

2010 Bill 203

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Third Session, 27th Legislature, 59 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# BILL 203

**MUNICIPAL GOVERNMENT (LOCAL ACCESS AND  
FRANCHISE FEES) AMENDMENT ACT, 2010**

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MR. FAWCETT

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First Reading . . . . .

Second Reading . . . . .

Committee of the Whole . . . . .

Third Reading . . . . .

Royal Assent . . . . .

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## BILL 203

2010

### MUNICIPAL GOVERNMENT (LOCAL ACCESS AND FRANCHISE FEES) AMENDMENT ACT, 2010

(Assented to \_\_\_\_\_, 2010)

HER MAJESTY, by and with the advice and consent of the  
Legislative Assembly of Alberta, enacts as follows:

#### **Amends RSA 2000 cM-26**

**1 The *Municipal Government Act* is amended by this Act.**

**2 Section 276(2) is amended by striking out “and” at the end of clause (a), adding “and” at the end of clause (b) and adding the following after clause (b):**

- (c) the amount of franchise fees, local access fees and any other fees or charges collected pursuant to an agreement under section 360.

**3 Section 360 is amended**

- (a) **in subsection (2) by striking out “as provided in the agreement” and substituting “as provided in the agreement and subject to the requirements of this section”;**
- (b) **by striking out subsections (4) and (4.1) and substituting the following:**

(4) A tax agreement with the operator of a public utility that supplies fuel must provide for the method of calculation of the payment subject to the following:

## Explanatory Notes

**1** Amends chapter M-26 of the Revised Statutes of Alberta 2000.

**2** Section 276(2) presently reads:

*(2) The municipality's financial statements must include*

*(a) the municipality's debt limit, and*

*(b) the amount of the municipality's debt as defined in the regulations under section 271.*

**3** Section 360 presently reads:

*360(1) A council may make a tax agreement with an operator of a public utility or of linear property who occupies the municipality's property, including property under the direction, control and management of the municipality.*

*(2) Instead of paying the tax imposed under this Division and any other fees or charges payable to the municipality, the tax agreement may provide for an annual payment to the municipality by the operator calculated as provided in the agreement.*

- (a) the payment shall not be based on the percentage of gross revenue of the public utility for the year,
- (b) the payment shall be based on the quantity of fuel in respect of which transportation service was provided during the year by means of the fuel distribution system of the provider of the public utility, and
- (c) any additional limitations or requirements set out in the regulations.

**(4.1)** A tax agreement with the operator of a public utility that transports electricity by way of a transmission system, an electric distribution system, or both, must provide for the method of calculation of the payment subject to the following:

- (a) the payment shall not be based on a percentage of the gross revenue of the public utility,
- (b) the payment shall be based on the quantity of electricity in respect of which system access service, electric distribution service, or both, were provided during the year by means of the transmission system, the electric distribution system, or both, of the provider of the public utility, and
- (c) any additional limitations or requirements set out in the regulations.

**(c) by adding the following after subsection (4.2):**

**(4.3)** If a municipality has entered into a tax agreement to which subsection (4) or (4.1) applies, the municipality shall provide a minimum of 90 days' notice to consumers of any increase in the franchise fee in the case of fuel, or local access fee in the case of electricity, and such notice shall be published in one issue of a newspaper having general circulation in the municipality and publicized in any other manner considered appropriate by the municipality, including electronic means such as the Internet.

**(d) by adding the following after subsection (5):**

**(6)** The Lieutenant Governor in Council may make regulations governing any transitional matter concerning the application of this section including, without limitation, regulations governing the application of this section to agreements in effect when this section comes into force.

(3) A tax agreement must provide that the municipality accepts payment of the amount calculated under the agreement in place of the tax and other fees or charges specified in the agreement.

(4) If a tax agreement with the operator of a public utility that supplies fuel provides for the calculation of the payment as a percentage of the gross revenue of the public utility, that gross revenue is the aggregate of

$$gr + (qu.ns \times vpu)$$

where:

“gr” is the gross revenue of the public utility for the year;

“qu.ns” is the quantity of fuel in respect of which transportation service was provided during the year by means of the fuel distribution system of the provider of the public utility;

“vpu” is the deemed value per unit quantity of fuel determined by the Alberta Utilities Commission for that year for the fuel in respect of which transportation service was so provided.

(4.1) If a tax agreement with the operator of a public utility that transports electricity by way of a transmission system, an electric distribution system, or both, provides for the calculation of the payment as a percentage of the gross revenue of the public utility, that gross revenue is

(a) *gr*, or

(b)  $gr + (qu.ns \times vpu)$ ,

where:

“gr” is the gross revenue received by the public utility under its distribution tariff for the year;

“qu.ns” is the quantity of electricity in respect of which system access service, electric distribution service, or both, were provided during the year by means of the transmission system, the electric distribution system, or both, of the provider of the public utility;

“vpu” is the deemed value per unit quantity of electricity determined by the Alberta Utilities Commission for that year for the electricity in respect of which system access service, electric distribution service, or both, were so provided.

**4 Section 370 is amended by adding the following after clause (e):**

- (f) respecting the calculation of payments made pursuant to agreements under section 360.

**5(1) Subject to subsection (2), this Act comes into force on January 1, 2011, and applies to all agreements entered into under section 360 on or after that date.**

**(2) Effective January 1, 2015, this Act applies to all agreements entered into under section 360, including agreements entered into prior to January 1, 2011, and any provisions in those agreements that are inconsistent with this Act are deemed to be of no force or effect.**

*(4.2) In subsection (4.1), “electric distribution service”, “electric distribution system”, “electricity”, “system access service” and “transmission system” have the meanings given to them in the Electric Utilities Act.*

*(5) An agreement under this section with an operator who is subject to regulation by the Alberta Utilities Commission is of no effect unless it is approved by the Alberta Utilities Commission.*

**4** Section 370 presently reads:

*370 The Minister may make regulations*

- (a) prescribing the extent to which residences and farm buildings are exempt from taxation under this Division;*
- (b) respecting the calculation of a tax rate to be imposed on linear property;*
- (c) describing other property that is exempt from taxation pursuant to section 362(1)(n), and respecting the qualifications and conditions required for the purposes of section 362(1)(n);*
  - (c.1) respecting tax rolls and tax notices including, without limitation, regulations*
    - (i) respecting the information to be shown on a tax roll and a tax notice;*
    - (ii) providing for the method of determining the person liable to pay a property or other tax imposed under this Part;*
    - (iii) respecting the sending of tax notices;*
- (d) specifying licences for the purposes of section 365(2);*
- (e) defining a community association for the purposes of this Act.*

**5** Coming into force.

