

2018 Bill 10

Fourth Session, 29th Legislature, 67 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 10

**AN ACT TO ENABLE CLEAN
ENERGY IMPROVEMENTS**

THE MINISTER OF MUNICIPAL AFFAIRS

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

Bill 10

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2018

AN ACT TO ENABLE CLEAN ENERGY IMPROVEMENTS

(Assented to _____, 2018)

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 1(1)(aa) is amended by adding the following after
subclause (v):

(v.1) a clean energy improvement tax,

Explanatory Notes

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

2 Section 1(1)(aa) presently reads:

1(1) In this Act,

(aa) “tax” means

(i) a property tax,

(ii) a business tax,

(iii) a business improvement area tax,

(iii.1) a community revitalization levy,

(iv) a special tax,

(v) a well drilling equipment tax,

(vi) a local improvement tax, and

(vii) a community aggregate payment levy;

3 Section 243(2) is amended by adding the following after clause (e):

- (e.1) clean energy improvement tax;

4 Section 252 is amended

- (a) by renumbering it as section 252(1);

- (b) by adding the following after subsection (1):

(2) For the purposes of subsection (1), a borrowing made by a municipality to pay for costs associated with clean energy improvements as defined in Part 10, Division 6.1 does not count against the debt limit or debt service limit of the municipality.

5 Section 334(3) is repealed and the following is substituted:

(3) Despite subsection (2), a tax notice must show the following, each listed separately from all other tax rates shown on the notice:

3 Section 243(2) presently reads:

(2) An operating budget must include the estimated amount of each of the following sources of revenue and transfers:

- (a) property tax;*
- (b) business tax;*
- (c) business improvement area tax;*
- (c.1) community revitalization levy;*
- (d) special tax;*
- (e) well drilling equipment tax;*
- (f) local improvement tax;*
- (f.1) community aggregate payment levy;*
- (g) grants;*
- (h) transfers from the municipality's accumulated surplus funds or reserves;*
- (i) any other source.*

4 Section 252 presently reads:

252 No municipality may make a borrowing if the borrowing will cause the municipality to exceed its debt limit, unless the borrowing is approved by the Minister.

5 Section 334(3) presently reads:

(3) Despite subsection (2), a tax notice must show, separately from all other tax rates shown on the notice, the tax rates set by the

- (a) the tax rates set by the property tax bylaw to raise the revenue to pay the requisitions referred to in section 326(1)(a)(ii) or (vi);
- (b) the tax rate set by a clean energy improvement tax bylaw to raise the revenue required to pay for a clean energy improvement.

6 Section 348(d)(i) is amended by adding “a clean energy improvement tax,” **after** “special tax,”.

7 The following is added after section 390:

**Division 6.1
Clean Energy Improvement Tax**

Interpretation

390.1(1) In this Division, “clean energy improvement” means, subject to the regulations, a renovation, adaptation or installation on eligible private property that

- (a) will increase energy efficiency or the use of renewable energy on that property, and
- (b) will be paid for in whole or in part by a tax imposed under this Division,

but does not include improvements referred to in section 284(1)(j)(iii) and (iv).

property tax bylaw to raise the revenue to pay the requisitions referred to in section 326(1)(a)(ii) or (vi).

6 Section 348(d) presently reads:

348 Taxes due to a municipality

(d) are a special lien

(i) on land and any improvements to the land, if the tax is a property tax, a community revitalization levy, a special tax, a local improvement tax or a community aggregate payment levy, or

(ii) on goods, if the tax is a business tax, a community revitalization levy, a well drilling equipment tax, a community aggregate payment levy or a property tax imposed in respect of a designated manufactured home in a manufactured home community.

7 Division 6.1 Clean Energy Improvement Tax.

(2) For the purposes of this Division, the amount required to recover the costs of a clean energy improvement may include

- (a) the capital cost of undertaking the clean energy improvement,
- (b) the cost of professional services needed for the clean energy improvement,
- (c) a proportionate share of the costs associated with the administration of a clean energy improvement program,
- (d) the cost of financing the clean energy improvement, and
- (e) other expenses incidental to the undertaking of the clean energy improvement and to the raising of revenue to pay for it.

Eligibility of properties for clean energy improvements

390.2 Property is eligible for a clean energy improvement if the property is

- (a) located in a municipality that has passed a clean energy improvement tax bylaw,
- (b) one of the following types of private property:
 - (i) residential property;
 - (ii) non-residential property;
 - (iii) agricultural property,and
- (c) not designated industrial property.

Clean energy improvement tax bylaw

390.3(1) Before a clean energy improvement is made to any property, a council must pass a clean energy improvement tax bylaw.

(2) A clean energy improvement tax bylaw authorizes the council to impose a clean energy improvement tax in respect of a clean energy improvement made to a single property to raise revenue to

pay the amount required to recover the costs of that clean energy improvement.

(3) A clean energy improvement tax bylaw must, subject to the regulations,

- (a) indicate that, where a municipality has entered into a clean energy improvement agreement with the owner of a property, a clean energy improvement tax will be charged based on the clean energy improvement agreement,
- (b) set the tax rate or rates to be imposed in respect of clean energy improvements,
- (c) indicate the process by which the owner of a property can apply to the municipality for a clean energy improvement,
- (d) include any other information the council considers necessary or advisable, and
- (e) include any requirements imposed by the regulations.

(4) Before giving second reading to a proposed clean energy improvement tax bylaw, the council must hold a public hearing with respect to the proposed bylaw in accordance with section 230 after giving notice of it in accordance with section 606.

Clean energy improvement agreement

390.4(1) A municipality and the owner of a property shall enter into a clean energy improvement agreement before a clean energy improvement is made to that property.

(2) A clean energy improvement agreement must, subject to the regulations,

- (a) describe the proposed clean energy improvement,
- (b) identify the property in respect of which the clean energy improvement tax will be imposed,
- (c) indicate that the owner of the property will be liable to pay the clean energy improvement tax,

- (d) include the amount required to recover the costs of the clean energy improvement and the method of calculation used to determine that amount,
- (e) state the period over which the amount required to recover the costs of the clean energy improvement will be paid,
- (f) state the portion of the amount required to recover the costs of the clean energy improvement to be paid
 - (i) by the municipality,
 - (ii) from revenue raised by the clean energy improvement tax, and
 - (iii) from other sources of revenue,
- (g) describe how the clean energy improvement tax will be revised in the event of a subdivision of the property or a consolidation of the property with any other property, and
- (h) include any other information the municipality considers necessary or advisable.

Person liable to pay clean energy improvement tax

390.5 The person liable to pay a tax imposed in accordance with a clean energy improvement tax bylaw is the owner of the property in respect of which the tax is imposed.

Paying off a clean energy improvement tax

390.6 The owner of a property that is subject to a clean energy improvement agreement may pay the remaining amount required to recover the costs of the clean energy improvement before a clean energy improvement tax is imposed.

Refinancing of debt by council

390.7 If, after a clean energy improvement agreement has been made, the council refinances the debt created to pay for the clean energy improvement that is the subject of that agreement at an interest rate other than the rate estimated when the clean energy improvement agreement was made, the council, with respect to future years, may revise the amount required to recover the costs of the clean energy improvement included in that agreement to reflect the change in the interest rate.

Petitions

390.8 An elector of a municipality may petition that municipality to

- (a) establish a clean energy improvement program, or
- (b) discontinue a clean energy improvement program.

Regulations

390.9 The Minister may make regulations respecting clean energy improvements, including, without limitation, regulations

- (a) respecting eligibility requirements for clean energy improvements;
- (b) respecting clean energy improvement agreements;
- (c) respecting clean energy improvement tax bylaws;
- (d) respecting types of renovations, adaptations or installations for which clean energy improvement agreements may be made and types of renovations, adaptations or installations for which clean energy improvement agreements may not be made;
- (e) respecting the disclosure of clean energy improvement agreements to prospective purchasers of property;
- (f) respecting limits on the number of improvements to a single property or a type of eligible property for which a tax may be imposed under this Division;
- (g) respecting limits on the capital costs of undertaking clean energy improvements on a single property or a type of eligible property under this Division;
- (h) respecting clean energy improvement programs, including the administration of clean energy improvement programs.

8 Section 410(e) is amended by adding “a clean energy improvement tax,” **after** “special tax,”.

8 Section 410(e) presently reads:

410 In this Division,

9 This Act comes into force on Proclamation.

(e) *“tax” means a property tax, a community revitalization levy, a special tax, a local improvement tax or a community aggregate payment levy;*

9 Coming into force.

