



Municipal Government Act Review

Emerging Themes: A Summary of Municipal Partner
and Stakeholder Considerations



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Alberta 

Overview

The last major consolidation of the *Municipal Government Act (MGA)* was completed in 1995, following nearly ten years of review. Since 2012, government has consulted with municipal partners and stakeholders to review the *Act*.

Alberta Municipal Affairs is reviewing and refreshing the *MGA* to address societal changes and evolving needs, and to ensure the *MGA* continues to meet its objective. A successful *MGA* review process will continue to position Alberta as the leading Canadian jurisdiction in terms of municipal legislation, having incorporated sound thinking, input and research into a clear *Act* that meets the needs of the province and municipalities.

As part of the *MGA* Review public consultation, Albertans were invited to provide their feedback through in writing through the workbook and formal submissions and in person at the regional consultation sessions. The result from the public consultation during January to June 2014 is more than 1,200 written submissions and feedback from more than 1,500 participants at 77 community meetings.

The feedback from municipal partners and stakeholders is reflected in this document; subsequent to conclusion of the public consultation phase, this feedback has been categorized into eight key themes:

- 1. Provincial-Municipal Relations**
- 2. Accountability and Transparency**
- 3. Governance**
- 4. Viability**
- 5. Regional Decision Making**
- 6. Revenues**
- 7. Property Assessment and Taxation**
- 8. Managing Growth**

Municipal Affairs is in the process of carefully considering public input on issues identified through formal written submissions, and through other channels such as *MGA* Review Consultation Workbook submissions, the consultation sessions, and ongoing consultation with municipal and business and industry focus groups.

Theme 1: Provincial-Municipal Relations

- Through the *MGA* Review, we heard that the Province's relationship with municipalities should be enhanced to not only empower them further, but also to help them deal with growth pressures.

Municipal Partner and Stakeholder Considerations:

- Throughout the consultations, municipalities asked for a revised *MGA* that clarifies provincial and municipal relationships, revisits the one-size-fits-all approach of the Act, and more clearly defines the operation of municipally controlled corporations.
- Municipal partners and stakeholders provided the following opinions and insight concerning the inclusion of a **preamble** in the *MGA* and the **roles and responsibilities** of the Province and municipalities:
 - The current enabling tone of the *MGA* should be preserved.
 - A preamble would provide an opportunity to outline the benefits of intermunicipal cooperation and encourage collaboration between municipalities and between municipalities and industry. Related comments noted that if the Province intends to achieve specific outcomes such as more regional collaboration or amalgamations, a preamble would be a good way to signal this intent.
 - The *MGA* should be more consistent across all of its provisions, both in wording and in intent.
 - A number of municipalities and the municipal associations have requested clearer delineation between the roles of the Province and those of municipalities. They indicated that the Province has been “downloading” more and more responsibilities onto municipalities without providing matching funding, particularly for social services such as health care, seniors housing and homeless supports. Defining responsibilities, then, is seen as a way of managing scope of municipal services and accessing resources. It was also suggested that more clarity is especially important in areas where municipalities and the Province have a shared interest, such as policing, emergency services, and environmental stewardship.
 - Defining the relationship between the Province and municipalities is seen by some as a way to mitigate a perceived imbalance or paternalism in the existing relationship.
- Municipal partners and stakeholders provided the following opinions and insight concerning the **One-Act-Fits-All Framework**:
 - Due to the differences between large and small municipalities, the *MGA* should not try to be one-size-fits-all.
 - Empower large cities with autonomy to decide various legislative and financial decisions and mechanisms.
 - Formalize a partnership/engagement agreement with Alberta municipalities in the *MGA* and continue to pursue civic charters, but recognize regional realities and opportunities within the selected model.

- Municipal partners and stakeholders provided the following opinions and insight concerning the creation of procedural requirements for **municipally controlled corporations**:
 - Municipalities, particularly large municipalities, should be enabled to exercise their natural person powers to establish municipally controlled corporations without ministerial approval.
 - The *MGA* should provide clear guidelines around how municipally controlled corporations can be used in order to ensure fairness when competing with other businesses.
 - More resources should be available, such as templates and toolkits, to provide a road map for municipalities to establish municipally controlled corporations.
 - The level of government authorized to establish a municipally controlled corporation and appoint its members should be the entity charged with the ultimate oversight of the corporation, as they are the "shareholders."
 - Transparency and taxpayer input into decisions are the best ways to provide oversight of municipally controlled corporations.
 - Effective oversight of municipally controlled corporations can be achieved through appropriate accounting and asset management.

Theme 2: Accountability and Transparency

- Through the *MGA* Review we heard that approaches to councillor codes of conduct, petitioning processes, public notification methods, and accountability needs to be updated and enforced.
- This will empower municipalities to promote public participation, operate responsibly, and respond to the needs of their communities.

Municipal Partner and Stakeholder Considerations

- Throughout the *MGA* Review consultations, accountability, and transparency issues have been raised by municipalities and constituents who want to ensure that council decisions are fair, equitable, and consider the varying interests of all residents and taxpayers.
- Municipal partners and stakeholders provided the following input concerning **enforcement of the *MGA***:
 - It is hard to get councillors to follow rules or attend training when there is nothing to hold them accountable in the *MGA*. Enforcement needs to come from the Province.
 - The *MGA* should provide more direction around the compliance and punishment of councillors who act outside of the Act.
 - More tools are needed that ensure municipal compliance and accountability, such as arbitration, mediation, or an ombudsman.
 - The *MGA* needs more definitive and enforceable penalties to hold councils accountable. Currently, pursuing legal action is the only option for doing so.
 - Disqualification of council members is often used to enforce councillor adherence to the *MGA*. However, disqualification of council members must be brought to the courts. There should be a less costly way apart from the courts to hold councillors accountable.
 - Municipalities should be held accountable for complying with the requirements in the *MGA*. Municipalities should be audited for compliance at regular intervals, such as every ten years. More oversight would prevent serious compliance issues that have to be addressed through severe Provincial interventions.
 - There is no recourse for “rogue actions” by councillors at present. There is a need for disciplinary sanctions, systems and tools to discourage or address inappropriate conduct and hold municipal elected officials accountable. There could be a municipal ombudsman or ethics commissioner for municipal elected official conduct.
 - The *MGA* should ensure council decisions are audited to ensure public transparency and accountability.
 - There needs to be a checks and balances system, external from the municipality, to hold municipalities accountable.
- Municipal partners and stakeholders provided the following opinions and insight concerning **conduct of municipal elected officials**:

- Currently, the system of accountability is based on the election process as the foremost tool for accountability, and this is not sufficient as there is no mechanism to remove a councillor between elections. The *MGA* should establish due process to recall councillors if they are not performing.
- Include a provision in the *MGA* for citizen initiated recall of elected officials. Establish a right for voters to force a by-election for any councillor by petition.
- Give municipalities power to determine the accountability of their councillors through creation of a code of conduct and necessary enforcement mechanisms.
- Amend the *MGA* to prevent disqualified councillors from running in the next general election after their disqualification.
- The *MGA*'s enabling provisions around compliance and accountability are working well.
- Municipal partners and stakeholders provided the following opinions and insight concerning municipal **public engagement**:
 - Municipalities should be using more up to date, technology-based mechanisms to engage with their stakeholders.
 - The *MGA* should outline how and when public participation should occur.
 - The *MGA* should require each municipality to develop a plan for public communication, consultation, and engagement.
 - Municipalities should be required to consult throughout the decision-making process, including setting bylaws, changing fees and levies, setting budgets, and major municipal restructuring.
 - The public hearing process is currently customizable and should stay that way.
 - Public hearings are not the best way for the public to provide meaningful input.
- Municipal partners and stakeholders provided the following opinions and insight concerning **open council meetings**:
 - Allow closed meetings for limited matters.
 - Clarify legislation regarding council meetings and closed meetings.
 - Discourage or do not allow private council meetings, as it endangers transparency and accountability.
 - Need to ensure more transparent council meetings.
 - Clarify requirements for in-camera sessions.
- Municipal partners and stakeholders provided the following opinions and insight concerning **petitions**:
 - Petition thresholds are too high. Depending on municipal population it can be difficult for petitioners to meet thresholds to make a petition. The 10 per cent of the population requirement is particularly challenging for electors in a large municipality to collect. Consider a percentage of the last election's voter turnout.
 - The percentage of the population needed to form a petition should increase from 10 per cent to a higher proportion of municipal residents.
 - Petition requirements should consider shadow populations. This would help to obtain an accurate representation of the community's interest on a given issue.
 - The percentage of the population needed to form a petition is working well.
 - The *MGA* should not allow petitions. Petitions are an outdated form of public participation and are not useful in today's context.

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- The *MGA* should contemplate a "lower of" approach. Perhaps the lower of 10% or 1,000 signatures would be appropriate.
- The petitioning process is not clearly represented to the public in the *MGA*. Complex petition requirements also create a burden on municipalities. The petition process needs to be more clear and user-friendly.
- Distributing and collecting petitions needs to be modernized with new online technology.
- The short validation period is a problem for the municipality that receives the petition. Municipal staff time and resources are being stretched by these timelines.
- Municipal partners and stakeholders provided the following opinions and insight concerning **public notification methods**:
 - Options for notification methods should be left to municipal discretion.
 - The *MGA* needs to provide municipalities with more flexibility in how they communicate with the public. Notifications can't be limited to the newspaper. Modernizing notifications for tax notices should include email.
 - For broad public notices, such as notice of public hearing, the *MGA* should not specify the medium, but set a service standard to require that the notice be communicated in a manner that is reasonably accessible to the majority of residents.
 - Notice of public hearings and public meetings must be communicated to each ratepayer in writing.
 - Update public notification methods to include social media and technology as options that municipalities may choose to use.
 - The public advertising requirements in the current *MGA* are out of date. The *MGA* needs to include electronic means of communication, including for assessment and tax notices.
 - The *MGA* should say "relevant media to reach your citizens" when defining public notification requirements. The current requirement to advertise in newspapers is outdated and ineffective. It can also slow down the notification process.
 - Minimum notice requirements to notify the public are adequate. Sending letters should remain as the minimum requirement, with additional options available for municipalities to choose from.

Theme 3: Governance

- Through the *MGA* Review we heard the need to support effective local governance by promoting best practices among municipal elected officials and administrators.
- We heard that a revised *MGA* should further this goal by looking at ways to clarify roles and responsibilities; enhance training requirements for elected officials and councils; and minimize any potential bias on appeal boards.

Municipal Partner and Stakeholder Considerations

- Throughout the *MGA* Review consultations, issues around governance have been raised by stakeholders and partners with the common goal of ensuring decision makers have the capacity to effectively fulfill the responsibilities of their positions.
- Municipal partners and stakeholders provided the following opinions and insight concerning the **roles and responsibilities of council and administration and elected officials training requirements**:
 - The *MGA* should include a clear definition of Chief Administrative Officer (CAO) duties, and the distinction of these duties from those of council. Council should be clearly established as a policy setting body and council meetings should not be used to make operational decisions, with the administration as the authority for implementing those policies.
 - The division between the roles of council and the CAO are fairly clear in the *MGA*, but there is a wide range of interpretations and applications of these roles across the province. Also, when some municipal councils misinterpret the *MGA*, there are few compliance measures or enforcement. This may be more of an issue of training, as opposed to an issue that requires a legislative change
 - There is a need to clarify the difference between council governance and administration. Council interference in administrative matters is challenging and creates conflict. There is a lack of tools available to address council interference. Clarification would help council understand their role. Also, when roles are not being carried out correctly, there should be an avenue that allows the CAO to get these behaviours corrected with the support of Municipal Affairs.
 - Councillor training should be mandatory and standardized across the province. Training should be delivered before and after municipal elections.
- Municipal partners and stakeholders provided the following opinions and insight concerning the **participation of elected officials on local appeal boards**:
 - The *MGA* should not allow council members to participate on assessment review boards to ensure the board's neutrality and impartiality are upheld.
 - Councillors should not be permitted on Subdivision and Development Appeal Boards or Assessment Review Boards, as they are essentially deciding appeals of their own decisions and policies.
 - Appeal boards need a new membership structure that removes bias. No former or current councillors should be included on the boards as this creates the potential for bias. Boards are not sufficiently well-educated or independent. There needs to be better oversight and education of boards at the tribunal level.

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- Councillors should either not be allowed to sit on boards at all, or they should be limited to only sitting on boards in other jurisdictions.
- A population threshold may be required to convene a board, in order to allow smaller communities to staff boards.
- To account for capacity challenges in smaller municipalities, elected councillors should be allowed to sit as members of a planning authority provided the individual sit on only one of either the municipal planning commission or the subdivision development appeal board.
- Council members should not comprise the majority of any board, commission, or quasi-judicial appeal board.
- Councillors will be aware of the bigger picture and be able to bring that perspective into board discussions.

Theme 4: Viability

- We heard that municipalities require the tools and flexibility to meet the unique, long-term needs of their communities.
- Through the *MGA* Review, we heard that suggested improvements for municipal strategic corporate planning, how viability is measured, and how municipalities are defined.

Municipal Partner and Stakeholder Considerations

- Throughout the *MGA* Review consultations, issues around municipal viability have been raised as municipalities strive to build communities that are forward-looking and capable of responding and adapting to change.
- Municipal partners and stakeholders provided the following opinions and insight concerning **strategic planning**:
 - The Province needs to legislate that each municipality, depending on size, produce a five year business plan, similar to what is required by the Province of British Columbia. This way the taxpayer can monitor the municipality and hold them accountable for their actions.
 - Municipal development plans are not always essential for small municipalities, but could be used as a strategic plan.
 - Strategic plans should be required for transparency and accountability for municipalities with populations of 3,500 or greater.
- Municipal partners and stakeholders provided the following opinions and insight concerning **municipal structure types** in the *MGA*:
 - The municipal structure types in the *MGA* do not make sense in Alberta's current context. Current municipal boundaries aren't necessarily meaningful to Albertans.
 - The current municipal structure types in the *MGA* are working well.
 - It is important that the municipal structure types are reflective of the municipality's purpose and economic situation, rather than rigid legal forms, elements of subjectivity, and political influence. Municipal structure types should be rethought to balance size, governance style and density.
 - Summer villages should be taken out of the *MGA*.
 - The *MGA* should change the population levels that define municipal structure types. Villages should have a population of 1,000 – 5,000 people. Towns should have a minimum population of 5,000 people.
 - Recognize resort municipalities like Banff and Jasper as unique municipal structure types. This would acknowledge demands placed on municipal services by visitors.
 - Villages shouldn't be an autonomous municipal structure type, and should instead join the neighbouring municipal district.
 - Hamlets should be removed from municipal districts and should be their own municipal structure type.

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- It is not desirable that the minimum and maximum numbers that define municipal structure types are not enforceable.
- Municipal partners and stakeholders provided the following opinions and insight concerning **measuring municipal viability**:
 - There needs to be a metric or measure of municipal viability that is established and is evaluated regularly. There should be viability assessments for municipalities at an earlier stage before the municipality is in financial difficulty.
 - The *MGA* needs more clarity regarding the viability review process. There needs to be a clear trigger point for the start of a viability investigation.
 - There needs to be a mechanism in the *MGA* to address non-viable municipalities that refuse to collaborate. This would still need to be balanced with local democracy and autonomy.
 - There should be more of a focus on prediction, projection, and long term forecasting. Municipal viability and sustainability should not be based on population. Tests of municipal viability should include stewardship responsibilities as well as financial liability.
 - Audits should review debt limits to ensure financial viability.
 - The Province should provide incentives for the restructuring of municipalities that are found to not be financially viable, and not meeting the definition of sustainability.
 - Peer viability reviews should be an option; municipalities could review other municipalities of similar types.

Theme 5: Regional Decision Making

- The Province supports municipal autonomy through the *MGA* and empowers communities to develop local solutions for local issues.
- Through the review, we heard the need to support regional decision making by exploring issues such as regional collaboration and planning, dispute resolution and mediation, annexation requirements, and annexation compensation.
- Municipal partners and stakeholders told us that ensuring municipal councils have the mechanisms, ability, and motivation to work together will result in decisions that uphold the interests of their regions, the Province, and the Albertans who elected them.

Municipal Partner and Stakeholder Considerations

- Throughout the *MGA* Review consultations, this issue was raised by municipalities and the public with the common goal of promoting partnerships in order to support local and regional growth.
- Municipal partners and stakeholders provided the following opinions and insight concerning **dispute resolution processes**:
 - Alternative dispute resolution methods are not useful unless both sides were willing to use them. It may not be worthwhile investing time and effort in alternative dispute resolution for the small proportion of properties under appeal.
 - The mediation process that the *MGA* currently outlines is confrontational and should be amended. There should be an alternative dispute resolution component in the assessment complaint process prior to the hearing.
 - Alternative dispute resolution and mediation would be much more comfortable for ratepayers than the current appeals process. Alternative dispute mechanisms may also be applicable to inter municipal disputes.
 - An alternative dispute resolution process would be preferred, as the current assessment appeals process is needlessly adversarial.
 - The Province should bring in and maximize the availability and use of mediation and other alternative dispute resolution mechanisms. This would cut costs and reduce litigation, as well as reducing the load carried by the Municipal Government Board.
 - The *MGA* should outline when the courts are an appropriate venue for disputes, and when alternative dispute resolution processes should be utilized.
- Municipal partners and stakeholders provided the following opinions and insight concerning **regional collaboration**:
 - Municipalities cannot be mandated to collaborate; collaboration needs to be voluntary. However, the Province should encourage, facilitate, and incentivize regional collaboration.
 - There needs to be consultation from the ground up to define options for regional cooperation; then Albertans should be engaged. This should happen before the legislation is presented.

- The current *MGA* has encouraged competition between municipalities. Regional collaboration should be encouraged more, as collaboration can be more effective and efficient for the province as a whole.
- The Province should review the number of municipal governments in Alberta, and consolidate regions to reduce the number of municipalities.
- A regional governance structure, like the one used in British Columbia, could be investigated for Alberta.
- The Province should assume a proactive partnership role in supporting municipal efforts to create regional governance models that are based upon the principles of cooperation and collaboration, local autonomy, and accountability. Do not create a new order of government.
- The *MGA* should state that there must be valid reasons for municipalities to provide a duplicate service within their region.
- There is not enough structure in the *MGA* regarding options for regional collaboration. The *MGA* could provide frameworks, options and incentives for regional partnerships.
- The Province should establish a regional collaboration framework.
- Municipal partners and stakeholders provided the following opinions and insight pertaining to **statutory plans and growth management areas**:
 - Some stakeholders have indicated that the past use of Intermunicipal Development Plans (IDPs) has been failure and that these plans should be mandatory for municipalities to create.
 - Other stakeholders have indicated that the voluntary nature of IDPs should continue.
 - Some stakeholders have requested that the contents of statutory plans should be amended to include such matters as: affordable housing; what the features are of a complete community for their municipality, protection of environmental sensitive lands, flood plains, and preservation of agricultural lands.
 - Some stakeholders have requested that other types of municipal plans should be recognized as statutory plans through the *MGA* such as outline plans, conceptual schemes, neighbourhood plans, community sustainability plans.
 - Some stakeholders have indicated that growth management boards should have the power to manage all regional services (i.e., transit, GIS, transportation planning, regional growth management) within a growth area.
 - Other stakeholders have indicated the growth management boards should not be established.
- Municipal partners and stakeholders provided the following opinions and insight concerning **establishing a hierarchy of plans** in the Province:
 - Stakeholders indicated that the current system of municipal and regional planning in the Province does not effectively balance the needs of municipalities.
 - Stakeholders would like more clarity on how the *MGA* interacts with the *Alberta Land Stewardship Act*.
 - Overall, stakeholders shared a common desire for a legislated hierarchy of plans outlined in the *MGA*; however, there is no consensus amongst stakeholders on whether the land use bylaw should be required to be consistent with policies within statutory plans.

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- Municipal partners and stakeholders provided the following opinions and insight concerning **provincial land use policies**:
 - Any provincial land use policies should align with regional plans.
 - It is appropriate for regional plans to usurp any land use policies.
 - The *MGA* needs to ensure that there are policies in place to protect natural resources in the Province. Furthermore, it was recommended that the *MGA* include a provision that forces industry to reclaim the land that they use.
 - Land use policies need to be strengthened.

Theme 6: Revenues

- The Province wants to enable municipalities to operate within their existing financial means to address their local and regional needs.
- Through the *MGA* Review we heard that any changes should be fair to the tax payer, fiscally responsible, and keep Alberta communities competitive with one another as well as the rest of Canada.

Municipal Partner and Stakeholder Considerations

- Throughout the *MGA* Review consultations, municipalities asked for new ways to support operations as well as infrastructure needs within their community.
- Municipal partners and stakeholders provided the following opinions and insight concerning municipalities being granted the **authority to levy new and broader types of taxes**:
 - There should be additional revenue sources available to municipalities to provide the services that their citizens are demanding.
 - Some municipalities do not have access to large industrial property tax bases, which makes it difficult for them to collect enough revenue to pay for required services.
 - Municipalities should be enabled to establish additional taxes, fees, and levies through bylaws as they deem appropriate.
 - Rural communities are becoming far too dependent upon non-residential and non-voting tax revenues.
 - Tourist taxes should be allowed in the Town of Banff, the Town of Canmore, and the Municipality of Jasper.
 - Current municipal revenue models are too dependent on property taxes. Municipalities should have access to other sources of revenue.
 - Municipalities should be allowed to impose a sales tax and a fuel tax through appropriate public approval processes. Enabling new taxation powers may create inconsistencies for businesses in the Province.
 - There is no need to add more sources of revenue for municipalities. The focus should instead be on making the existing sources more consistent and sustainable.
- Municipal partners and stakeholders provided the following opinions and insight concerning the **sharing of provincial revenue**:
 - More transparent, predictable, and stable revenue sources are important to support long-term municipal planning.
 - The Province should consider sharing a portion of income taxes collected with municipalities.
 - Some municipalities advocated for a portion of resource revenues from the Province. Some specific requests included revenues gained from energy and lumber operations.
 - The Province should share income generated from the tourism industry with municipalities.

- The Province should share a portion of the penalties and fees administered provincially.
- Concerns were expressed about services downloaded by the Province with no accompanying funding. They requested appropriate funding when services are downloaded to municipalities.
- Municipal partners and stakeholders provided the following opinions and insight concerning **reimbursing municipalities for costs associated with education property tax collection**:
 - There is an inequity in the assessment and taxation system whereby municipalities are charged cost recovery fees for linear property assessment, but receive no reimbursement for education property tax collection.
 - Education is a Provincial responsibility, and as such, should not be funded by property taxes at all.
 - Reimbursing municipalities for education tax collection or centralizing education tax collection would be administratively burdensome.
- As it pertains to **regional funding approaches**, municipal partners and stakeholders provided the following opinions and insight:
 - Regional funding approaches were an area of particular interest. Many of the conversations were centered around linear pooling, with the three options being: mandatory linear revenue pooling; no linear revenue pooling; and voluntary linear revenue pooling.
 - Those in favour of mandatory linear revenue pooling highlighted the wider issue of disparity between municipalities in Alberta. Acceptable services across the Province should be obtained in an equitable manner. A mandatory system would help all municipalities in Alberta remain sustainable.
 - If linear revenue sharing were to be made mandatory it would be most appropriately managed at the Provincial level to ensure fairness.
 - Those who were not in support of linear revenue pooling were concerned that too much of the revenue would be given to urban municipalities if such a system were to be implemented.
 - Consultation participants were split about voluntary linear revenue pooling. Some indicated that voluntary agreements are in line with local autonomy and allow municipalities to do what is best for their citizens. However, there were concerns around the municipalities who are not sustainable not being able to access appropriate funds.
 - In addition to discussions around linear revenue pooling, consultation participants were also interested in discussions around regional revenue sharing options. Some felt that regional revenue sharing would need to be mandatory to bring both municipalities to the table. Others indicated that these agreements should remain voluntary.
 - Implement cost sharing as opposed to revenue sharing. Cost sharing should be mandatory and revenue sharing should remain voluntary.
- Municipal partners and stakeholders provided the following opinions and insight concerning **tax recovery** powers and procedures:
 - Add provisions to assist with the recovery of unpaid tax for linear properties, unpaid tax for leaseholds in airport, and of unpaid grants in place of taxes.

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- Under the current system it is challenging for municipalities to collect tax arrears and as a result municipalities are forced to increase their mill rates to make up for tax arrears.
- The timeframe before municipalities can pursue taxes in arrears is too long. When taxes go unpaid, the education tax portion is still taken out of the municipality's budget. However, the municipality is unable to recoup that money from unpaid taxes in a reasonable amount of time.
- The process to collect arrears on taxes on linear properties needs to be improved. Courts do not allow municipalities to seize assets to cover these arrears.
- Provide mechanisms for collecting property taxes in arrears from lessees of Provincial lands.
- There needs to be direction in the *MGA* for the recovery of machinery and equipment taxes. Municipalities cannot just take possession of machinery and equipment, like they can with other properties.
- Add new section to deal with *MGA* regarding fractional (multi-party) ownership of property (e.g., if only one owner is in arrears don't send entire property to auction).
- Add a provision which states that the Registrar cannot cancel a certificate of title on tax recovery lands without the consent of the affected municipality.
- Municipal partners and stakeholders provided the following opinions and insight concerning **linking the residential and non-residential tax rates** and allowing municipalities to further **subclass (split) the non-residential properties**:
 - Establish a link between the residential and non-residential tax rates.
 - Further splitting within the non-residential property class should only be allowed in the context of legislated or a legislated link to ensure major tax shifts do not occur.
 - Do not link residential and non-residential tax rates.
 - Provide the ability to further sub-class non-residential property types.

Theme 7: Property Assessment and Taxation

- The government is committed to ensuring that municipal assessment and taxation systems are transparent, provide certainty and equity for taxpayers, and contribute to the province's overall economic strength.
- Through the *MGA* Review, we heard that assessment and taxation in Alberta needs to be improved by updating definitions, reviewing the appeals and complaint procedures, and streamlining processes.

Municipal Partner and Stakeholder Considerations

- Throughout the *MGA* Review consultations, assessment and taxation issues have been raised by municipalities, the business community, and assessors with the common goal that property assessments need to be consistent, equitable, and predictable.
- Municipal partners and stakeholders provided the following opinions and insight concerning **definitions of industrial property**:
 - The current definitions in the *MGA* are confusing and revised definitions would enable greater efficiency for industrial property assessment. For example, ensure consistent terminology and dates for machinery and equipment (M&E) in order to clarify the assessment process.
 - Update definitions for industrial property in the *MGA*.
 - Provide greater clarity in the definitions contained in the *Act*.
 - Improve the consistency of treatment and assessment across industrial property types.
 - It is unclear why certain types of property are treated differently for assessment and taxation when they are used for the same purposes (e.g. linear property and M&E in the telecommunications sector, or railway versus airport property).
 - Make policy changes to reduce inefficiencies in assessment and taxation.
 - There should be periodic review to ensure definitions remain up to date.
- Municipal partners and stakeholders provided the following opinions and insight concerning the **valuation methodology for industrial property**:
 - Industrial and linear property sites should be assessed using regulated processes or cost manuals.
 - Choices over the use of either regulated or market value assessment methodologies at industrial sites are often inconsistent or incorrect.
- Municipal partners and stakeholders provided the following opinions and insight concerning **supplementary assessment and the timing of first assessment for regulated industrial property**:
 - Input is divided on this issue. Municipalities are in favour of keeping and updating supplementary assessments for regulated industrial property, while business and industry are opposed to supplementary assessments.
 - The current provisions regarding when properties are assessable, are confusing.
 - Either eliminate supplementary assessments on M&E or railway property completely, or reduce the amount of supplementary assessments.

- Maintain status quo or expand supplementary assessments.
- Municipal partners and stakeholders provided the following opinions and insight concerning the **statutory assessment level for machinery and equipment (M&E)** in the *MGA*:
 - Eliminate the assessment exemption.
 - Keep the exemption.
 - Consistency, clarity, and transparency in the assessment process for M&E should be improved.
 - Eliminate the 23 percent exemption from the assessment process for M&E.
 - Allow municipalities having discretion as to whether or not to exempt M&E, and provide greater clarity and transparency in the assessment process.
 - Tax policy, rather than assessment exemptions, should be the instrument for adjusting the tax burden on M&E (i.e. apply the 77 per cent subsidy to the tax rate, not the assessment).
 - All linear property should receive the same tax benefits as M&E, including a 77 per cent statutory assessment level and education tax exemption.
- Municipal partners and stakeholders provided the following opinions and insight concerning the partial tax exemption of **farm residences**:
 - Rates are outdated and the exemption should either be eliminated or updated.
 - Farm residences should not receive any tax exemptions, but farm buildings should continue to receive tax exemptions.
 - Rates used to determine tax exemptions for farm properties are not relevant and need to be updated.
 - Farm property tax exemptions have outlived their usefulness and are no longer applicable.
- Municipal partners and stakeholders provided the following opinions and insight concerning **farm land rates**:
 - Market value should be used to assess farm land.
 - Farm land should be assessed at its true productive value.
 - Additional distinctions between different types of farm land should be allowed.
- As it pertains to **farm land intended for development**, municipal partners and stakeholders provided the following opinions and insight:
 - Do not change the assessment or taxation of land intended for development that is still being farmed.
 - Change the assessment and taxation of farm land that is no longer being farmed.
- Municipal partners and stakeholders provided the following opinions and insight concerning the assessment of **farm buildings**:
 - Farm buildings should be exempt, to some extent, from taxation, but not assessment
 - Farm building exemptions should remain at status quo.
 - Urban and rural farm buildings should be treated identically to one another for assessment purposes
 - Farm buildings should be levied the same tax rate as farm land
 - Intensive farming operations should be treated differently than other farm operations

- Municipal partners and stakeholders provided the following opinions and insight concerning **airport assessment** valuation methodology:
 - There should be a per-passenger tax rate with a cap on annual increases to property taxes.
 - Do not implement a per-passenger tax rate.
 - Per-passenger tax rates were generally viewed as a means to reduce the property taxes of international airport authorities and perceived as a tax break.
 - Market value is the most transparent and equitable approach to airport assessment valuation.
- Municipal partners and stakeholders provided the following opinions and insight concerning **education tax on industrial property**:
 - Only some of the existing property types should be required to pay education tax.
 - The exemption for M&E should be maintained because they believe eliminating it will harm the competitiveness of Alberta's market relative to other provinces.
 - Municipalities should either have more influence regarding education issues, as they are involved in the taxation process, or that the Province should collect the education tax centrally.
 - Some municipalities are challenged by the public perception of education tax, which may be viewed as a municipal tax because municipalities collect it on behalf of the Province. Municipalities' limited role often causes confusion for taxpayers. Municipalities should have the ability to separate out the education tax bill for taxpayers, and costs associated with its collection should be billed to the Province.
- Municipal partners and stakeholders provided the following opinions and insights concerning jurisdiction to hear **assessment complaints for industrial property**:
 - There should be a centralized body to hear assessment complaints related to industrial property.
 - A centralized assessment complaint board would be in the best position to handle all industrial property complaints due to their complexity.
 - There are concerns about independence and inconsistency under the current assessment complaint system, specifically regarding councillors (and ex-councillors) who are members of local boards; some stakeholders requested members be Provincially appointed.
 - Assessment complaints should be heard by boards with specialized expertise, such as industry and property assessment knowledge. The current board structure is inadequate in this regard.
 - The assessment review board structure should ensure relevant expertise and appropriate local/provincial representation.
 - Concerns of appearance of bias could be addressed through a "cooling off" period for board members with previous municipal government experience, prior to appointment.
- Municipal partners and stakeholders provided the following opinions and insight concerning the **assessment complaint period**:
 - Reduce the timeline for assessment complaints in order to increase the amount of time available for hearings and to expedite the following year's assessment process.

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- The complaint period should be extended to longer than the current 60 days.
- The complaint period should be reduced.
- Municipal partners and stakeholders provided the following opinions and insight concerning **access to assessment information**:
 - There is a need to update the access to assessment information requirements under the *MGA*.
 - Information that municipalities are forced to provide to property owners should be limited in scope.
 - Industrial stakeholders should be able to request access to models, including coefficients and any market adjustment factors.
- Municipal partners and stakeholders provided the following opinions and insight concerning **property tax exemptions** in the *MGA*:
 - There should be a review of property tax exemptions.
 - There are issues with the clarity of exemptions today.
 - Municipal autonomy should be protected throughout a review.
- Municipal partners and stakeholders provided the following opinions and insight concerning **provincial assessment for industrial property**:
 - A Provincial assessment body should prepare industrial property assessments in Alberta.
 - All industrial property should be assessed by a Provincial assessor, not just regulated property.
 - There is a lack of consistency in existing assessment administration. A single assessment body for industrial property would provide more consistency across the Province and also allow for more efficient regional services. A Provincial assessment body would help balance the needs of different regions in Alberta.
 - Provincial preparation of assessments for industrial property would remove confusion among municipalities in the assessment process and result in fewer assessment complaints. This may be particularly important in the case of properties that cross municipal borders (such as railway and linear) and thus may receive non-uniform treatment.
 - Rather than utilizing a Provincial assessment body, the Province should consider appointing Provincial Assessment Commissioners who would oversee the municipally-administered industrial property assessments.
 - The Province should play a role in valuation of large industrial properties to support equitable assessment.

Theme 8: Managing Growth

- As Alberta continues to experience unprecedented growth, the government is committed to supporting responsible, thoughtful, efficient, and coordinated growth of municipalities.
- Through the *MGA* Review, we heard that municipalities should have the flexibility to plan for the future and use their land to ensure that growth in Alberta is sustainable, improves the quality of life of Albertans, and respects natural resources.

Municipal Partner and Stakeholder Considerations

- Throughout the *MGA* Review consultations, municipalities asked for provisions relating to managing growth need to be efficient, clear and provide certainty.
- Municipal partners and stakeholders provided the following opinions and insight concerning **annexation requirements**:
 - There should be a better way of managing urban style development than the current annexation process. The current process is said to promote disputes as opposed to cooperation.
 - There is a need to identify more appropriate triggers for public hearings. If municipalities agree on a direction, complaints only of a certain magnitude should require a public hearing.
 - The municipality who initiates the annexation should be required to lead negotiations.
 - The *MGA* should add clear triggers that outline when annexations should happen.
 - Intermunicipal development planning should be required prior to the annexation process.
 - Municipalities should be required to develop additional rationale for why additional land is needed to build a more compelling case for annexation.
 - The annexation principles used by the Municipal Government Board (MGB) should be adopted as part of the *MGA*.
 - There should be a more inclusive notification process of the impacts of an annexation.
- Municipal partners and stakeholders provided the following opinions and insight concerning **annexation compensation**:
 - A penalty should be established for frivolous or vexatious annexation requests.
 - The *MGA* should be amended to ensure that both municipalities support the improvements prior to infrastructure improvements proceeding in an annexation area.
 - The municipality initiating an annexation should pay for both parties' legal and preparation costs.
 - When annexation occurs, cash-in-lieu of reserve land should go to the annexing municipality, since they do not get the benefit of land to use.
 - Compensation for annexation should be based on the undeveloped value of land.

- Municipal partners and stakeholders provided the following opinions and insight concerning **development levies**:
 - The use of off-site levies should be expanded to better enable municipalities to cover the capital costs of new facilities for essential soft services and to fund all services and infrastructure that are desired for new neighbourhoods.
 - Expanding off-site levies would result in more expensive housing and decreased affordability in the marketplace.
 - Increased transparency and enforcement is needed with respect to the collection of levies and ensuring that the monies collected are used for the purpose in which they were collected.
 - It should be the responsibility of the municipality to front the costs associated with over-sizing. It is should be the responsibility of the developer and others has commented that the costs should be shared between both the municipality and the developer.
- Municipal partners and stakeholders provided the following opinions and insight concerning **decision-making timelines for subdivision and development applications**:
 - Based upon the complexity of some applications, there should be more realistic and practical timelines. This includes requests to extend timelines:
 - for discretionary development permits to 180 days;
 - for development permits to 60 days;
 - so that they are suitable to ensure proper public consultation and discussions;
 - of issuing a decision on appeal to 30 days rather than 15 days; and,
 - for holding an appeal hearing from the current 30 days to 45 days and issue a decision within 20 days.
 - The timelines should be included within a municipality's land use bylaw and not legislated within the *MGA*.
 - The timelines are working well and should not be amended.
 - Municipalities should have 14 days to review the application and advise the applicant of any deficiencies and then have 60 days in which to review and approve the application. If the timeline is not met, then application fees should be refunded to the applicant.
 - The legislation needs to be clear when a development permit or subdivision application is deemed complete.
 - There needs to be consequences if municipalities do not meet the legislated timelines.
 - The Municipal Government Board should have to adhere to legislated timelines.
- Municipal partners and stakeholders provided the following opinions and insight pertaining to **reserve land dedication**:
 - Municipal reserves should be capped at 5 per cent, and dedication of municipal reserve between 5 per cent and 10 per cent to be based upon a "needs test."
 - The school reserve requirement should be reduced and school boards should negotiate for more, if needed.
 - School sites should be purchased with funds from a school levy rather than dedicating land as school reserves.

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- The current 30 per cent road and utility dedication and the 10 per cent municipal reserve should be combined to create a new “public infrastructure” dedication of 40 per cent.
- The current land dedication requirements work well.
- The current provisions do not work well especially in high growth areas, communities with young children, communities planning for higher densities, and areas served by regional school districts.
- Municipal partners and stakeholders provided the following opinions and insight pertaining to **permitted uses of reserve land**:
 - The use of school reserves should be expanded to include medical facilities.
 - A new reserve dedication should be created for “health service” to provide land to be used for health service infrastructure, or to add “health service” as an allowable use on CSR lands.
 - Allow municipalities the flexibility to determine, through bylaw, the best uses for reserve lands within their municipal boundaries.
 - Allow other uses on reserve lands such as recreation facilities, affordable housing, transit infrastructure, day cares, or other infrastructure that meets community needs.
 - Developers should be reimbursed if school reserve isn’t used for schools within a given timeframe.
 - There should be flexibility to change reserve classifications even if there is not a surplus in school reserve land.
- Municipal partners and stakeholders provided the following opinions and insight concerning **environmental reserve (ER)**:
 - The current definition of ER is too broad and flexible. A statement of purpose was recommended as a way to clarify the intent of these reserves.
 - The current term is misleading and would like to see ER be used both for land that is unsuitable for development as well as land to be preserved for environmental significance.
 - ER could be redefined as conservation easements.
 - There are concerns about the definition of “body of water” and how well it aligned with the definition in other legislation.
 - ER should be established for specific environmental purposes rather than just being a by-product of development.
 - There are concerns about how ER will change to protect against flooding in the future. Floodplain maps needs to be up to date at all times.
- Municipal partners and stakeholders provided the following opinions and insight concerning **subdivision appeals and provincial interest** in the *MGA*:
 - There are questions as to whether the Municipal Government Board (MGB) should hear some or all subdivision appeals involving intermittent watercourses and water bodies, and if the MGB should hear subdivision appeals involving some intermittent watercourses and water bodies, the *MGA* should define which ones.
 - The *MGA* should be amended to more clearly state that a subdivision appeal lies with the MGB only on issues or matters that are demonstrated to be in the provincial interest.

- All subdivision appeals should be heard at the local level.
- The MGB should hear all appeals, and the local subdivision and development appeal board (SDAB) should be eliminated because they currently have too much authority.
- MGB members should be qualified.
- Subdivision appeals should continue to be heard by SDABs unless there are compelling reasons, explicitly raised by regulators. Proximity to bodies of water or water treatment plants should not be considered a compelling reason for removing an appeal from SDAB.
- All appeals should be forwarded to the MGB, which decides if there is a Provincial interest. If there is no Provincial interest then the local SDAB hears the appeal, whereas if there is a provincial interest then the MGB hears the appeal.
- Municipal partners and stakeholders provided the following opinions and insight concerning **SDABs and training requirements** in the *MGA*:
 - Both subdivision and development authorities and SDAB board members are often unequipped to deal with matters relating to subdivision and development approvals, gathering and interpreting engineering evidence and understanding contract law.
 - The effectiveness of the SDAB needs to be strengthened through improved training and changes to membership selection criteria.
 - A SDAB regulation similar to the Matters Relating to Assessment Complaints Regulation should be created and require SDAB training and certification similar to the assessment review board member training. This training should:
 - be an annual requirement;
 - outline planning legislation and other provincial legislation;
 - include potential conflicts of interest scenarios;
 - include a review pertinent municipal bylaws; and
 - be offered online.
 - Vastly improved integrity and accountability in municipal land use planning and governance is needed.
 - The Province should create regional pools of trained, expert board members to draw from, which would allow for consistency and may reduce bias. A pool of qualified members could mentor local SDABs.
 - Smaller local SDABs do not have the expertise needed and that SDABs need qualification requirements and more education of their members to ensure consistency of decisions.
 - Councillors should not be permitted on SDABs as they are essentially deciding on appeals of their own decisions and policies. While other stakeholders have indicated that in order to account for capacity challenges in smaller municipalities, councillors should be allowed as members of the SDAB.