

BUDGET 2024

GOVERNMENT OF ALBERTA | 2024-27



Municipal Affairs

Ministry Business Plan

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Business Plan 2024-27

Ministry Fact Sheet – Mandate and Structure

The Ministry of Municipal Affairs supports municipalities in providing well-managed, fiscally responsible, and accountable local government to Albertans. This includes administering municipal grant programs; delivering advisory and capacity-building supports; providing municipal services and managing public lands in the province's three Special Areas; and overseeing the safety codes system in the province. The ministry continues to maintain and build relationships of trust, partnership, and open dialogue with municipal leaders across the province. The ministry also:

- works with municipalities and builders to create conditions that will increase housing supply and address housing costs;
- protects the province's constitutional right to oversee the governance of Alberta's municipalities without federal interference;
- manages and administers the Local Government Fiscal Framework;
- provides ongoing support, training, and educational opportunities to facilitate well-managed municipalities;
- continues to reduce unnecessary red tape and barriers that are impacting stakeholders' ability to grow the economy and improve the quality of life for Albertans;
- provides administrative services to six improvement districts; and
- supports the Land and Property Rights Tribunal to deliver fair, impartial, and well-reasoned decisions and recommendations on a variety of land use planning, assessment and compensation matters.

In addition to supporting Alberta's municipalities, Municipal Affairs actively collaborates with other government ministries and municipalities in several ways. The ministry is working on the government's commitment to contribute up to \$330 million in support of the Calgary arena and entertainment district project by providing up to \$30 million for a new community rink neighbouring the main arena that will serve youth and amateur hockey. In addition, the ministry is developing appropriate incentives and benchmarks to significantly reduce municipal approval times for housing and business park developments.

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. The ministry also 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 supports include 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 Local Government Fiscal Framework – 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.

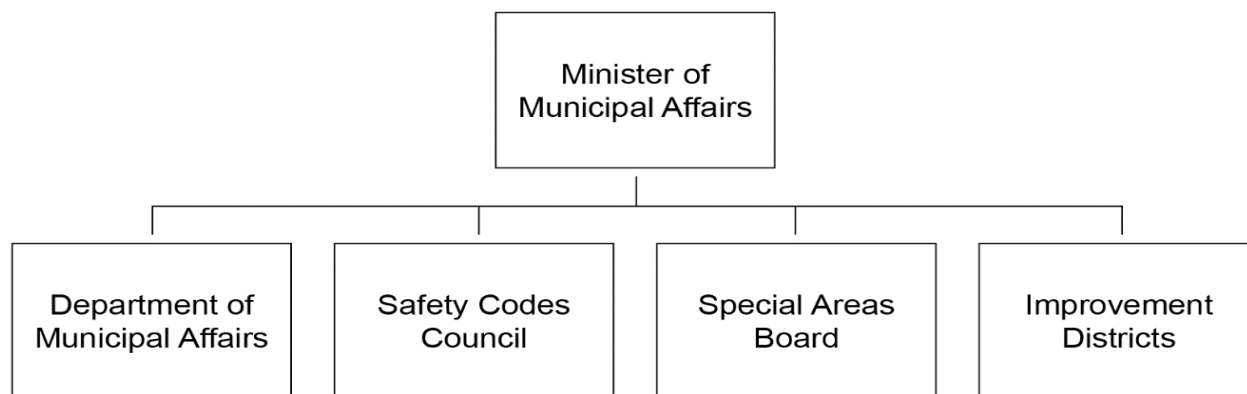
The ministry manages and provides financial support for the network of 223 municipal library boards and seven regional library system boards that provide public library services for Albertans. Provincial support in the form of direct operating grants enable equitable access to library services for all Albertans. Access is further supported by SuperNet connectivity, e-content, accessible physical and digital content for people with print disabilities, and library services to Indigenous patrons and communities.

In order to help ensure Albertans are safe in their homes and communities, Municipal Affairs oversees the province’s safety codes system, 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 national and international codes and standards development committees that form the basis for the codes that are adopted in Alberta. The ministry supports municipalities, industry, and other partners in their administration of the *Safety Codes 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 overseeing the safety codes system, Municipal Affairs, under the *New Home Buyer Protection Act*, administers new home buyer protection policies and programs. These programs are designed to hold residential builders accountable through licensing and to provide consumers with recourse through the mandatory new home warranty program. These programs ensure newly constructed 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 land use 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 purpose of developing subsurface resources and decides compensation disputes involving expropriation and surface rights matters. The tribunal also provides parties with dispute resolution processes 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 <https://www.alberta.ca/municipal-affairs>

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 government’s commitment to responsible fiscal management.

2024-27 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 Through the Local Government Fiscal Framework and other grant programs, provide capital grants to support predictable, sustainable investment in municipal infrastructure, enabling communities to further local, regional, and provincial job creation and economic growth.
- 1.2 Continue to engage with industry and municipal stakeholders 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 Determine the feasibility of amending the Education Property Tax to assist municipalities with retaining more funding for local priorities.
- 1.5 Work with municipalities and industry to address issues associated with unpaid oil and gas property taxes, including supporting the Alberta Energy Regulator to make well licence transfers contingent on the payment of outstanding property taxes.
- 1.6 Work with municipalities and builders to ensure the appropriate conditions are in place to enable municipalities to make decisions that will grow their local housing stock, through improvements to the permitting system, streamlined legislation and regulations, and the exploration of different taxation tools.

Initiatives Supporting Key Objectives

- In 2024-25, \$724.2 million is budgeted for the Local Government Fiscal Framework, and \$266.2 million for the federal Canada Community-Building Fund to provide municipalities and Metis Settlements with sustainable infrastructure funding.
- In 2024-25, \$20 million is budgeted for the Local Growth and Sustainability Grant, which will support municipalities as they manage growth pressures and continue to strengthen local economies, and address emergent core infrastructure and community resilience issues.
- Collaborate with municipal partners to minimize permitting timelines as part of creating a more attractive business investment environment.

Performance Metrics

1.a Performance measure: Number of municipalities not compliant with the five-to-one tax ratio

Measures the number of municipalities not compliant with the legislated five-to-one ratio, which specifies the maximum spread between non-residential and residential property tax rates. A compliant tax ratio promotes economic competitiveness for municipalities and more equitable tax treatment for non-residential properties used by industry. The 2022 result was 9.

Targets	2024	6	2025	4	2026	2
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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 designated 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 Continue to support municipal service delivery through regional cooperation and growth management boards, including monitoring the effectiveness of the Calgary and Edmonton Metropolitan Region Boards, and reviewing the legislative provisions related to Intermunicipal Collaboration Frameworks.
- 2.2 Collaborate with municipalities and municipal associations to develop tools, resources, and training to support well-managed, accountable, and sustainable municipalities.
- 2.3 Review the *Local Authorities Election Act* and the *Municipal Government Act* to identify any recommended amendments that will strengthen public trust in the integrity of Alberta’s municipal election laws, and improve councillor accountability to their residents.
- 2.4 Provide grants to support municipal service delivery, and enhance municipal viability and regional collaboration.
- 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 designated industrial property assessments that are consistent, transparent, and fair across the province.

Initiatives Supporting Key Objectives

- In 2024-25, \$60 million is budgeted for the Local Government Fiscal Framework Operating program to support delivery of municipal services.
- In 2024-25, \$15.4 million is budgeted for the Alberta Community Partnership grant program to support intermunicipal collaboration and capacity building.
- In 2024-25, \$33.6 million is budgeted for public library operating grants.

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 commits to a high standard of expected performance, and shows most municipalities do not face potential long-term viability challenges. The 2022 result (2021 reporting year for municipalities) was 92.5 per cent.

Targets	2024	90%	2025	90%	2026	90%
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Outcome 3

Albertans are protected with safe buildings, homes, and communities

The ministry helps to ensure Albertans are safe in their homes and communities by overseeing the province’s safety codes system, and administering the Residential Protection Program, which protects consumers when purchasing a new home and holds home builders accountable through builder licensing.

Key Objectives

- 3.1 Utilize the quality assurance framework to identify if the intended outcomes of the safety codes system are being achieved.

- 3.2 Protect Alberta’s interests during the development of national and international safety codes and standards for potential adoption in Alberta.
- 3.3 Protect Albertans by ensuring new homes meet construction, safety, and quality standards.

Initiatives Supporting Key Objectives

- Work with the Safety Codes Council to implement a renewed provincial accreditation framework that facilitates more efficient approaches, such as risk-based inspections.
- Ensure Alberta exercises its provincial jurisdiction through the review of safety codes and standards to ensure provincial priorities such as affordability are maintained.
- Respond to the review of new home buyer protections by increasing homeowners’ ability to navigate the home warranty system, providing clarity around terms within the program, improving claims resolution, reducing red tape, and continuing to improve the quality of construction of new homes.

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 2022 result was 0.61.

Targets	2024	0.64	2025	0.62	2026	0.61
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Outcome 4

Albertans receive fair and timely administrative justice regarding the resolution of compensation, property assessment, and land use disputes

The Land and Property Rights Tribunal issues decisions and recommendations about land use planning 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 Provide fair, timely, and well-reasoned decisions and recommendations.
- 4.2 Modernize appeal and application processes through technology to improve transparency and access to justice.
- 4.3 Provide certification training for municipal board members and clerks of Assessment Review Boards and Subdivision and Development Appeal Boards, to ensure hearings before these boards are fair and effective.

Initiatives Supporting Key Objectives

- In 2024-25, \$600,000 is allocated for 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 use planning, right of entry, compensation, and assessment matters

This measure is calculated by surveying hearing participants regarding the tribunal’s hearing processes and includes such criteria as timeliness, fairness, and impartiality. The 2022-23 actual result was 87 per cent.

Targets	2024-25	88%	2025-26	88%	2026-27	88%
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STATEMENT OF OPERATIONS

(thousands of dollars)

	Comparable		2024-25 Estimate	2025-26 Target	2026-27 Target
	2023-24 Budget	2023-24 Forecast			
REVENUE					
Canada Community-Building Fund	266,214	270,536	266,214	266,214	266,214
Other Transfers from Government of Canada	30,041	25,835	24,183	14,197	3,280
Premiums, Fees and Licences	19,885	19,008	19,234	19,170	19,400
Investment Income	276	371	519	465	446
Other Revenue	16,315	19,459	19,250	19,031	18,471
Consolidated Total	332,731	335,209	329,400	319,077	307,811
EXPENSE					
Ministry Support Services	5,581	5,381	5,719	5,819	5,735
Municipal Services	49,062	48,562	49,797	50,008	49,847
Municipal Assessment and Grants	26,551	29,074	29,368	29,476	28,860
Municipal Sustainability Initiative	545,000	545,000	-	-	-
Local Government Fiscal Framework	-	-	784,200	880,375	867,982
Federal Grant Programs	296,897	296,371	290,397	280,411	269,494
Grants in Place of Taxes	36,000	36,000	38,100	39,700	41,400
Alberta Community Partnership	15,400	15,400	15,400	15,400	15,400
Technical and Corporate Services	15,021	14,461	15,054	15,352	15,099
Land and Property Rights Tribunal	7,842	7,831	7,913	8,010	7,929
Calgary Event Centre-Community Rink	-	400	14,600	15,000	-
Local Growth and Sustainability Grant	-	-	20,000	20,000	20,000
Safety Codes Council	15,933	15,535	16,710	16,689	16,798
Consolidated Total	1,013,287	1,014,015	1,287,258	1,376,240	1,338,544
Net Operating Result	(680,556)	(678,806)	(957,858)	(1,057,163)	(1,030,733)
CAPITAL INVESTMENT					
Municipal Assessment and Grants	600	5,021	550	-	-
Technical and Corporate Services	-	60	-	-	-
Land and Property Rights Tribunal	-	191	-	-	-
Safety Codes Council	405	350	194	550	450
Consolidated Total	1,005	5,622	744	550	450