or re-complete these plans?*
- *What will happen if ALSA plans do not align and a municipality bridges two or more regional plans?*
- *In the absence of ALSA plans, how should municipalities proceed in developing their plans?*

5

Provincial Land Use Policies: Should the Province continue to have land use policies that apply province-wide?

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 *Alberta Land Stewardship Act* (ALSA) regional plan.

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.

Comments: Members noted concerns with the regional planning process and the associated sub-regional plans, especially in the South Saskatchewan Regional Plan (SSRP). There are two separate departments driving land use and these need to be aligned with one another and with municipal and inter-municipal plans. Additionally, members commented to the current timelines to complete ALSA plans and the cost as difficult to manage especially with increased municipal planning requirements.

Outstanding Questions:

- *With the current non-alignment of planning requirements and timelines, how should municipalities proceed to minimize the resources and time to complete or re-complete these plans?*
- *What specific authority does the Minister have to develop land-use plans in the absence of regional plans?*
- *What will happen if ALSA plans don't align and a municipality bridges two or more regional plans?*
- *In the absence of ALSA plans, how should municipalities proceed in developing their plans?*
- *How do watershed plans align with regional plans and municipal plans?*

6	Conservation (Environmental Reserve): How should Environmental Reserve be defined? When should Environmental Reserve land be determined? Should the purpose of Environmental Reserve be expanded?
<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>Comments: Members are generally supportive of greater clarity around environmental reserve definitions and the creation of the conservation reserve (CR), though many questions remain regarding implementation. Members requested assurance that the CR is a voluntary tool and some noted that it was a tool that already existed under ER. Staff have clarified that the primary difference between ER and CR is that CR is land that could otherwise be developed.</p> <p>There were additional comments regarding the requirement to maintain the CR in its “natural state” noting that this definition varies according to different timescales. Additional questions asked about the CR designation and future fire protection and whether dead fall could be removed or trees trimmed.</p> <p>Some concerns were raised that CR effectively ties the hands of a future administration and council and that impedes that future council’s ability to make decisions. It was generally agreed that serious considerations need to be taken prior to designating a CR.</p> <p>There is concern that municipalities could be pressured into acquiring CR by organized lobby groups.</p> <p>There were also questions regarding the purchase of the land for a CR and what should happen in the case where the owner of the property refuses to sell.</p> <p>Clarification was also provided between the CR designation and conservation easements which are applied by the private landowner.</p> <p><i>Outstanding Questions:</i></p> <ul style="list-style-type: none"> • <i>What should happen in the case where the owner of the property refuses to sell? Does the developer have a right to refuse?</i> • <i>What does ‘natural state’ mean with regard to CR?</i> • <i>What can municipalities do or not do to a CR to ensure that land is not a risk to the community from either fire or other?</i> • <i>What happens if a CR is annexed? Is the CR identified using market value to indicate a value for compensation to the annexed municipality?</i> 	

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?
<p>Current Status: Municipalities confirm annually any cancellation, deferral or reduction to the municipal taxes of a property through annual passing of property tax bylaw.</p>	
<p>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.</p>	

Comments: AAMDC members were generally supportive of this change as it is one additional tool to incent redevelopment of brownfield though they inquired whether the education property tax requisition could also be waived, which it cannot.

Members noted the connection between this issue and the ability to use community revitalization zones and that the relationship between the two remains unchanged in that both are available tools for municipalities.

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.

Comments: 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. It was clarified that cash-in-lieu is an option for municipalities. Clarification was also provided that rural municipalities cannot be forced to contribute to urban affordable housing needs unless that is something agreed to in an ICF.

It was commented that this could be a disincentive for developers in small towns with nominal or no growth though it should be clear that this is a voluntary tool to be used at the discretion of municipalities.

Members also raised the issue that in many instances across the province, it is not an affordable housing issue but a cost of living issue that poses a challenge in their community. Though this is important to consider, this issue does not fall within the scope of the MGA.

Clarification was provided that affordable housing can only be zoned in a municipality by that municipality. Any intermunicipal arrangements with affordable housing are negotiated at a local level and may compose a portion of the ICF/IDP agreement.

Outstanding Questions:

- *What constitutes 'affordable housing'?*
- *How do cash in-lieu provisions work? How can developers be assured that those funds are going towards affordable housing?*

9

Strengthening Impartiality of Planning and Development Appeal Boards: What requirements, if any, should the province place on municipal appeal board members though 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.

Comments: AAMDC members discussed this issue at length and noted that additional clarity was need on what boards this would impact, though the legislation does reference "any MGA referenced appeal board". It was clarified that regional boards where councillors from one municipality do not

make up the majority of members will be unaffected. Members also expressed concern that Municipal Affairs is not providing sufficient training and municipalities are struggling to develop training programs. Additional clarity is needed where the MGB has taken jurisdiction from an SDAB and where that jurisdictional line rests because in some cases, maps used to justify such cases are not reflective of the actual ground conditions.

Many members 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 include in the ICF.

In some instances, members commented that no councillors should sit on SDABs.

Outstanding Questions:

- *Where and when does the MGB take over an appeal from a local or regional board?*
- *Is there a possibility for an exemption in legislation to allow for one council to form a majority in rare conditions where replacements cannot be found?*

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.

Comments: Positive feedback was received on this issue though the costs to provide the training was raised as an issue.

Outstanding Questions:

- *Who will the pay to provide training to SDAB members?*
- *How or will credit be given to CARB/LARB board members that have already completed training? Will there be credit for training that is transferrable between CARB and LARB members?*

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.

Comments: The decision making timelines were discussed in the consultations and some noted that having inconsistency between municipalities is not ideal as those looking for decisions in multiple municipalities have to know several different processes. In addition, some rural municipalities host complex industrial developments which may require increased timelines.

Members suggested that instead of allowing different municipalities to have different timelines based on municipal status, it would be more prudent to set a population threshold which is more indicative of the complexity faced in development decisions. Another alternative is to remove the restriction completely.

It was also noted that planning boards are sometimes deliberately avoided by developers so they can appeal straight to the SDAB and that this work-around needs to be corrected. As extensions can currently be provided by the municipality, it is not clear how this will change the current system.

A proposed amendment to the decision making timelines/process is that an applicant must respond to a notice stating that an application is complete within a timeframe (6 months), and if they do not respond, the application can be closed.

Outstanding Questions:

- *Will all municipalities eventually be allowed to pass timelines through bylaw that meet local conditions?*
- *How can municipalities prevent developers from effectively working around planning boards to go straight to the SDAB?*

12	Municipal Reserve and School Reserves: What types of reserve land should be dedicated during subdivision? How should the reserve land amounts be calculated?
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.	
Proposed Status: No legislated changes.	
Comments: Members asked about the school reserve issue and AAMDC reiterated what they had heard from Municipal Affairs staff: that discussions would be held in the future with school boards.	

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?
Current Status: Funding for regional initiatives or inter-municipal transfers are done on a voluntary basis.	
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.	
Comments: The AAMDC members recognized that this discussion regarding the pooling of revenues has been transferred into the discussion over ICFs and staff reinforced that this discussion is on cost-sharing as opposed to revenue sharing. However, many existing conflicts could be exacerbated through mandatory collaboration.	

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:

- (i) a permanent and naturally occurring body of water, or
- (ii) 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.

Comments: For municipalities to be prudent land managers, there must be consistency in the regulations and legislation for bodies of 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.

Comments: AAMDC members viewed the inclusion of a preamble as a positive step in building a collaborative relationship between the Government of Alberta and municipalities, but commented that 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.

Some additional amendments to the preamble include a suggestion to add “to work collaboratively with neighboring municipalities to plan, deliver, and fund intermunicipal services” as a municipal purpose.

Outstanding Questions:

- *How will the Government of Alberta integrate the principles in the preamble into their actual relationship 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.

Comments: 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, the powers of the Ombudsman to address a complaint he or she deems valid must be further explained. Allowing the Ombudsman to unilaterally overturn a local decision may have much greater implications that allowing the Ombudsman to require a council to revisit a decision using a different process.

Members also felt that 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.

Clarification was provided that provides insight into the role of the Ombudsman as having an investigative role with any corrective action being decided by the Minister of Municipal Affairs. Clarification has also been provided that lays out the process whereby a complainant lodges a complaint with the Ombudsman and the Ombudsman will then determine if it is worthy of an investigation. If it is deemed worthy of an investigation, a process will follow with findings and a recommendation provided to the Minister. However, a concern is that even if an investigation finds no wrongdoing on the part of the municipality, the launching of an investigation can potentially erode public trust in a council.

Outstanding Questions:

- *What is the Government of Alberta’s rationale for expanding the mandate of the Alberta Ombudsman to include municipalities?*
- *Will the Ombudsman’s powers be modified to respect municipal autonomy and the province’s commitment to forming a collaborative relationship with municipalities?*
- *Can the expanded role of the Alberta Ombudsman correct a ‘wrong’ as is stipulated in the Ombudsman Act?*
- *Will the Ombudsman’s mandate apply to decisions made by municipal employees, despite the fact that many are governed by codes of ethics and best practices specific to their professions?*
- *Has the Government of Alberta considered prioritizing the use of mediation to address complaints about municipal decision-making, rather than empowering the Ombudsman to become involved in local complaints?*
- *If the Ombudsman determines that a complaint is valid, what powers will he or she have to remedy it?*
- *Who will be responsible for the costs that municipalities incur in defending their decision to the Ombudsman?*
- *Will the Ombudsman have the mandate to hear complaints on decisions made by municipal appeal boards?*
- *Does the Alberta Ombudsman have the ability to hear concerns related to the MGB?*
- *How will the Ombudsman gather the local knowledge to properly define “administrative fairness” when each of Alberta’s municipalities locally determine policies and procedures?*
- *Sometimes unexpected municipal issues arise that require councils to make decisions that may not be addressed in policy. How will the Ombudsman’s mandate be harmonized with the need to allow councils to be flexible and responsive to unpredictable issues?*

17

Councillor Responsibilities: Should the *Municipal Government Act* (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?

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.

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.

Comments: Most AAMDC members supported 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 resulted in speculation as to how effective each tool would ultimately be in strengthening councils.

It was emphasized that 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 support strong municipal governance.

The AAMDC has been identified as an avenue to highlight best practices for AAMDC members.

Outstanding Questions:

- *What processes will be available if a councillor refuses to sign a code of conduct?*
- *What processes will be available if a councillor refuses to abide by a code of conduct that he or she signed?*
- *Is signing a code of conduct required prior to nomination or after election?*
- *Will a similar code of conduct requirement be established for provincial elected officials?*
- *Although offering training is mandatory, is it mandatory for all councillors to attend?*
- *Will a training attendance requirement be a mandatory component of a code of conduct?*
- *Will issues with councillors abiding by a code of conduct be addressed locally or will the province have a role?*
- *Will the code of conduct differentiate between councillors, reeves, deputy reeve, etc.? Will this be an enabling provision in the regulation?*

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.

Comments: AAMDC members are generally in agreement with the 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.

Outstanding Questions:

- *How soon after the legislation comes into force will these plans have to be completed?*
- *How are municipalities expected to plan for multiple years when provincial grant funding varies each year?*

- *How much flexibility will be allowed to modify the plans if municipal or regional revenues, expenses, or priorities change?*
- *Will the province provide flexibility in the level of detail required in the plans for municipalities of varying capacities?*
- *Will the province make financial support available to assist in the development of the plans?*
- *Who will oversee strategic plans to ensure accuracy?*

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.

Comments: AAMDC members were generally supportive of the streamlining of voluntary amalgamations as long as there are stringent standards to ensure that all involved municipalities are willing participants in the process, and that amalgamation is not the first solution proposed to address intermunicipal challenges.

Additional comments cited the need to look at viability strongly in this process and to ensure the public is aware of the consequences – both positive and negative.

Outstanding Questions:

- *How is “voluntary” defined?*
- *Does support for amalgamation require the entire electorate or just the council?*
- *Should municipalities be required to pursue less transformative solutions to intermunicipal challenges (mediation, etc.) prior to discussing amalgamation?*

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.

Comments: AAMDC members were generally supportive of non-contiguous amalgamations for summer villages on a common body of water, but not for other municipalities.

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.

Comments: AAMDC members were cautiously supportive of the development of a regulation around annexations, although it was difficult to form a strong position given the fact that a regulation is required to establish the details. 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. There was optimism that proper principles would reduce contested annexations while maintaining annexations as a tool for municipalities with a legitimate need to grow.

Further comments elaborated on the need for a timelier annexation process with clear timelines and a process that does not neutralize land for years while decisions are heard. Further, the enforcement of IDPs in an annexation process must be clear.

There were also comments that the timeline for projected growth should be capped at 20 years.

Outstanding Questions:

- *Will a single regulation be written for each annexation or will broad principles be developed to apply to all annexations?*
- *Will the Ombudsman's mandate include processes followed during the annexation process?*
- *Will the principles establish mandatory growth projections and proof of need to expand outwards prior to allowing a municipality to attempt an annexation?*
- *Will future annexation planning be a requirement of mandatory IDPs or ICFs?*
- *If annexation processes are streamlined in an upcoming regulation for uncontested annexations, how will affected landowners be heard in that process?*

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.

Comments: 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.

Comments: AAMDC members had limited comments on the change to how MCCs are formed but are generally supportive of the changes. It was clarified to members that these changes do not apply to regional commissions and Part 9 companies.

Outstanding Questions:

- *Do these changes impact the operation of an MCC once established?*

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 *Freedom of Information and Protection of Privacy (FOIP) Act*. 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 committees meetings.

Comments: AAMDC members were typically 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.

Outstanding Questions:

- *Will the regulation address the use of committees of the whole as a method for some councils to avoid making decisions and discussing issues in public?*
- *How will the regulation address informal council get-togethers such as retreats or social events?*

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.

Comments: AAMDC members were generally supportive of enabling local flexibility in setting the standards for what constitutes a valid petition. The use of electronic petitions was generally supported, although some concerns were expressed related to validating the identities of signatories to electronic petitions.

Concerns were raised around who can be a commissioner of oaths which could use additional clarification.

Outstanding Questions:

- *Will the regulation set minimum and maximum thresholds for the percentage of signatures needed to validate a petition?*
- *How will electronic petitions be validated?*

- *Who can be a commissioner of oaths for a petition?*

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.

Comments: AAMDC members had no specific comments on this issue.

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.

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 they reach the point of dissolution would assist in supporting municipal viability.

TAXATION AND ASSESSMENT

28

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.

Comments: AAMDC members were 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 have been transferred to the mandatory requirements for inter-municipal collaboration.

Concerns were raised that with linear 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.

Concerns were also raised with abandoned linear property and whether municipalities should have tools to collect fees or taxes on these properties to compensate for the sterilization of land from these properties.

There were comments regarding supplemental assessment which at the time of the presentation, staff were unaware that a change had been made. The new MGA allows for supplemental assessment on linear property though the details of implementation will be available in a forthcoming regulation.

Outstanding Questions:

- *Does the creation of the DIP class impact the current assessment valuation for linear property?*
- *How will the regulated rate for DIP impact linear tax properties?*
- *How does the creation of the DIP class that includes linear impact the appeals process for linear property assessments?*

29

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.

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.

Clarification was provided that those municipalities above the 5:1 ratio will be identified through the 2016 mill rate bylaw which will prevent municipalities from increasing their mill rate to greater than 5:1 before the legislation comes into force. Clarification was also provided that this provision only applies to

the municipal portion of the mill rate and not the education property tax requisition portion of the mill rate. Additional clarification was provided to members that the 5:1 ratio applies to the highest non-residential mill rate and the lowest residential for instances where the non-residential property class is split.

30

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?

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.

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.

Comments: AAMDC members are supportive of the splitting of the non-residential property class as it will provide an additional tool 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. There are some cautions that if not properly regulated and defined, this split mill rate could lead to some unintended consequences.

Members also identified that this could create additional competition between municipalities.

Outstanding Questions:

- *What are the distinctions in the regulation between non-residential property classes?*
- *Will there be flexibility for municipalities to identify the split in the non-residential property class?*
- *Is there consideration of splits within the residential property class to address differing types of residential property (hamlets vs. rural properties)?*
- *Is there the possibility to allow for splitting of the non-residential mill rate along geographic lines to reduce competition along municipal boundaries (particularly around large cities like Gasoline Alley in Red Deer)?*
- *Could or should the split of the non-residential mill rate be aligned with the level of service the property uses?*
- *Concern exists with the removal of political accountability*

31

Centralized Industrial Assessment: Should all industrial property be centrally assessed?

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.

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.

Comments: AAMDC members have expressed concern about the centralization of assessment for designated industrial properties. This is both a loss of local autonomy and loss of the local knowledge that has been gained by local assessors since the assessment of M&E property was shifted back to municipalities in 1995. It was reported at the time that too much assessment was left on the table.

Members are also concerned that this will not reduce costs for municipalities because they will be required to retain local assessors to review the assessments completed by Alberta Municipal Affairs, and to then appeal those assessments should a discrepancy be found. If municipalities do retain assessors to verify assessments, there is also concern that there will not be enough qualified assessors in the province to complete the assessments as required. Further, there are concerns that if industrial partners are not able to pay their taxes and requisition on the designated industrial property assessment, that municipalities will be required to cover the shortfall similar to those instances where the education property tax requisition is not paid.

Generally, there are concerns that this will create an unnecessary bureaucratic burden for both the province and municipalities. Many properties in rural municipalities have mixed uses and not knowing the definition of designated industrial property may cause problems associated with assessors preparing value for half of a property. This could result in multiple assessors assessing different parts of a single property.

Members also suggested that if the burden of appeal and the associated cost is put on municipalities, it could damage strong working relationships with local businesses and industry. At this time, it is not clear whether a municipality will be able to appeal a provincial assessment.

A point was raised that under the current system, the very specialized assessors have no motivation to train new assessors with these special skills as it is competition for them. If they are centralized under the government, there will be training without the experts being worried about harming their own job security.

Outstanding Questions:

- *How will the DIP assessments that apply to residential and agriculture property be completed? In what instances does the residential and agriculture property fall under the DIP?*
- *How will the DIP assessment be funded by industry if industry fails to pay the property tax? Will municipalities still be required to pay the requisition similar to the Education Property Tax?*
- *How will new technologies like solar panels be assessed?*
- *Where will appeals for DIP be heard? If municipalities are appealing assessments, will there be the option to avoid courts and proceed with mediation and then arbitration?*
- *Will municipalities be able to appeal assessments?*
- *How will the range of defined properties be available in the regulations?*

32

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.

Comments: AAMDC members did not raise any 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.

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 being 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.	
<p>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. A member raised the idea of two separate triggers for when land is no longer being farmed: 1) the removal of topsoil; and 2) the approval to re-zone the property.</p> <p><i>Outstanding Question:</i></p> <ul style="list-style-type: none"> ▪ <i>Is it possible to change the assessment without rezoning the property?</i> 	

34	Funding New Development (Offsite Levies): What municipal purposes and infrastructure should offsite levies be collected and used for? How should offsite levies be calculated?
Current Status: Offsite levies can be used for sanitary sewer, storm sewer, roads, and water infrastructure in new developments.	
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 30 per cent 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>Comments: AAMDC members supported the proposed changes to development levies but raised concerns with regard to provincial infrastructure and in particular, highways and overpasses that support new development. Generally, there is confusion about the application of the 30% benefit calculation which will need to be clarified in legislation.</p> <p>It was recognized that this could impact the planning and development for both municipalities and developers.</p> <p>It may be more productive to enclose the 30% benefit threshold in the regulation as opposed to the legislation to allow for additional fixes should there be unintended adverse consequences.</p> <p><i>Outstanding Questions:</i></p> <ul style="list-style-type: none"> ▪ <i>Do the new off-site levies apply to recreation broadly or only recreation facilities? Clarification is needed to define 'recreation facilities'.</i> ▪ <i>Could the benefit threshold be adjusted for different sized municipalities?</i> ▪ <i>What is the time frame and area under which the 30% is applied? Is it on the entire development or only buildings completed if development is in small chunks?</i> ▪ <i>Will the appeal process remain the same for offsite levies?</i> ▪ <i>For industrial blocks that tend to have more extensive fire service requirements, does the offsite levy reform apply in these circumstance?</i> ▪ <i>Can a municipality still choose not to use the levy at all? While this does provide greater flexibility to the municipality, it can also lead to competition and a 'race to the bottom'.</i> 	

35	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?
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.	
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.	
Comments: AAMDC members supported greater clarity for assessment information recognizing that this is largely an industrial issue in rural areas and a residential issue in urban areas. Members also expressed concern that industrial assessment will become more difficult to obtain in a timely manner with those assessments being done by the province	

36	Assessment Complaints: How should complaint timelines, awarding of costs, assessment complaint corrections, agent authorization and judicial appeals be treated?
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.	
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.	
Comments: AAMDC members did not have significant comments about the assessment complaints process but did raise some concerns about whether the MGB has to judge complaints according to the MGA or if it can follow other criteria. Staff are/were unaware of this issue.	

37	Municipal Taxation Powers: Should municipalities be granted authority to levy new and broader types of taxes?
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.	
Proposed Status: No legislative change.	
Comments: AAMDC comments on this issue were limited but some members did express disappointment that there are not additional powers in the Act. Members raised the issue of city charters and whether the largest municipalities would find additional taxation powers within the charters. This could have implications for rural municipalities who could be on a different playing field when it comes to raising revenues and having different tools to fund municipal growth and sustainability. A very few members were opposed.	
<i>Outstanding Questions:</i>	
<ul style="list-style-type: none"> ▪ <i>Is the issue of municipal taxation powers an item in the city charter discussions?</i> 	

38	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.	
<p>Comments: AAMDC members raised numerous concerns with respect to education property taxes and whether changes should be provided to exempt municipalities from paying the requisition on property that has a delinquent owner. Some members noted that municipalities should not be administering education property tax as it is another ‘download’ to municipal governments who are in effect administering this tax collection for which they aren’t being reimbursed . With respect to the issue of the education property requisition on delinquent properties, members indicated that they should either have the tools to collect unpaid taxes, or they should be exempt from paying that portion of the requisition that cannot be collected.. The current arrangement removes tax room for municipalities and limits their flexibility to collect revenue.</p> <p>Some comments indicated interest in eliminating the requirement for municipalities to collect education property taxes and to have the funds offset with a reduction in MSI so that municipalities are in a revenue neutral position.</p> <p><i>Outstanding Questions:</i></p> <ul style="list-style-type: none"> ▪ <i>Will there be a requisition on conservation reserves?</i> 	

39	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.	
Comments: No comments.	

40	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.	
<p>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. It was noted that the AAMDC has resolutions relating directly to this issue. 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. 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.</p> <p>A significant issue for municipalities is leases on Crown lands and the inability to hold any party to account for unpaid taxes in those instances.</p>	

Alberta Municipal Affairs has committed to reviewing this issue in light of current economic conditions.

Outstanding Questions:

- *What types of tax recovery tools is Alberta Municipal Affairs 'revisiting'?*

41

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.

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.

Outstanding questions:

- *What types of templates, resources, or tools is Alberta Municipal Affairs planning on providing to municipalities to meet planning demands and ensure the MSS strategy works effectively?*
- *What steps are being taken to ensure that the MSS identifies municipalities on the edge of non-viability instead of ushering those beyond the point of no-return into dissolution?*

42

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.

Comments: AAMDC members identified some 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. One recommendation brought forward was that companies should be required to register any name changes with the local municipality to allow for greater tracking for tax notices.

43

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.

Comments: The feedback received on this issue was split and some noted that that the farm residence and farmland exemption should be removed because it is not equitable between different

homeowners. Others noted that the increase in the assessment from either removing the regulated rate or revising it would not be bad because municipalities could adjust their mill rates while getting more in MSI funding; however, this would have implications form education property tax requisitions.

Outstanding Questions:

- *Will the farmland assessment formula be updated in the future and if so, is there a timeline?*

44

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.

Proposed Status: No legislative change.

Comments: AAMDC members did voice some concern about changes that would adversely impact the intensive agriculture industry. AAMDC staff and board reassured the audience at the time that the changes being discussed with the Intensive Agriculture Operations Working Group (IAOWG) were including producers and that all efforts were being made to reach consensus within the group and identify optional tools that would be available to municipalities that want them. At all times, the economic burden of taxation or levy tools should be minimized. Members did indicate that changes are needed in this area or municipalities would be forced to use alternative means to support infrastructure related to this industry.

There is some limited interest in having a separate property class to manage intensive agriculture operations.

45

Airport Property Assessments: How should airport terminals be assessed?

Current Status: Airport terminals are assessed at market value.

Proposed Status: No legislative change.

Comments: *No comments.*

46

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.

Comments: *No comments.*

47

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.

Comments: Staff had incorrectly identified that there were no changes to supplemental assessment for linear property but clarity will be provided to members in forthcoming discussions and print materials.

Outstanding Questions:

- *With regard to supplemental assessment, how will it be implemented? Will municipalities have to pass a bylaw to use that tool or will it be on a case by case basis? Will the regulation outline a number of supplemental assessment dates or will municipalities be able to start the assessment period as soon as the linear property is 'operational'?*
- *With regard to progressive assessment, how are the impacts of properties under construction properly accounted for?*

48

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.

Comments: There were no specific comments related to exemptions remaining status quo in the MGA.