

BUDGET 2023

GOVERNMENT OF ALBERTA | 2023-26

Ministry Business Plan Municipal Affairs

Municipal Affairs

Business Plan 2023-26

Ministry Fact Sheet – Mandate and Structure

Municipal Affairs supports municipalities in providing well-managed, accountable local government to Albertans. This includes administering municipal grant programs; providing advisory and capacity-building supports; managing public land and providing municipal services in the province's three Special Areas; and providing limited administrative services to six improvement districts. Municipal Affairs supports municipalities, as they play a significant role in building the local economic conditions that enable the vibrancy and prosperity of Alberta's communities. The ministry continues to strengthen and maintain a relationship of mutual respect and cooperation with municipal leaders as it works with local governments to:

- develop and implement the Local Government Fiscal Framework;
- oversee the safety codes system;
- provide ongoing support, training, and educational opportunities to facilitate well-managed municipalities; and
- reduce red tape to streamline processes for local governments and businesses.

In addition to supporting Alberta's municipalities, Municipal Affairs actively collaborates with other government ministries on several fronts, including: working with the Ministry of Energy to consult with the energy industry, and with the Rural Municipalities of Alberta on how to address the issues associated with the linear property tax and unpaid municipal tax bills; working with the ministry of Service Alberta and Red Tape Reduction, and with municipalities – to benchmark, measure, and reduce the time it takes to approve permits in order to create a more attractive business investment environment; working with the ministries of Public Safety and Emergency Services and Forestry, Parks and Tourism to develop a flood and fire mitigation strategy to proactively protect communities at risk of future natural disasters; and working with the Ministry of Seniors, Community and Social Services, to engage with large and mid-sized cities to address issues of homelessness, and mental health and addiction services.

Municipal Affairs supports the viability of municipalities through a variety of programs, including grants and other financial supports. The Municipal Sustainability Strategy helps improve the long-term viability of municipalities across the province through capacity building tools, targeted funding, and the viability review process. Further, the ministry oversees the province's property assessment and taxation system and is responsible for the preparation of designated industrial property and equalized assessments, which form the foundation for generating municipal property tax revenues and setting the province's education property tax. Additional ministry support includes administering the Municipal Internship Program, providing training opportunities, conducting municipal reviews and inspections, and undertaking other advisory activities. Through these actions, Municipal Affairs fosters capacity building, transparency, and accountability, which are essential elements for responsible local government. Ministry-administered grants include:

- the Municipal Sustainability Initiative, the province's primary capital grant program for municipalities;
- the Alberta Community Partnership, which provides targeted funding that focuses on regional collaboration; and
- federal programs, such as the Canada Community-Building Fund.

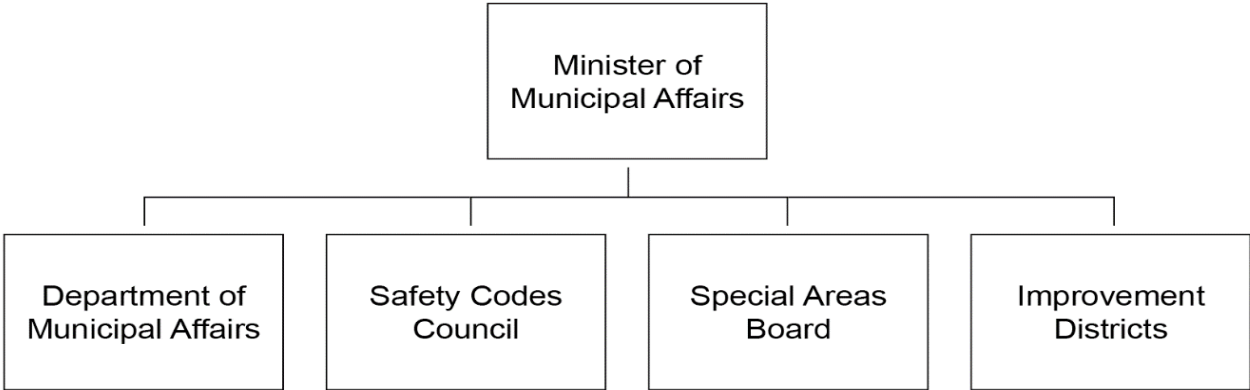
The ministry manages and provides financial support for the network of municipal library boards and regional library system boards that provide public library services for Albertans. Provincial support in the form of direct operating grants, as well as services such as SuperNet connectivity, e-content, accessible physical and digital content for people with print disabilities, and library services to Indigenous patrons and communities enables equitable access to library services for all Albertans.

In order to help ensure Albertans are safe in their homes and communities, Municipal Affairs oversees the province's safety codes system, which is established by the *Safety Codes Act*. This includes buildings (including energy efficiency and accessibility), pressure equipment, elevating devices (including amusement rides and passenger ropeways), fire

protection, electrical, plumbing, gas, and private sewage disposal systems. Municipal Affairs represents Alberta on several national and international code and standards development committees that form the basis for several codes that are adopted in Alberta. The ministry supports municipalities, industry, and other partners in their administration of the Act by providing technical and policy advice and through ongoing engagement with the Safety Codes Council, a statutory corporation composed of stakeholders who advise the minister.

In addition to safety codes system oversight, Municipal Affairs administers new home buyer protection policies and programs designed to hold residential builders accountable through licensing and to provide consumers with recourse through the mandatory new home warranty program. These programs ensure homes meet safety and quality standards and protect what is, for many Albertans, their largest investment – their home.

The ministry also supports the Land and Property Rights Tribunal. The tribunal delivers fair, impartial, and well-reasoned decisions and recommendations on a variety of planning and assessment matters, including designated industrial property assessment, commercial and multi-residential property assessment, subdivision appeals, development appeals, and annexations. The tribunal grants right of entry when operators require access to private land or occupied Crown land for the purposes of developing subsurface resources and decides compensation disputes involving right of entry, expropriation, and surface lease matters. The tribunal also provides parties with a dispute resolution process to help resolve their disputes prior to a formal hearing. Finally, the tribunal supports municipalities by providing certification training for board members and clerks of municipal assessment review boards and subdivision and development appeal boards.



The ministry consists of the Department of Municipal Affairs and the Safety Codes Council, and includes the Special Areas Board and six improvement districts, which are accountable to the Minister.

A more detailed description of Municipal Affairs and its programs and initiatives can be found at: www.alberta.ca/municipal-affairs.aspx.

The Ministry of Municipal Affairs remains committed to regulatory approaches and program delivery that reduce unnecessary government oversight and emphasizes outcomes, in order to improve access to government services, attract investment, support innovation and competitiveness, and grow Alberta businesses.

Ministry business plans should be considered in conjunction with all budget documents – including the Fiscal Plan, Government Strategic Plan, and Estimates – which work together to provide a complete overview of the government’s commitment to responsible fiscal management.

2023-26 Business Plan

Outcome 1

Municipalities are strong partners in supporting and enabling economic prosperity in their communities

The government supports municipalities, as they play a significant role in building the local economic conditions that enable the vibrancy and prosperity of Alberta's communities.

Key Objectives

- 1.1 Provide capital grants to support predictable, sustainable investment in municipal infrastructure, which enables communities to support local, regional, and provincial job creation and economic growth.
- 1.2 Work with industry and municipal stakeholders to co-design and begin implementation of an engagement approach to modernize the assessment models for regulated property.
- 1.3 Work with municipalities to provide a legislative and regulatory framework that ensures municipal decisions minimize red tape and barriers to investment.
- 1.4 Evaluate the feasibility of changes to the Education Property Tax or other aspects of the overall framework of provincial financial supports to better assist municipalities with funding local priorities.
- 1.5 Work with municipalities and industry to address the issues associated with unpaid oil and gas property taxes.

Initiatives Supporting Key Objectives

- Finalize and prepare for implementation of the Local Government Fiscal Framework, which will provide on-going, sustainable infrastructure funding (\$722 million in 2024-25) to municipalities and Metis Settlements.
- In 2023-24, \$485 million is budgeted for the Municipal Sustainability Initiative Capital program, and \$266 million for the federal Canada Community-Building Fund to enhance predictability in funding for municipalities and to support local infrastructure needs while creating jobs and long-term prosperity.
- Collaborate with municipal partners to minimize permitting timelines as part of creating a more attractive business investment environment.

Performance Metrics

1.a Performance measure: Five-to-one Tax Ratio Compliance (under development)

Measures the number of municipalities compliant with the five-to-one ratio between non-residential and residential property tax rates. A competitive tax ratio is critical to ensuring economic growth for municipalities and stimulus for non-residential properties used by industry. Targets will be set as part of the measure's development.

Outcome 2

Albertans live in viable municipalities and communities with fiscally responsible, collaborative, and accountable local governments

The government supports municipalities through a variety of programs and financial supports. Municipal Affairs oversees the property assessment and taxation system and is responsible for industrial property assessments and equalized assessments, which are used to generate municipal tax revenues and the province's education property tax.

Key Objectives

- 2.1 Enhance municipal service delivery through regional cooperation and growth management boards, including a review of the structure and effectiveness of the Calgary and Edmonton Metropolitan Region Boards, and a review of the legislative provisions with respect to Intermunicipal Collaboration Frameworks.

- 2.2 Collaborate with municipalities and municipal associations to develop tools, programs, and training to support well-managed, accountable, and sustainable municipalities.
- 2.3 Provide grants to support delivery of municipal services, improve quality of life in local communities, and enhance municipal viability and regional collaboration.
- 2.4 Encourage infrastructure asset management to ensure municipalities have appropriate tools and resources to make sound decisions regarding local infrastructure and finances.
- 2.5 Provide operating grants and capacity supports to Alberta’s public library boards and regional library systems, to ensure Albertans are served by accessible, well-managed and responsive library services.
- 2.6 Effective delivery of industrial property assessments that are consistent, transparent, and fair across the province.

Initiatives Supporting Key Objectives

- In 2023-24, \$60 million for the Municipal Sustainability Initiative Operating program to support delivery of municipal services, an increase of \$30 million.
- In 2023-24, \$15.4 million is budgeted for the Alberta Community Partnership, which is a grant program that supports intermunicipal collaboration and capacity building.
- In 2023-24, \$33.4 million is budgeted for public library operating grants, an increase of \$2.9 million.

Performance Metrics

2.a Performance Measure: Percentage of municipalities that met or exceeded the minimum performance targets for financial and governance risk indicators

This metric, which commits to a high standard of expected performance, shows most municipalities were deemed not to potentially face long-term viability challenges. The 2021-22 result (which reflects the 2020 reporting year for municipalities) was 95 per cent.

Targets	2023-24	90%	2024-25	90%	2025-26	90%
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Outcome 3

Albertans are protected with safe buildings, homes, and communities

To help ensure Albertans are safe in their homes and communities, Municipal Affairs oversees the province’s safety codes system, which is established by the *Safety Codes Act*. Under this Act, municipalities, corporations, regional service commissions and agencies may become accredited to administer the safety codes system in their jurisdiction. This includes safety disciplines such as buildings, pressure equipment, elevating devices, fire protection, electrical, plumbing, gas, and private sewage disposal systems.

Key Objectives

- 3.1 Utilize the quality assurance framework to identify if the intended outcomes of the safety system are being achieved.
- 3.2 Represent and protect Alberta’s interests during the development and review of national and international safety codes and standards for potential adoption in Alberta.
- 3.3 Protect the investments of Albertans by ensuring new homes are affordable and meet construction, safety, and quality standards.

Initiatives Supporting Key Objectives

- Work with the Safety Codes Council to implement a renewed provincial accreditation framework to facilitate more efficient approaches, such as risk-based inspections to best focus their resources.
- Complete the ongoing building codes review to ensure both safety and affordability concerns are appropriately addressed and ensure authority for building code changes remain a provincial jurisdiction.
- Implement solutions to issues identified as part of the review of new home buyer protections.

Performance Metrics

3.a Performance Measure: Number of injuries and fatalities caused by structural or mechanical failure of buildings and associated systems per 100,000 population in Alberta

This measure is based on incident and fire investigation reports where the cause of an injury or fatality was due to mechanical or structural failure and not human error. The 2021-22 (2021) result was 0.67.

Targets	2023-24	0.65	2024-25	0.64	2025-26	0.62
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3.b Performance Indicator: Number of injuries and fatalities involving buildings or associated systems not caused by structural or mechanical failure per 100,000 population in Alberta

Ministry staff review incident reports with injuries and/or fatalities identified, and determine which were not caused by structural or mechanical failure.

	2018	2019	2020	2021
Actuals	5.12	4.05	3.04	4.44

Outcome 4

Albertans receive fair, timely, and well-reasoned decisions from the Land and Property Rights Tribunal

The Land and Property Rights Tribunal issues decisions and recommendations about land-use planning, development, and assessment matters. The tribunal also grants right of entry and decides compensation disputes involving land expropriation and surface rights matters.

Key Objectives

- 4.1 Deliver effective and impartial appeals and dispute resolution processes for land-use planning, development, compensation, assessment, and other matters referred to the tribunal.
- 4.2 Strengthen the rights of landowners and operators to fair and timely decisions on surface rights matters by modernizing processes through technology, and reducing timelines for issuing decisions.
- 4.3 Provide certification training for municipal board members and clerks of Assessment Review Boards and Subdivision and Development Appeal Boards.

Initiatives Supporting Key Objectives

- Continue to modernize processes, including upgrades to the on-line system for submitting surface rights applications, improvements to the public website, transitioning to a more efficient case management system, and expanding the use of a Robotic Process Automation software to enter applications, and draft orders and decisions.
- In 2023-24, \$600,000 will be provided to support Municipal Assessment Review Boards, which hear property assessment complaints, by providing board members to preside over composite assessment review board hearings.

Performance Metrics

4.a Performance Measure: Percentage of parties who are satisfied or neutral regarding the Land and Property Rights Tribunal's adherence to rules of natural justice while adjudicating land planning, development, right of entry, compensation, and assessment matters

This measure is calculated by surveying hearing participants regarding the tribunal's hearing processes – including such criteria as timeliness, fairness, and impartiality. The 2021-22 actual result was 86 per cent.

Targets	2023-24	88%	2024-25	88%	2025-26	88%
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STATEMENT OF OPERATIONS

(thousands of dollars)

	Comparable		2023-24 Estimate	2024-25 Target	2025-26 Target
	2022-23 Budget	2022-23 Forecast			
REVENUE					
Canada Community-Building Fund	255,121	259,492	266,214	266,214	266,214
Other Transfers from Government of Canada	37,957	22,610	30,041	16,782	8,511
Premiums, Fees and Licences	19,123	19,841	19,885	20,258	20,594
Investment Income	319	277	276	476	505
Other Revenue	16,636	16,508	16,315	16,016	16,016
Consolidated Total	329,156	318,728	332,731	319,746	311,840
EXPENSE					
Ministry Support Services	5,411	5,411	5,581	5,613	5,613
Municipal Services	45,970	45,970	49,062	49,147	49,147
Municipal Assessments and Grants	26,182	26,182	26,551	26,387	26,391
Municipal Sustainability Initiative	515,000	515,000	545,000	-	-
Local Government Fiscal Framework	-	-	-	782,000	872,970
Federal Grant Programs	293,075	282,099	296,897	282,993	274,722
Grants in Place of Taxes	30,025	30,775	36,000	38,100	39,700
Alberta Community Partnership	15,400	15,978	15,400	15,400	15,400
Technical and Corporate Services	14,282	14,282	15,021	14,916	14,956
Land and Property Rights Tribunal	6,920	6,740	7,842	7,882	7,882
Safety Codes Council	15,095	14,116	15,933	16,057	16,251
Consolidated Total	967,360	956,553	1,013,287	1,238,495	1,323,032
Net Operating Result	(638,204)	(637,825)	(680,556)	(918,749)	(1,011,192)
CAPITAL INVESTMENT					
Municipal Assessments and Grants	709	5,029	600	550	-
Land and Property Rights Tribunal	-	180	-	-	-
Safety Codes Council	170	140	405	640	700
Consolidated Total	879	5,349	1,005	1,190	700