

July 31, 2020

Government of Alberta Releases Municipal Stimulus Funding

The program will distribute \$500 million to Alberta municipalities for capital projects to help stimulate the local economy

On July 30, 2020, the Government of Alberta announced the **Municipal Stimulus Program** (MSP), which is intended to support municipal capital infrastructure projects as a means to contributing to local job creation and economic recovery.

The MSP includes \$500 million in funding to be **distributed to all municipalities in Alberta** based on the existing Gas Tax Fund allocation formula (a per capita distribution process with \$50,000 minimum funding for municipalities with smaller populations, and \$5,000 minimum funding for summer villages).

Municipalities may use the funding for projects that adhere to the eligible project categories for the Municipal Sustainability Initiative, with some exceptions (see the **MSP Program Guidelines** for a full list of eligible and ineligible projects).

Municipalities must apply for their MSP funding, with specific projects, by October 1, 2020. Project funding must be spent on accepted projects prior to December 31, 2021. **Municipalities will lose access to any portion of their allocation that is not committed to an accepted project submitted as of October 1, 2020.** Municipalities may apply for funding for up to five projects, although the Government of Alberta recommends an application with two or fewer projects to minimize administrative and reporting requirements.

As a condition of receiving MSP funding, municipalities are required to complete two annual “Red Tape Reduction” reports. The reports will address the following questions for the municipality:

- What steps have been taken to make it easier to start up a new business in the municipality?
- What steps have been taken to streamline processes and shorten timelines for development and permit approvals?
- What steps have been taken to make the municipality a more attractive destination for new investment and/or tourism?

The first Red Tape Reduction report is due February 1, 2021, and the second is due February 1, 2022. The Government of Alberta will provide municipalities with a report template at a later date.

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BULLETIN

Municipalities are encouraged to review, complete and submit the [MSP application form](#) as soon as possible. Although the submission deadline is October 1, 2020, funding disbursement may begin in September.

For enquiries, please contact:

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