

November 27, 2019

## Bill 22 and the Implications for Municipalities

*Bill 22 dissolved the Alberta Capital Finance Authority Board*

**Bill 22:** *Reform of Agencies, Boards and Commissions and Government Enterprises Act*, which received royal assent on November 22, eliminates or restructures multiple boards and commissions. Of particular importance for municipalities is the elimination of the Alberta Capital Finance Authority (ACFA) Board. This was previously mentioned as a footnote in the 2019-20 fiscal plan.

The ACFA, formed in 1956, originally existed to provide capital funding solely for municipalities. Over time, their mandate grew to include airports, health, and educational authorities. The ACFA offers low interest loans to these groups for capital projects (e.g. wastewater treatment facilities, recreation centres, LRT projects). Their current interest rate is 2.5% and their 2018 annual report lists their cash at the end of the year at \$94,718,000. This demonstrates that the ACFA is a low cost lender with a healthy cash reserve to facilitate their mandate.

Prior to Bill 22, the board of directors for the ACFA had nine members, five representing the Crown, and four representing municipal authorities (including municipal districts and counties), cities, towns, and educational authorities. Bill 22 dissolves the ACFA board and transfers their authority to a Director, who will be appointed by the Lieutenant Governor in Council. RMA has learned the intent of Bill 22 is to maintain the function of the ACFA while eliminating the board.

Bill 22 also includes changes to several other acts. Those that may impact municipalities are:

- The *Local Authorities Election Act* is amended to substitute the Chief Electoral Officer in place of the Election Commissioner. These changes reflect changes to the *Election Act*.
- The *Northern Alberta Development Council Act* is amended to change the size of the council from between eight and ten members to no more than seven members.
- The Alberta Historical Resources Foundation is dissolved.
  - This may impact municipalities as the foundation managed funds that municipalities were eligible to apply for.
  - There is no guarantee that the same level of funding will be available now that the associated fund has been rolled into general revenue.
- Multiple changes to the management and organization of pensions, which may have impacts on the Local Authorities Pension Plan (LAPP). RMA is continuing to explore these changes.

To view Bill 22, click [here](#).

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