

December 5, 2018

Bill 32 Analysis: Municipal Funding Update, MSI Replacement, and City Charters

Last week, the Government of Alberta introduced Bill 32 which outlines some specific legislative amendments that will only apply to the City of Calgary and City of Edmonton.

Bill 32: City Charters Fiscal Framework Act was introduced last week into the Alberta legislature where it currently has passed second reading and is with the **Committee of the Whole** for further debate and discussion. This legislation is connected to the previous review of the **Municipal Government Act**, and follows up on a request by the City of Edmonton and City of Calgary to have **city charters** that provide unique powers and considerations to Alberta's largest cities.

Municipal Funding

The **Municipal Sustainability Initiative** (MSI) is set to expire in 2021. Bill 32 provides the City of Calgary and the City of Edmonton with a new legislated capital funding program that will start in 2022-23 and replace the MSI program. Within this new program, funding will start at \$500 million annually and will grow according to a formula that combines changes in provincial revenues and changes in fuel sales. Bill 32 also secures \$400 million in transit funding to be split evenly between Calgary and Edmonton starting in 2027-28.

Please note, the RMA and the AUMA continue to have discussions with the Government of Alberta to develop a municipal funding program that replaces the MSI program for municipalities outside of Calgary and Edmonton. The RMA will continue to work towards a predictable, long-term model that provides adequate funding for our members and the RMA will work to keep our members apprised of any information when possible.

City Charter Regulations

The City Charters outlined in Bill 32 provide additional regulations that broaden the scope of powers to Alberta's two largest cities. The **City of Edmonton Charter, 2018 Amendment Regulation** and the City of **Calgary Charter, 2018 Amendment Regulation** are intended to provide the cities with more flexibility in how they manage growth. The regulations will relate to:

- **Debt Management** – Calgary and Edmonton will be able to establish their own debt limit and debt servicing limit within council-adopted policies.

2510 Sparrow Drive
Nisku, Alberta T9E 8N5

OFFICE: 780.955.3639
FAX: 780.955.3615
RMAAlberta.com

- **Off-site Levies** – Calgary and Edmonton may, through by-law- identify the types of infrastructure for which an off-site levy may be imposed, and establish the method for calculating off-site levies.
- **Inclusionary (Affordable) Housing** – Calgary and Edmonton may establish its own inclusionary housing program. This can include how and when the cities can acquire dwelling units for inclusionary zoning, how they are maintained, the land or money that can be acquired for inclusionary housing, etc.)
- **Local Improvement Taxes** – Calgary and Edmonton will see the timelines to begin building the local improvement and charge for a tax from three to five years, and the timeline to complete the local improve is extended from one to two years.
- **Advertising Requirements** – Calgary and Edmonton may modify the advertising requirement for public auctions and public works.
- **Rezoning Notification** – Calgary and Edmonton will have simplified process for notification where an amendment to a statutory plan or landuse bylaw affects less than 500 parcels.
- **Freehold School Sites and Municipal Reserves** – the regulations outline for each city that “school sites” include school property that has been acquired at no costs, and that reserve lands with a school interest may be used for any purpose agreed to by municipality and affected school board through a Joint-use Planning Agreement.

The [draft regulations](#) are available online until January 28, 2019 for review. For more information, click [here](#).

For enquiries, please contact:

Matt Dow
Policy Analyst
matt@RMAAlberta.com

Tasha Blumenthal
Director of External Relations & Advocacy
tasha@RMAAlberta.com