WE ARE economies OF SCALE | WE ARE THE support YOU NEED | WE ARE THE experts IN MUNICIPALITIES | WE ARE YOUR advocate

July 29, 2016

Honourable Danielle Larivee
Minister of Municipal Affairs
204 Legislature Building
10800 – 97 Avenue
Edmonton, AB T5K 2B6

Dear Minister Larivee:

I am pleased to share with you AUMA's comprehensive submission on the MGA, which includes the key items that AUMA and AAMDC have proposed in our joint submission, as well as additional items of particular interest to urban municipalities for which AUMA is seeking your support. The enclosed recommendations represent a route forward that will allow municipalities and the province to achieve the results our communities need from a renewed Municipal Government Act.

Thank you for the opportunity to work with your government on this key initiative. We look forward to further collaboration as changes are finalized and associated regulations are reviewed.

Sincerely,

J Holmes

Lisa Holmes
AUMA President

Enclosure

cc: Premier and Cabinet

#	Policy Issue	Description of Changes Proposed through new Bill	Positions	Rationale
		Governance		
1	Provincial-Municipal Relationship (Preamble)	**A preamble describes the role of municipalities in relation to the province.**	AUMA and AAMDC support the inclusion of a preamble in the MGA and believe it is a strong recognition of the role municipalities play in Alberta.	The inclusion of a preamble that illustrates our partnership is a positive step in building a collaborative relationship between the Government of Alberta and municipalities. However, in order to be meaningful, the principles in the preamble must be acted upon by the province in their day-to-day interactions with municipalities.
2	Provincial Oversight via Ombudsman	**The Alberta Ombudsman is expanded to include municipalities and to respond to complaints about municipalities.**	AUMA and AAMDC do not support the expanded oversight of the Alberta Ombudsman; however, if this amendment is to remain, the associations are seeking the following changes: • Include additional parameters in a Ministerial Guideline on what is in and out of scope regarding an issue of administrative fairness. • Include a 3-year review of these provisions as a trial period. • Require annual reporting to the public on all matters brought forward to the Ombudsman (including complaints that were not investigated and those where no recommendations were made). • Require the Ombudsman to notify the affected municipality and CAO in the event of all complaints (even those not investigated). • Require the complainant to attempt to work with the municipality to resolve the complaint before an investigation begins. • The Public Participation Regulation and the new Duty of a Councillor (Section 153 (a.1)) should be specifically exempt from complaints or oversight by the Ombudsman, along with Code of Conduct matters. • Provide clear direction to municipalities about how to identify when councils may have no choice but to operate outside of existing municipal policies to deal with unexpected or unique municipal issues. In addition, AUMA recommends requiring the Ombudsman's office to provide annual reporting to the public on: - the additional costs to the Province and estimated costs to municipalities for the Ombudsman's investigations of municipal matters; and - how many of the Ombudsman's investigations led to a new recommendation.	An oversight body for municipalities is not required if the existing mechanisms of inspections, inquiries, appeal boards, and courts are used appropriately. Subjecting municipal decision-making and administrative processes to the oversight of the Ombudsman could compromise municipal autonomy. It will be challenging for the public to differentiate between an issue of procedural fairness and the actual decision/action by council. Those unhappy with a council's decision may try to use the Ombudsman to overturn or delay the implementation of that decision. Clear direction on the scope of allowable complaints will be essential, along with some processes to ensure communication with municipalities and the public. Additionally, even if the municipality is found not at fault, the launching of an investigation by the Ombudsman could erode public trust in an elected council. Allowing municipalities an opportunity to respond to complaints and provide documentation before they are formally reviewed by the Ombudsman would allow municipalities to resolve complaints that are easily addressed (e.g. issues were not brought to the attention of the appropriate person, were not understood or explained correctly, etc.). This would lessen the number of investigations required by the Ombudsman's office. Procedural fairness will be challenging to determine in those areas that are subjective, and those areas should be excluded (e.g. Public Participation Regulation and the new duty of a councillor, especially in ICF discussions.) Setting a mandatory review period for a cost/benefit analysis will be important to make sure that the Ombudsman is adding value. Further, the Minister should have final approval over any corrective action.

#	Policy Issue	Description of Changes Proposed through new Bill	Positions	Rationale
3	Municipally Controlled Corporations	**Municipalities will be allowed to establish municipally controlled for-profit corporations without specific permission.**	AUMA and AAMDC support the amendments with respect to municipally controlled corporations and are seeking the following changes: • Expand to encompass corporations owned by multiple municipalities and not just corporations owned by a single municipality. • Allow new and existing Regional Services Commissions to have the same ability to form and to be amended without requiring permission from the Minister. In addition, AUMA recommends amending section 75.4(2)(c)(4) to allow controlled corporations to provide utility services outside of Alberta without Ministerial approval.	This is a positive change as it allows greater local autonomy in the formation of municipally controlled corporations. It streamlines the process and provides greater flexibility and less onerous requirements for the creation and acquisition of for-profit corporations. Given the trend towards intermunicipal collaboration and regional service delivery – and the benefits that can be derived by increasing economies of scale through a regional approach – it is important that the Act recognize ownership by multiple municipalities.
4	Elected Official Training	**Municipalities will be required to offer orientation training to elected officials following each municipal election and by-election.**	AUMA and AAMDC support the amendments that require the offering of training for municipal councillors following elections and by-elections and are seeking the following additional requirements: • The MGA should specify that all elected officials must complete the offered training within 90 days. • The LAEA should be amended to also require mandatory orientation be completed before a candidate can file a nomination form. As well, the form should have an acknowledgment that the candidate has read and understood the council code of conduct. In addition, AUMA recommends that the MGA should specify sanctions if training is not completed within the required time.	Training for elected officials is an important step to improve governance within municipalities and clarify roles and responsibilities. Ideally, this training will be a preventative and proactive step to avoid conflicts and ensure councillors are well prepared for the decisions before them. However, the requirement to provide training is meaningless unless there is a corresponding requirement for the elected official to take it. Telling municipalities that they can make attendance a requirement through their code of conduct bylaw is insufficient as it will lead to inconsistent practices across the province. As well, it enables council to oppose this training by not including it as a requirement in their bylaws. Since there is a greater need for intermunicipal relationships and planning, it is very important that all elected officials have the same baseline of knowledge. Similar to the code of conduct amendment last year, the Act can set out some sanctions while recognizing that the elected official cannot be removed from office. The scope of training included in the Act is appropriate. It is also important to ensure a basic level of understanding of municipal council roles and responsibilities is acquired before a candidate files nomination papers.

#	Policy Issue	Description of Changes Proposed through new Bill	Positions	Rationale
5	Impartiality of Appeal Boards	**Municipal councillors will be prohibited from forming the majority of any MGA-referenced municipal appeal board or individual hearing panel.**	AUMA and AAMDC support the amendments to membership of MGA-referenced appeal boards and are seeking the following changes: • Amend 454.11(2)(b) to allow for the majority of members of a hearing panel to be councillors outside of the formalized regional appeal board, provided that this majority is a result of the inclusion of councillors from other municipalities; and • Allow exemptions to be made available for other unique circumstances where board recruitment efforts have been exhausted.	As municipalities may have recruitment challenges for their boards, flexibility should be afforded to bringing in additional councillors from other municipalities to sit on boards, even if not a formalized regional appeal board. There should also be a provision that exempts a municipality if they cannot find replacements, to be allowed to have a council majority or allow the MGB to take over that role. This will reduce pressure in regions where there are limited participants for appeal boards or where developing a formalized regional appeal panel is not feasible.
6	Municipal Sustainability and Viability	**No changes were made to provision of statutory grants or provincial revenue sharing**.	AUMA and AAMDC are seeking a change to the MGA that explicitly states that there will be predictable, long-term funding so that sufficient resources are available for municipalities to carry out their core responsibilities and be sustainable and viable. In addition, AUMA recommends that the funding sources should be legislated and indexed, along the lines of the federal Gas Tax Fund.	With the current grant programs provided by the province, municipalities cannot be assured that the province will meet its commitments to provide funding. It is inappropriate for the province to require municipalities to create long term financial plans (i.e., three year operating and five year capital) when municipal revenue sources can fluctuate widely from year to year depending on last minute changes relating to provincial grants or the downloading of a provincial responsibility to municipalities. These challenges are further complicated by the new ICF requirements where municipalities must enter into long term funding agreements for infrastructure and services without knowing what their ability to fund will be. As municipalities cannot have a deficit operating budget, they must be assured of their revenue streams so that their expenditures are managed accordingly.

#	Policy Issue	Description of Changes Proposed through new Bill	Positions	Rationale
7	Growth Management Boards (GMBs)	**Growth Management Boards for the Edmonton and Calgary regions will be required, with an expanded mandate to address land use planning, and the planning, delivery, and funding of regional services.** • Other areas outside of the Capital Region Board (CRB) and Calgary Regional Partnership (CRP) will be enabled to come together with voluntary growth management boards, under approval from the Lieutenant Governor in Council. • The regulations will provide more details as to who will be on the Boards, and what services will be included (i.e. the scope of the mandate). • Growth management boards will need to develop their own dispute resolution process. Areas within a growth management board will not need to complete an Intermunicipal Collaboration Framework (see issue #8 below).	**AUMA supports the amendments to require GMBs and expand their scope and is seeking the following amendments:** • Increase consistency in approach between GMBs and ICFs in terms of types of services allowed (see 8b). • Upon coming into force, require a review of all existing IDPs between members within a GMB so that IDPs do not create issues within the GMB. Allow the GMB to repeal sections of members' IDPs (or IDPs with members and bordering municipalities outside the GMB) where the IDP conflicts with or causes issues at the regional level. • In 708.3, clarify that GMB members don't need an IDP. • Clarify that GMBs take precedence over IDPs in annexation decisions.	Within the GMB, there could be some confusion and misalignment if municipalities have individual IDPs between them. Even though the GMB agreement supersedes an IDP, the IDPs would not be agreed to by all members. Therefore the MGA needs to consider/account for IDPs in GMBs that provide additional detail that is not approved by the GMB but could impact the other members. If the change above were to be made, then there needs to be a document other than an IDP that could be used by the Municipal Government Board in determining annexations.
8	Intermunicipal Collaboration	**All municipalities outside of the growth management board areas must adopt an Intermunicipal Collaboration Framework (ICF) within 3 years.**	AUMA and AAMDC support regional collaboration between municipal neighbours and request that the MGA specifically state the following requirements: • Municipalities should work collaboratively and make decisions on the planning, funding and delivery of shared services and infrastructure. • Municipalities should be required to act in good faith in the negotiation of ICFs and IDPs. In addition, AUMA recommends that an ICF needs to be completed within two years, with an additional year for arbitration.	Mandatory collaboration agreements will move towards positive regional outcomes and a fair and systematic method of sharing costs for commonly used infrastructure and services amongst municipalities. There are concerns that the current timelines for the development of ICFs and IDPs will incentivize some municipalities to delay or stall negotiations so they can intentionally trigger arbitration in the hope that the arbitrator will provide a favourable agreement that would not have otherwise been reached in negotiations. As such, municipalities should be required to act in good faith in these negotiations.

#	Policy Issue	Description of Changes Proposed through new Bill	Positions	Rationale
8a	Intermunicipal Collaboration **Boundaries**	• ICFs will only need to be created between municipalities that share boundaries. ICFs will not be required for non-adjacent municipalities that share services. • The ICF will not apply to First Nations' lands. The ability to develop agreements will be provided, but it will not be a requirement.	**AUMA supports the requirement for ICFs and is seeking the following amendments regarding boundaries:** • Amend Section 708.28(2) so that municipalities must be party to an ICF agreement where they share services and infrastructure. • Specify that ICFs are mandatory for a shared service area (rather than only within the context of municipalities that share a boundary), unless all parties in an area determine that they would prefer to do individual ICFs.	Broadening the scope of municipalities required to participate will ensure that the full extent of shared services is encompassed so that the ICFs are based on who **uses** the infrastructure and service and not who provides it. Collaborative ICFs for a region may not occur voluntarily, as there is little incentive for municipalities within a region to have a larger ICF with the urban municipality that is the primary service provider. The Bill 21 provisions could create a scenario where the county and the villages develop a joint ICF, and the city has an ICF with the county, but this would not guarantee an equitable and efficient distribution across the whole area that uses and benefits from the urban services.
8b	Intermunicipal Collaboration **Services**	**Mandatory intermunicipal mechanisms will be implemented for regional land-use planning needs, and for the planning, delivery, and funding of regional services.** • The purpose of ICFs (as set out in 708.27) includes: (a) to provide for the integrated and strategic planning, delivery and funding of intermunicipal services, (b) to steward scarce resources efficiently in providing local services, and (c) to ensure municipalities contribute funding to services that benefit their residents. • The ICF must list the services being provided by each municipality, the services being shared on an intermunicipal basis by the municipalities, and the services in each municipality that are being provided by third parties by agreement with the municipality. • The ICF may contain provisions for the purposes of developing infrastructure for the common benefit of residents of the municipalities.	**AUMA supports the requirement for ICFs and is seeking the following amendments regarding services:** • Expand the scope in section 708.27, 708.28, 708.29, 708.29(2) to specify that **ALL** services AND infrastructure that provide benefits to residents in other municipalities **are required** to be considered as part of the ICF). • The purpose of ICFs from 708.27 needs to cascade into the implementation and contents of ICFs (708.28, 708.29), which currently only references provision of service, not benefit of service. • Provide definitions for: - intermunicipal infrastructure (631(b)(a)(iv)); - intermunicipal infrastructure and intermunicipal programs part of IDPs 631(b)(a)(iv-v); - regional services in GMBs (708.02(2)(j)); and - intermunicipal services (708.27(a)) (should be consistent with regional services above). • As part of services and infrastructure, explicitly include full lifecycle costs, including operating and capital, interest payments for existing and new services and infrastructure (708.29(1)(b)(i-iii)). • Services and infrastructure should also include economic development, as well as properties exempt under COPTER.	As GMBs include services such as affordable housing, economic development, and other shared services, ICFs should be consistent with GMBs. Include all programs, infrastructure, and services that are proven to be of benefit to/used by those outside of the municipality. The purpose of ICFs (as set out in 708.27) includes ensuring municipalities contribute funding to services that benefit their residents. The concept of being compensated for the benefit provided needs to be consistent throughout, so that municipalities share funds based on all services and infrastructure that provide benefit to their residents, rather than simply the go-forward costs of providing a service. Consideration should also be given to those structures that provide an intertie – e.g. a road or bus service that was developed to help facilitate people going to swimming pools, playgrounds, hospitals, etc.

#	Policy Issue	Description of Changes Proposed through new Bill	Positions	Rationale
8c	Intermunicipal Collaboration **Methodology**	**Bill 21 does not prescribe a methodology – each ICF will have its own agreement regarding shared services** • Bill 21 specifies that municipalities that are part of an ICF must review the ICF at least every 5 years after the framework is created. - If municipalities do not agree that the ICF continues to serve the interests of the municipalities, the municipalities must create a replacement ICF that involves the same initial process and use of an arbitrator.	AUMA supports the requirement for ICFs and is seeking the following amendments regarding methodology of ICFs: • Consider using formulas or consistent processes to determine how to cost-share services and infrastructure (e.g. how lifecycle costs are calculated). • Non-legislative templates and tools should be provided by Municipal Affairs to offer some guidance. • Outline a shared governance structure for cost-shared services and infrastructure, whereby municipalities that contribute above a certain threshold have some decision-making authority about the services and infrastructure.	The province has indicated that it is difficult to calculate the benefit of a particular service or infrastructure. Because there are no processes and each ICF is unique, there may be reluctance to enter into the "first" ICF in a region, as this will set the tone for the cost-sharing for the remaining ICFs (to obtain the 'same deal or better'.) Therefore, to add consistency, there may be additional processes, methodologies, and formulas that can be utilized for calculating benefits more consistently when cost-sharing within ICFs. For example, the Principles and Criteria for Off-Site Levies Regulation outlines the process for off-site levy costs, and perhaps these types of processes could be utilized more broadly to streamline the ICF development. The five-year ICF review period is appropriate as it enables long-term agreements that will support municipalities in completing their required three year operating and five year capital plans, while providing a window of discussion to identify key changes that impact future years. It would be beneficial to outline some threshold upon which the contributing municipality can participate in the governance of the infrastructure or service in order to avoid arbitration.
8d	Intermunicipal Collaboration **Arbitration**	• If an ICF cannot be agreed to by the end of year two, another year will be allowed for resolution through third party arbitration (with an option to use mediation). • The arbitrator can be chosen by municipalities, or if they cannot agree, the Minister will appoint one. • The arbitration costs must be paid by the municipalities. • There must be a clause in the ICF that sets out the arbitration process for issues that arise within the life of the agreement. This process will be up to municipalities to agree upon and will not be prescribed by the province. If one party wants to terminate, or if there is a problem at the time of the five-year review and renewal, it will go to third party arbitration.	AUMA and AAMDC support regional collaboration between municipal neighbours and request that the MGA specifically state the following requirements: • Arbitration is binding for the five-year period as specified by the legislation, unless both parties want to open it up before those five years. In addition, AUMA recommends the following amendments: • Include a provision that allows arbitrators to consider impacted municipalities' collective ability to pay in the development of the ICF. • Arbitration should be carried out by a panel of arbitrators so that appropriate skillsets and understanding of municipal issues and the legislation are brought into the decision.	AUMA and AADMC agree that the mandatory arbitration process will solve existing problems where some municipalities refuse to discuss agreements or where there is no sound rationale for how common services and infrastructure were defined and their associated costs apportioned to municipalities. Further, binding arbitration is required so that decisions are made in a timely manner, and municipalities are motivated to participate fully. Conventional interest arbitration where the arbitrator uses all information available and determines a unique solution is preferable to pendulum arbitration where the arbitrator chooses one of the presented frameworks. There are concerns that very few arbitrators are equipped with the skills and knowledge of arbitration, municipal legislation, and the workings of a municipality to make sound decisions. The province may wish to consider allowing for a panel to arbitrate the ICFs. Currently, arbitrators can only consider information relevant to the situation. It needs to be explicit that the parties' ability to pay is relevant in making a decision on an ICF. This information should be available for arbitrators to include in their decisions.

#	Policy Issue	Description of Changes Proposed through new Bill	Positions	Rationale
		Planning and Development		
9	Inclusionary Housing	The new legislation will enable inclusionary housing as an optional matter within municipal land use bylaws.	AUMA and AAMDC support the amendments to improve inclusionary zoning and are seeking the following changes: • Define "affordable housing". • Developers and the province should contribute towards the offsets and the cost of affordable housing.	As affordable housing is a provincial responsibility, the costs should not be downloaded on municipalities and should instead be borne by the province and the developers who are earning profits. It will be important for the regulations to outline how the required offsets for developers will be determined so that the possible benefits derived from this tool can better enable the provision of affordable housing in our communities. Additional clarification is required to properly define 'affordable housing' as this may vary among municipalities.
10	Municipal Development Plans	**All municipalities, regardless of population size, will be required to create an MDP.**	AUMA and AAMDC support the requirement for all municipalities to have an MDP and are seeking the following changes: • Municipalities should have up to five years to complete their MDP. • The province should fund AAMDC and AUMA in developing additional resources and templates to assist those municipalities with capacity challenges.	Though it is important for all municipalities to develop MDPs to ensure that there is a long term and transparent approach to land development, this requirement will challenge many small municipalities. Templates and resources should be available to assist in this process. There may be an opportunity for the AAMDC and AUMA to assist in the development of these resources. The three-year requirement is not feasible as small municipalities do not have the capacity to develop IDPs and ICFs at the same time as they are preparing an MDP. Also, staging the plans will allow collaborative discussions to occur and appropriate alignment within the hierarchy of plans.
11	Incenting Brownfield Development (Tax Tools)	**Municipalities will be allowed to provide conditional multi-year property tax cancellations, deferrals, or reductions for multiple years to identify and promote redevelopment of brownfield properties.**	AUMA and AAMDC support the amendments that allow for tax cancellations, deferrals or reductions to incent brownfield redevelopment and are seeking a change to have the province forego collection of education taxes on these properties. • Note: For tax subclasses involving brownfields, see #17.	This provision is one additional tool to incent redevelopment of brownfields. As environmental reclamation and remediation is a provincial responsibility, the province should contribute to the costs of the lost property taxes, and reclamation and remediation processes. The province should also revisit the recommendations put forward by the Alberta Brownfields Redevelopment Working Group.

#	Policy Issue	Description of Changes Proposed through new Bill	Positions	Rationale
12a	Conservation Reserve (CR)	**Definitions and purpose of Environmental Reserve (ER) land will be clarified that it is intended for land unsuitable for development. Municipalities will be enabled to have flexibility to determine ER earlier in the planning process.** **Municipalities will be able to require dedication of land under a new type of reserve, "conservation reserve", to protect environmentally significant features and conservation interests, provided that municipalities provide appropriate compensation to the landowner.** • Conservation Reserves will provide municipalities with broader authority to protect nature through the land development process, and will allow for municipalities to be responsible environmental stewards and effectively protect other sensitive or high-value ecological areas from development (e.g. tree stands, wildlife habitat, and wetlands). • Conservation Reserves will be treated the same way as ER, in that it will be subtracted from the total land, before the formula for reserves is applied. • The legislation will be addressing issues relating to the definition of a "body of water".	AUMA and AAMDC support the creation of the conservation reserves as a voluntary tool for municipalities if the following changes are made: • Specify that lands identified as CR are included and are not subtracted out of the base lands for the purposes of calculating MR. • Specify that municipalities have the ability to utilize land use bylaws to reach environmental and conservation outcomes. • Include a provision for removing the CR designation or converting it to another use if the land is no longer ecologically significant (as is done for MR). • Include a provision that lands identified as CR in a Statutory Plan be kept in a natural state prior to being provided to the municipality. In conjunction with that protection, substantial enforcement powers should be provided. • Specify that compensation should be required at subdivision and that the manner of calculating compensation should be clearly outlined. • The CR process will require an efficient dispute resolution mechanism to resolve any disagreement between the municipal planning authority and the developer with respect to the reserve boundaries. • Clarification and definitions are provided with respect to the term 'natural state'. • Clarification is required in instances when CR is transferred following an annexation.	AUMA and AAMDC recognize that conservation reserves will provide municipalities with broader authority to protect nature through the land development process as the scope spans sensitive or high-value ecological areas such as tree stands, wildlife habitat, and wetlands. The province, rather than the municipality, should be responsible for compensation since the environmental protection of ecologically sensitive areas is a provincial issue Concerns have arisen that land acquisition through the new conservation reserve tool may be interpreted as the "go-to" option for the management of environmentally significant features, whereas municipalities can currently also utilize land use bylaws. The amendments should be clarified to reinforce that municipalities can continue to utilize land use bylaws to reach their environmental and conservation goals. Additional clarification is needed with the term 'natural state' as this could include different interpretations.

#	Policy Issue	Description of Changes Proposed through new Bill	Positions	Rationale
12b	Environmental Reserves and Body of Water	**Definitions and purpose of Environmental Reserve (ER) land will be clarified as land unsuitable for development. Municipalities will be enabled to have flexibility to determine ER earlier in the planning process.** • The legislation will be addressing issues relating to the definition of a "body of water".	AUMA and AAMDC support the definitions and purpose of Environmental Reserves (ER) and are seeking the following changes: • Provide a broader definition of environmental reserves to protect significant lands that have a provincial benefit. • Provide for the ability to protect some lands from development (e.g. setbacks from a stream) without compensating for them. • Harmonize the definition of body of water in MGA with the Alberta Wetland Policy and other legislation and policies. • Clarify jurisdiction on lands, such as beds and shores, adjacent to bodies of water.	The tighter definitions of environmental reserve could create a gap for municipalities to conserve environmentally significant features (that were formerly considered as part of environmental reserve) when they do not have the funds to pay for those lands as conservation reserve. For example, is unclear as to whether municipalities would be able to use Environmental Reserve provisions to protect the riparian areas surrounding wetlands, which are necessary to maintain the health of these important ecosystems. In Bill 21, the term 'wetland' is not included in the definition of 'body of water' and therefore does not align with the Alberta Wetland Policy. Terminology and definitions should be harmonized across the province's policies and acts to ensure consistency for municipalities. Currently under the Public Lands Act, the province owns most of the beds and shores of all naturally occurring lakes, rivers and streams and of all permanent and naturally occurring bodies of water. This should clearly be stated or referenced in any MGA amendments.
12c	Municipal and School Reserves	**There were no changes to municipal reserve or school reserves.**	AUMA and AAMDC are asking that this matter be included in the MGA amendments and are seeking the following changes to how municipal and school reserves are administered, including expanding the range of allowable uses to increase flexibility in the use of those lands: • Enable municipalities to take up to 15 per cent reserve or provide for the option of cash-in-lieu. • Mandate joint use agreements and articulate criteria to ensure these agreements: define a process for acquiring land for future schools, define standards for school sites, articulate responsibilities for site development and maintenance, contain stipulations regarding joint use of facilities and playing fields, articulate a process for dispute resolution, and contain a mechanism for regular review. • In instances of significant redevelopment, municipalities should have the ability to rededicate reserve lands. In addition, AUMA recommends the following amendment to reserves: • Replace multiple reserve designations with a single, flexible designation with a range of uses (schools, parks, daycares, affordable housing, etc.) that can be adapted to meet local needs.	For municipal reserves to be effective tools, municipalities should be enabled to determine appropriate uses within their jurisdictions in order to best meet their needs. This should include public use and public-private partnership use that is complementary to public use and aligns with 'municipal purposes' as identified by the council. Although joint use agreements for school reserves are mentioned in the current MGA, they are not mandated. Consideration should be given to mandating these agreements to ensure greater coordination and collaboration between municipalities and school boards. It is disappointing that the province did not make progress towards resolving this important issue. Consensus had been reached through the MGA Review municipal-business working group that could have been utilized. In addition, the report that went to the Minister of Education in 2014 provided issues and solutions which have gone unaddressed. We urge the Minister of Municipal Affairs and the Minister of Education to meet jointly with municipal associations and the Alberta School Board Association this summer, so amendments can be made this fall.

#	Policy Issue	Description of Changes Proposed through new Bill	Positions	Rationale
13	Transparency of Non-statutory Planning Documents	**Municipalities will be required to increase transparency around planning documentation.** • This provision includes the requirement for municipalities who adopt or utilize any non-statutory planning documents to list and publish all non-statutory planning documents and describe how they relate to one another and to the municipality's statutory plans.	AUMA and AAMDC support a clear hierarchy of plans that is logical and provides clarity to ratepayers and those seeking development within a municipality and are seeking the following changes: • Clarify scope of "non-statutory policies" (i.e. planning documents, transportation documents, visioning documents etc.). • Clarify 638.2(2)(c), as it is unclear what kind of information is required in summarizing how the policies relate to one another.	AUMA and AAMDC support municipal transparency and strategic land use planning. It will be beneficial for municipalities to have an updated inventory of all their plans (statutory and non-statutory) and how they fit together. With respect to the hierarchy of planning, there is concern that in areas where ALSA plans have not yet been completed, municipalities may have to revise their MDPs and other plans after completion and implementation to align with ALSA plans when they are completed. This will consume additional costs and time.
14	Decision-Making Timelines for Development Permits	**Municipalities will be able to revise a development application to ensure all necessary documentation has been submitted, and for applicants to provide supplemental documents to complete an application.** **Cities or specialized municipalities will be able to create bylaws to set their own timelines for when an application must be complete, and when an application decision must be made.** • This provision allows all municipalities to have an additional 20 days to determine completeness of subdivision and development applications. • Existing decision-making timelines for most municipalities will be maintained; however, cities and specified specialized municipalities (those with large urban centres) will have the option to adopt their own decision timelines by way of bylaw.	AUMA and AAMDC support the changes to the decision making timelines, but would recommend that the allowance for municipalities to determine their own timelines be based on a population measure (e.g. 15,000).	Allowing for additional time to determine whether an application is complete is a valuable amendment to the development review process as in the past, many complex development proposals were not able to be reviewed in the allotted time and extensions are commonly needed. Further, additional flexibility in ensuring documentation has been received and evaluating applications would help in dealing with backlogs due to a high number of applications. Other types of municipalities (besides cities and specialized municipalities) have an appropriate level of knowledge and sophistication to adopt their own decision timelines. Further, these municipalities also experience rapid growth and therefore this flexibility should be based on population or growth rate, not type of municipal structure.

#	Policy Issue	Description of Changes Proposed through new Bill	Positions	Rationale
15	Land Use Policies	**Current MGA land use policies will continue to be phased out of force as new regional plans under the ALSA come into force. The MGA will be amended to provide the Minister with authority, through regulation, to create land use policies for municipal planning matters that are not included in a regional plan under the ALSA.** • This provision appears to be a continuation of existing provisions that were changed by ALSA. • Any regulation subsequently developed under the Minister's new authority would be developed in consultation with stakeholders.	AUMA and AAMDC support the direction outlined in Bill 21 that will see the MGA land-use policies be phased out as ALSA plans take effect and are seeking a change to specify that any legislation, regulation or policy developed under this authority shall be made in consultation with municipalities.	Municipalities need to have assurances that they will be engaged and able to participate in determining land use plans that include their municipalities.

#	Policy Issue	Description of Changes Proposed through new Bill	Positions	Rationale
		Assessment and Taxation		
16	Linking Residential and Non-residential tax rates	**The MGA will be amended to establish a ratio of 5:1 between residential and non-residential property tax rates. Municipalities with ratios that exceed the 5:1 maximum ratio will be grandfathered, but will only be allowed to increase any tax rates above the ratio if they increase their tax rates below the ratio by the same percentage.** • The grandfathering provisions for those municipalities that exceed the maximum ratios will not expire. This could create an imbalance between municipalities and a disincentive for those municipalities that exceed the 5:1 maximum to reduce their ratio. • Last year, less than 20 Alberta municipalities had a ratio that exceeded the 5:1 maximum, and most of these municipalities are rural. The maximum tax rate ratio of 5:1 was deemed to have come into force on reading of the bill (section 55), so municipalities are no longer able to increase their ratios.	AUMA does not support the linkage between residential and non-residential tax rates. If the province will not remove this amendment, then AUMA suggests the following revisions: • The linkage should not apply to urban municipalities. • The grandfathering clauses should be removed or transitioned within five years. • Allow for some subclasses to be excluded from the 5:1 linkage (e.g., brownfields, affordable housing and vacant non-residential property). • Amend the regulated assessment rates.	There should not be a legislated link between residential and non-residential tax rates. Municipalities should have the flexibility to set tax rates according to local needs and service levels. The province should not have any input into the ratio, just as the federal government does not tell the province what to do. The arbitrary 5:1 linkage unnecessarily imposes restrictions on almost 350 municipalities when only about 15 rural and specialized municipalities have created any concerns. The urban municipalities that fall above the range are still within a reasonable range for business taxes. This is why urban municipalities were not bound by the same linkage restrictions pre-1995. The grandfathering of link rates will create an imbalance between municipalities. Dissimilar tax rules for different municipalities within the province will impact overall fiscal capacity and create disparities in ability to generate revenue from non-residential property tax. Part of the issue is that regulated assessments are not up to date, so the market based assessments become de-linked from regulated assessments (e.g. farmland assessment).
17	Splitting the Non-residential Property Classes	**The MGA will allow the non-residential class to be split into subclasses and taxed at different rates as defined in the regulation. These tax rates must comply with the maximum link of 5:1 (i.e. the highest non-residential rate cannot be more than 5:1 of lowest tax rate.)** • This provision will allow municipalities to split non-residential property into assessment and taxation sub-classes other than "vacant" or "improved". • Some types of non-residential property exert higher costs on municipalities, so having separate assessment and taxation subclasses will allow municipalities to recoup these costs. • Categories for sub-classing will be done in regulation. There is currently no direction on the types of classes, or how many classes will be included.	AUMA and AAMDC strongly support the proposed change to allow for splitting the non-residential mill rate and are seeking the following changes: • Subclasses should be based on such considerations as type of development and cost of servicing, with the number of subclasses and types to be determined by municipalities. • Allow for some subclasses to be excluded from the 5:1 linkage (e.g., brownfields, affordable housing and vacant non-residential property). • Ensure that regulation does not inadvertently determine categories by ownership. • Subclasses should remain non-linked in the regulation (i.e. there should be no linkages between highest and lowest residential tax rates and no linkages between lowest and highest non-residential tax rates).	AUMA and AAMDC are supportive of the splitting of the non-residential property class as it will provide an additional tool to municipalities to promote economic development and ensure that the tax rates placed on businesses are proportional to the impacts that they have on municipal infrastructure, services and planning. The rules guiding the subdivision should be flexible and adaptable to a range of municipal needs and municipalities should be enabled to determine the number of subclasses and how the subclasses operate.

#	Policy Issue	Description of Changes Proposed through new Bill	Positions	Rationale
18	Centralization of Industrial Assessment	**Assessment of all designated industrial property will be centralized within Municipal Affairs. Costs associated with the centralized assessment of industrial property will be recovered from designated industrial property owners.** **Supplementary assessment on linear properties will be allowed and a standard assessment condition date of October 21 annually will be established for designated industrial properties.** • Designated industrial property will include linear properties, all rail (main lines and spur lines), electric power generation, and major plants (including lands, building and structures, and machinery and equipment (M&E) relating to major plants). It will not include light industrial warehouses or facilities that could be converted to another application. • The province will allow municipalities three years to make the transition. Staffing will be an implication as municipalities may no longer hire their own industrial assessors. All appeals related to designated-industrial property will be heard by the Municipal Government Board.	AUMA supports the move to centralization of industrial assessment and is seeking the following amendments: • Require the provincial assessor to share valuation details and other relevant information with the municipal assessor/ municipality to ensure transparency. • Require updates to regulated assessment rates annually. • Create a third party audit function so that the province is not auditing its own assessment. • Enable municipalities to participate in any assessment appeals for assessments provided by the provincial assessor.	The centralization of industrial assessment within Municipal Affairs provides additional consistency. However, it also means that the same body will develop policies and implement them. This has the potential to allow special interest groups to lobby the government for changes that could impact assessments. The province needs to ensure a flow of information, and carry out regular audits so that special interest groups are not able to have undue influence on whether a property should be assessed (e.g. linear) or the assessment of an industrial property. Further, as additional properties (e.g. land at a well) will be assessed as regulated assessment rather than market value, the province will need to update rates frequently so that municipalities are not having properties assessed at outdated (significantly reduced) rates.

#	Policy Issue	Description of Changes Proposed through new Bill	Positions	Rationale
19	Assessment of Farm Buildings	**All farm buildings will be exempt from assessment.** • This means that farm buildings in urban areas (e.g. greenhouses) will not be assessed or charged municipal property tax or education property tax. • Farm buildings include any improvement other than a residence that is used for farming operations (the raising, production and sale of agricultural products). • Further work is underway to determine how intensive agricultural operations may be taxed. • No changes to other farm exemptions are being contemplated.	AUMA does not support exempting the assessment for all farm buildings. If the province will not reconsider this position, then AUMA suggests that the following changes are required: • Several classes of agriculture facilities (e.g. marijuana grow operations, greenhouses, hemp industry, and intensive agriculture operations) should be given a separate classification (e.g. treated as a pharmaceutical) so that they are not exempt from assessment. • Allow new provisions to separate out greenhouse components of horticultural and commercial space so that the commercial space can be taxed appropriately.	Municipalities should have the ability to assess and tax all properties within their boundaries. The province should not have any input into exemption of commercial properties as it is not within their jurisdiction to do so. All property should be assessed on the basis of market value principles. Tax exemptions can then be provided with full awareness of the financial benefit of the exemption to the property owner. These exemptions should be periodically reviewed to determine that they are still appropriate. Agricultural buildings in urban areas in particular should not be exempt as they consume municipal services (e.g. roads, sewer, water, policing, fire, etc.) and those costs will have to be borne by other property owners which is not fair. Further, this provision may create a disincentive for municipalities to zone land for agricultural uses. _____ AUMA's recommended changes enable the province to continue to exempt traditional farm buildings, while ensuring commercial facilities within urban areas in particular have to pay taxes since they consume municipal services.

#	Policy Issue	Description of Changes Proposed through new Bill	Positions	Rationale
20	Offsite Levies	**The scope of offsite levies will be expanded to community recreation facilities, fire halls, police stations and libraries, where at least 30 per cent of the benefit of the facility accrues to the new development in a defined benefitting area.** **Where this threshold is met, developers will contribute costs based on proportional benefit.** **A dispute resolution mechanism will be created and available to deal with any disputes around offsite levies.** • This provision broadens the scope of offsite levies, but creates a threshold where 30 per cent of the benefit of the facility must accrue to the new development in a defined benefitting area. • The 30 per cent clause only applies to the new services that have been added (recreation, fire, police and libraries). • The 30 per cent provision does not impact those areas covered within the existing scope of offsite levy services (i.e. no changes to offsite levies relating to water service, sanitary sewers, storm sewer drainage, or roads required for the subdivision or development). • There are no new provisions for re-collecting levies following significant redevelopment or re-negotiating additional levies with developers.	AUMA and AAMDC support the expansion of the scope of offsite levies to include the land and buildings for community recreation facilities, fire halls, police stations and libraries, and in general, supports the notion that those who benefit from a facility or service should pay for that service in a manner that is proportional to their benefit. The associations are seeking the following changes: • Remove the 30 per cent benefit threshold. • Allow collection of all off-site levies in a manner consistent with existing off-site levy processes. • Provide clear definition of the "defined benefitting area", appeal process and the timing of when the property needs to be built. • Allow for the re-collection of levies following significant redevelopment and allow for negotiations with developers on additional levies. • Allow for regional and intermunicipal offsite levies. • Allow offsite levies to cover municipal costs associated with provincial infrastructure supporting new development such as highways and overpasses.	The expansion of off-site levies to include land, buildings for community recreation facilities, fire halls, police stations and libraries is a welcome addition to the MGA. These items are important community infrastructure items that support 'complete communities'. However, there is an additional need for offsite levies to apply to provincial infrastructure and in particular, highways and overpasses that support new development. As noted, the thirty-percent threshold should be removed; however, AUMA and AAMDC support maintaining the tie between the proportion of the benefit served by the new development and contribution of the offsite levy to fund the new infrastructure. This will ensure that smaller municipalities are not penalized for their inability to meet the thirty-percent threshold. Removing the 30 per cent clause will enable municipalities to charge as they deem appropriate, as is done with current offsite levies (where a proportional amount is utilized). Given that redevelopment projects can often exert considerable costs on municipalities for increased supporting infrastructure, municipalities need the ability to re-collect levies following significant redevelopment. Intermunicipal offsite levies should be considered as a tool to increase collaboration under ICFs.
21	Sharing of Linear Assessment and Taxation	**Status Quo - Linear taxes will continue to be collected and accrue to the municipality in which the property is located**. • While linear taxes are not explicitly distributed, the intermunicipal collaboration frameworks will require municipalities to contribute to the cost of infrastructure and services owned by another municipality.	AUMA agrees with the province that sharing of linear assessment and taxation does not need to be forced, since ICFs call for mandatory cost sharing.	It is not necessary to stipulate **how** a municipality will fund its contribution to infrastructure and services owned by another municipality.

#	Policy Issue	Description of Changes Proposed through new Bill	Positions	Rationale
22	Assessment of Farmland Intended for Development	**Farm land will be assessed at market value, once the land is no longer used for farming operations.** • The definition of farming operations will be updated through regulation to include the triggers that indicate when land is no longer farmed. The province has indicated that it does not want to create a disincentive for farming the land. • Municipalities will be able to do supplementary assessment once triggers are hit. Triggers will be defined in the regulation and could include scraping top soil, zoning, etc.	AUMA and AAMDC support the amendment to ensure that the assessment of farmland intended for development fairly reflects the true uses of the land and are seeking a change to specify that land must be actively farmed in order to be considered as farmland.	While the amendment will help to resolve inequities, there will still be some cases where farmland that is held speculatively and is not being actively farmed is not appropriately assessed.
23	Access to Assessment Information for Assessors and Property Owners	**The information-sharing requirements for both assessors and property owners will be clarified. This will be done without increasing scope, but instead by enhancing regulation making authority.** • Assessors will be able to request information to fulfill their duties and responsibilities, and property owners will be able to request information sufficient to determine how their assessment was prepared. • Assessment Review Boards will be able to go in-camera and seal evidence to protect confidentiality. • There will be a "best practices guide" for property owners and assessors.	AUMA and AAMDC support the Government of Alberta's proposed changes relating to access to assessment information, as they will increase clarity and consistency for both assessors and property owners.	AUMA and AAMDC support greater clarity for assessment information as a means to provide for an efficient assessment process.
24	Assessment Complaints	**Composite Assessment Review Boards will be able hear business tax complaints and business improvement area levy complaints.** **The assessor will be able to make corrections to an assessment that is under complaint without the Assessment Review Board's ratification of withdrawal of the complaint.** • ARB decisions will be able to be appealed at the Court of Queen's Bench by judicial review only, removing the step of Leave to Appeal. • There will be no changes in terms of reducing time periods for complaints.	AUMA and AAMDC agree generally to the changes to the assessment complaints and specifically, with respect to the shift of complaints related to business taxes and business improvement area levies from local authority review boards to composite authority review boards, as well as the allowance for assessors to correct assessment under complaint. The municipal associations are seeking a change to specify a regular review of the MGA (see below) in addition to a specific, regular (i.e. two to three year) review of the removal of the Leave to Appeal step in the appeals process to ensure it meets its intended outcome. In addition, AUMA recommends that a privative clause should be reinserted into the legislation to ensure that appropriate deference is afforded to decisions of the assessment review board.	The proposed changes appear reasonable and should ensure that complaints are well founded. Additionally, the ability to revise assessments under complaint may alleviate concerns identified by property owners that led to the initial complaint. Ideally, this will improve the complaint process by allowing for issues to be revised prior to reaching appeal boards. Further, inserting a privative clause into the legislation will reduce the administrative and cost burden for municipalities.

#	Policy Issue	Description of Changes Proposed through new Bill	Positions	Rationale
25	Municipal Taxation Powers	**No legislative change.** AUMA has advocated for changes to municipal taxation powers, including recommendations to provide municipalities a greater ability to set levies and taxes.	AUMA and AAMDC are seeking a change so that the MGA enables expanded revenue tools through a wider variety of taxes and levies as well as increased flexibility in the current tools available to municipalities so that they can manage growth pressures and unique challenges in their communities. In addition, with respect to increasing the flexibility of current revenue tools, AUMA recommends that: • Municipalities should be enabled to establish bylaws on the scope of local improvement taxes so that they may include items such as potable water systems, and renewable energy systems. • Some current provincial revenue streams should be shifted to municipalities (e.g.., hotel and gas taxes). • Business licensing fees should be allowed to be utilized in a manner that compensates municipalities for the services that the business and its operation cost the municipality (e.g. allow levies and fees to hotels to compensate for costs to municipalities from shadow populations).	While municipalities currently have access to a limited range of revenue generating tools, not all of these tools are suitable for all municipalities due to differences in size, location, and demographics. As well, not all municipalities have access to the same economic base from which to draw revenues. Additional and more innovative funding mechanisms are required so that all communities regardless of location or size can deliver high quality services and infrastructure to their citizens. Prospective additional tools that municipalities would otherwise seek to use often lead to costly and time consuming legal challenges given ambiguous wording in the legislation, which deters municipalities from taking advantage of the full suite of resources the province appears to believe they have access to. In addition, municipalities' main source of revenue – property tax – is already at capacity in many communities and cannot be increased without downloading an undue burden on ratepayers. This effect is compounded by the refusal of the province to vacate the education property tax requisition. Further, a lack of legislated certainty for municipal funding has implications ranging from challenges in providing services, to the inability to budget for infrastructure, which creates asset management issues.
		Other Policy Recommendations		
A	Consultation with Municipalities	**No legislative change.** There is no requirement for the province to undertake mandatory engagement with municipalities on matters than affect them	AUMA and AAMDC are seeking a change so that the MGA specifies that the Government of Alberta engage in meaningful consultation with municipalities regarding any legislative or regulatory change with a substantial municipal impact and must provide at least three years notice of any reduced funding to municipalities before it takes effect.	Municipalities cannot be accountable for land use planning and the provision of infrastructure and services when we do not know what the province is considering in terms of its economic, social and environmental policies. Involving municipalities would allow the province to better appreciate the consequences of its policies on municipalities. As well, the lack of engagement creates inefficiencies and makes it challenging to provide services. Further, there is currently an inconsistency that municipalities are being required to develop public participation plans, but the province is not. A minimum three-year notice period for any funding changes would ensure that municipalities have appropriate information needed to prepare their required three-year operating and five-year capital plans.

#	Policy Issue	Description of Changes Proposed through new Bill	Positions	Rationale
B	Amalgamation	**Since Bill 20's release in 2015, no further provisions have been made to municipal amalgamations or annexations.**	AUMA and AAMDC support the streamlining of the voluntary amalgamation process, subject to support from the councils and public of all participating municipalities and are requesting further changes to expedite the process for voluntary amalgamation involving contiguous municipalities. For example, a municipal petition could trigger a plebiscite for an amalgamation. In addition, AUMA recommends that the MGA should allow for non-contiguous amalgamations for all municipalities.	In voluntary amalgamations, steps should be taken to streamline the process of amalgamation. As opposed to mandating a plebiscite for amalgamations which can often come at considerable cost, AUMA and AAMDC support the use of a petition to trigger a plebiscite on an amalgamation. Further, all municipalities should have the option to restructure their boundaries with either a contiguous municipality or a non-contiguous municipality.
C	Duty of a Councillor	The duty of a councillor and purpose of a municipality have been expanded to include working collaboratively with other municipalities. Councillors have the following duties: - (a) to consider the welfare and interests of the municipality as a whole and to bring to council's attention anything that would promote the welfare or interests of the municipality; - (a.1) to promote an integrated and strategic approach to intermunicipal land use planning and service delivery with neighbouring municipalities; <*new> The purposes of a municipality are - (a) to provide good government, - (b) to provide services, facilities or other things that, in the opinion of council, are necessary or desirable for all or a part of the municipality, and - (c) to develop and maintain safe and viable communities and - (d) to work collaboratively with neighbouring municipalities to plan, deliver and fund intermunicipal services.<*new>	AUMA and AAMDC support the expansion of councillor duties to include the promotion of intermunicipal collaboration, as long as there is clarity regarding the hierarchy of a councillor's duties (i.e., between a municipality's interests and regional interests).	AUMA and AAMDC support intermunicipal collaboration and feel that the added wording supports the expanded expectation to work collaboratively across municipal boundaries.

#	Policy Issue	Description of Changes Proposed through new Bill	Positions	Rationale
D	Increased Inspections	**The Minister will be able to require an inspection for any matter connected with the management, administration or operation of any municipality including:** (a) the affairs of the municipality, (b) the conduct of a councillor or of an employee or agent of the municipality, and (c) the conduct of a person who has an agreement with the municipality relating to the duties or obligations of the municipality or the person under the agreement.	AUMA and AAMDC are requesting that the reference to (c) relating to conduct of a third-party contractor be removed. As well, modifications are required so this does not contradict requirements for code of conduct reviews. In addition, AUMA recommends that further oversight be established that provides proof that petitioners are from the municipality's electorate.	The new inspection powers appear to be too expansive, as the powers will include inspection of a municipality because of the actions of an employee or independent contractor. The MGA does not govern the behaviour of third party contractors to a municipality; therefore municipal inspections should not be allowable based on their conduct. Further, codes of conduct will include the conduct of a councillor and include sanctions and consequences. Therefore, additional enforcement measures for the conduct of councillors are unnecessary. Any Ministerial inspections will need to be aligned and consistent with what is set out in the Code of Conduct regulation.
E	**Intensive Agriculture Operations:** How should farm buildings that are used for intensive farming operations be assessed?	**No legislative change.**	AUMA and AAMDC support an enabling amendment to the MGA that allows for a voluntary levy on intensive agriculture. The details of the levy should be determined through a regulation developed in partnership with commodity groups.	Agriculture will continue to be one of the industries to carry our provincial economy well into the future. It is recognized that as agriculture evolves, the impacts on some municipalities that are home to the large and intensive operations also change. Traffic impacts due to multiple heavy loads travelling to large or intensive operations often are required on roads that were never designed for this type of traffic. AUMA and AAMDC support a voluntary levy that municipalities can use to collect fees from intensive agricultural producers to help offset infrastructure costs related to heavy hauling and repetitive heavy hauling from intensive agriculture activities.
F	**Delinquent Education Property Taxes:** Should municipalities have to pay for unpaid education property taxes?	**No legislative change.**	AUMA and AAMDC are requesting that the MGA specify that municipalities are exempt from paying for the education property tax requisition on unpaid property taxes.	This is an unfair burden on municipalities due to circumstances beyond their control when the property owner does not pay the bill.

#	Policy Issue	Description of Changes Proposed through new Bill	Positions	Rationale
G	**Property Tax Recovery Tools:** What changes or tools should municipalities have to recover unpaid taxes?	**No legislative change**	AUMA and AAMDC are seeking changes to expand property tax recovery tools for municipalities (e.g., province pays taxes on crown lands if lease holder does not).	This is an unfair burden on municipalities due to circumstances beyond their control when the property owner does not pay the bill.
H	Review of MGA	**Status Quo - There is no requirement to complete a comprehensive review of the Act on a periodic basis.**	AUMA and AAMDC support mandated regular reviews of the MGA and suggest a ten-year review period.	Regular reviews of the MGA are required to ensure the legislation continues to meet the evolving needs of municipalities. Provisions within the MGA will need to be reviewed and revised regularly, to ensure it keeps pace with governance requirements and changing municipal needs. Further, changes to the appeals processes may create court decisions and precedents that are contrary to the intent of the legislation. Providing periodic reviews allows for making adjustments as required. The MGA should be reviewed every ten years with minor amendments passed on an as needed basis in consultation with municipalities and their associations.
I	Joint and Several Liability	**Status Quo - No changes were made to the MGA regarding joint and several liability as the matter was referred to the Minister of Justice and Solicitor General.**	AUMA and AAMDC are calling for further amendments to the MGA and/or other relevant legislation that protect municipalities from liability for damages caused by a municipality responding in good faith to emergencies or providing services to its region unless the municipality is grossly negligent. Amendments required: • Protect municipalities from liability for damages caused by a municipality acting in good faith to provide infrastructure and services unless the municipality is grossly negligent. • Provide a limitation period for any person claiming compensation arising from a road closure. • Reform joint and several liability, particularly in the areas of contribution shortfall and the creation of a minimum threshold of liability prior to the application of joint and several liability principles.	The system of joint and several liability allows a person who was harmed or wronged by several parties to be awarded damages from any one, several, or all of the liable parties. Because municipalities are seen as an easy target given their access to financial resources, they are often included as defendants in lawsuits even where the level of municipal liability is extremely low (e.g. one per cent liable). If other defendants are unable to pay, the municipality will be in the position of paying the entire judgment. This issue comes up frequently with regard to linking municipal road maintenance and design to auto accidents. Reform is necessary to ensure that municipalities are not required to make financial restitutions that are disproportionate to their liability if co-defendants are unable to pay.

#	Policy Issue	Description of Changes Proposed through new Bill	Positions	Rationale
J	Funding following Dissolution	**Status Quo - No changes were made to the MGA regarding funding following dissolutions.**	AUMA and AAMDC are calling for the MGA to specify that the province, under the case of dissolution, fund all of the costs of the infrastructure deficit and liabilities of the absorbed municipality and provide such funds to the receiving municipality.	Municipalities that are responsible for absorbing municipalities following dissolution are often burdened with the considerable cost to upgrade or build new required infrastructure despite the absorbing municipality's residents and council having no voice in the initial decisions to defer those capital projects.
K	Oversight of Code of Conduct	**Bill 20 (2015) requires all municipalities to develop and adopt a code of conduct that meets minimum standards outlined in the MGA.** The code of conduct must also addresses enforcement and administration of the code of conduct at the local level. Councils will not be able to remove councillors from office. Bill 21 did not provide for an oversight body or mechanism for the locally developed codes of conduct.	AUMA is requesting that the province revisit the code of conduct provision put forward in Bill 20. The amendment was incomplete and needs to be revised to outline the following oversight provisions: • Provide for an independent oversight body (e.g. Integrity Commissioner), or require the Provincial Ethics Commissioner to have an oversight role.	As code of conduct issues are often emotionally charged and create tension in a municipality, it is important that an oversight process be provided through an independent and credible third party (e.g., integrity commissioner or similar body responsible for enforcing the policy). The oversight-body should utilize a quasi-judicial process, including defined timelines, evidentiary standards, burden of proof, and a right to appeal.
L	Updating Administrative Provisions to the Property Assessment and Taxation System	**No statutory change.**	AUMA is requesting that the province undertake a review of the administrative provisions for the property assessment and taxation system. • These provisions are out of date and need to be amended to ensure effectiveness and efficiency. Examples include but are not limited to: - limiting the scope of information regarding assessments that can be disclosed due to privacy reasons; - ensuring that the Provincial Assessor is required to copy the municipality when sending a request for information; - regularly updating definitions to ensure they are accurate; and - ensuring that the legislation identifies the types of errors that may be corrected in an assessment roll while a property is under complaint.	In order to remain effective and efficient, the property assessment and taxation system requires a number of changes to ensure details are in order and the legislation is up to date. AUMA urges the province to work with the Alberta Assessors Association, the Cities of Calgary and Edmonton, and municipal associations to identify and carry out required changes.

Additional recommendations

The items below were submitted in AUMA's previous MGA submissions, but were not addressed by either Bill 20 or Bill 21. Some of these items also appear in the preceding chart. AUMA urges the province to consider these points in the introduction of the fall 2016 amendments to the MGA.

Property Assessment and Taxation Reforms

- Implement the property assessment and taxation reforms recommended by AUMA in 2010 and 2012.
- Eliminate education property taxes as property taxes should be used exclusively for the funding of municipal services associated with the ownership of property.
- In the alternative, a direct link should be established between the amount of Municipal Sustainability Initiative funding allocated and education property taxes collected.
- Provide greater flexibility in the requirements for property assessment and tax notices, reducing the prescriptive and highly detailed nature of these sections of the MGA.
- Allow municipalities to initiate the tax recovery process one year after the date that the tax was imposed.

Expand Municipal Revenue Base

- Provide municipalities with a share of provincial revenues.
- Provide municipalities with the ability to increase their revenue generating authority.
- Ensure municipality can establish fees and charges through local bylaws and without provincial interference.
- Provide the ability for municipalities to charge offsite levies more than once on a parcel of land that is being redeveloped for another use or developed in stages.
- Lift suspension of Community Revitalization Levies and allow municipalities to pass CRL bylaws without provincial oversight.
- Enable municipalities to establish bylaws on the scope of local improvement taxes so that they may include items such as potable water systems, and renewable energy systems.

Stabilize Municipal Grants

- Make core provincial grants and transfers statutory and index them for growth so that they are stable and reliable, allowing for multi-year planning. Engage municipal associations in the determination of appropriate allocation formulas, ensuring that there is not a sole focus on per capita allotment.

Municipal Structure

- Review and rationalize the alignment, type and number of municipalities and incentivize a shift to match modern communities' dynamics and to align with regionalization, population shifts, urbanization, trade and industry, natural environments, and transportation infrastructure.
- Incent specialized municipalities.
- Review the process for municipalities to pursue status changes (e.g. village to town) or change boundaries (e.g. annexation) to provide maximum legislative clarity and an ability to respond to growth within a fixed time period defined in the legislation.

Municipal Purposes

- Expand the scope of municipal bylaws to include any municipal purposes.

Municipal Engagement and Review

- Create a legislated requirement that any statutory, regulatory, or policy change to municipal duties, powers, or functions only be considered after consultation and engagement with municipalities.

Municipal Liability

- Protect municipalities from liability for damages caused by a municipality responding in good faith to emergencies or providing services to its region unless the municipality is grossly negligent.
- Provide a limitation period for any person claiming compensation arising from a road closure.
- Reform joint and several liability, particularly in the areas of contribution shortfall and the creation of a minimum threshold of liability prior to the application of joint and several liability principles.

Citizen Engagement and Public Participation

- Empower the Chief Administrative Officer to examine the affiant on petition witness affidavits.

Land Use Planning

- Allow municipalities to define municipal purposes through bylaw in order to provide greater flexibility on land use.
- Clarify which classes of wetland are eligible to be designated as environmental reserves and clarify that setbacks for bodies of water applies to wetlands.
- Increase the per cent amount of reserves (municipal, school, environmental, etc.) that a municipality may require of a developer, and permit the subdivision of those lands prior to transfer if necessary.
- Permit municipalities to acquire limited interests in land required for that municipality to carry out operations in another municipality. For example, utility rights of way for utilities provided to another municipality and interests in land related to interests in mines and minerals held by a municipality should be exempt from the requirements of Sec. 72.
- Amend the MGA to specify where resource extraction cannot occur and enable municipalities to determine appropriate and compatible land uses with respect to resource extraction.

Relationship to Existing Bylaws

- Repeal MGA Section 13.
- If there is an inconsistency between the newly enacted MGA or other provincial legislation and pre-existing bylaws, the bylaws shall not be affected by the law.

Revised Bylaws

- Allow for the revision of bylaws without a bylaw specifically adopting them, in cases where the revision is to correct clerical errors or to make minor changes.

Voluntary Amalgamation

- Amend the legislation to reflect that two or more municipalities may jointly initiate a voluntary amalgamation. If those municipalities agree to an amalgamation then the Minister must recommend that amalgamation to the Lieutenant Governor in Council.
- Include a financial and infrastructure evaluation of the municipalities involved in the amalgamation.
- Clarify responsibility for financial and/or infrastructure deficits and provide formal policies on when and how the province will provide financial assistance.
- Provide that the affected municipalities will determine the process for dissolving existing councils and creating an interim council and provide the process for creating a new amalgamated municipality.
- Provide that the affected municipalities will determine how to appoint an interim CAO for the amalgamated municipality.
- Review the necessity for Minister initiated amalgamations. If not warranted, eliminate this action from legislation. If retained in legislation, clarify that public input from affected citizens is required.

Annexation

- Adopt an approach that provides urban municipalities with the same opportunity as their rural counterparts to attract all types of development, including industrial development which requires significant areas of land historically not available in urban areas.
- Require that an initiating municipality and a municipality which has been served a written notice meet and proceed in good faith to prepare a study to identify the reason for and impacts of the proposed annexation, including proposals for public consultation.
- Require that negotiations regarding annexation be made in good faith and allow either party to request that the minister appoint a mediator if no agreement is reached within 180 days.
- Provide an opportunity for affected municipalities to submit written submissions after the minister has recommended an annexation to the Lieutenant Governor in Council.

Regional Service Commissions

- Exclude regional service commissions who have not commenced substantial operations and whose annual budgets are under $50,000 from Financial Information Return and audited financial statement reporting obligations.

Public Works Affecting Adjacent Land

- Restrict provisions for compensation for municipal public work to a narrow category of public works. Enable municipalities to set notification provisions in their bylaws.

Ministerial Inspection and Inquiry Regarding Local Governance

- Require that a terms of reference be created for every inspection initiated by the minister or by the council of the municipality. Allow for an inspection to be initiated on petition by the citizens of the municipality.
- Require that the inspector or the person appointed to conduct an inquiry be independent and qualified to do so through an appropriate certification.
- Prescribe a uniform reporting format for inspectors through regulation.
- Clarify definition of “irregular, improper or improvident manner.”
- Legislate that, if an Inspectors Report recommends the dismissal of all or part of a council, the citizens shall vote on the recommendation with the Ministry of Municipal Affairs bearing the cost of the vote.
- If a councillor or council is dismissed and an election to replace them is held within a year of the next municipal election, provide that the election may serve as the upcoming general election.
- Repeal the subsection that allows the minister to appoint a new CAO and designate remuneration payable to the officer.

Provincial/Municipal Partnership Agreements

- Legislate mandatory consultation and engagement when municipal interests are impacted by the decisions of any provincial ministry.
- Where changes to roles and responsibilities are initiated by either the province or municipalities, provide a clear framework for agreed upon roles and responsibilities.
- Where municipalities have the capacity and willingness to undertake or share provincial responsibilities, provide for incentives and with a clear formula for funding that is indexed for change.

Municipal Input on Provincial Infrastructure

- Require meaningful municipal engagement in the planning and operation of provincial infrastructure.
- Require greater cooperation between municipal authorities and school boards, particularly in regard to school reserves and the planning and servicing of schools and the disposition of school property and school reserves.

Zoning and Municipal Building Standards

- Clarify that when a development authority grants a variance to a “non-conforming” building, the “non-conforming” designation is removed.
- Municipalities should have the ability to require more stringent standards than national or provincial building codes.

Mutual Access Agreements

- Require direct road access for all subdivisions, rather than the current system of voluntary agreements for mutual access.