



Province of Alberta

The 29th Legislature
Second Session

Alberta Hansard

Tuesday morning, November 1, 2016

Day 42

The Honourable Robert E. Wanner, Speaker

Legislative Assembly of Alberta
The 29th Legislature

Second Session

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Feehan, Hon. Richard, Edmonton-Rutherford (ND)	Renaud, Marie F., St. Albert (ND)
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Fraser, Rick, Calgary-South East (PC)	Sabir, Hon. Irfan, Calgary-McCall (ND)
Ganley, Hon. Kathleen T., Calgary-Buffalo (ND)	Schmidt, Hon. Marlin, Edmonton-Gold Bar (ND)
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Hoffman, Hon. Sarah, Edmonton-Glenora (ND)	Stier, Pat, Livingstone-Macleod (W)
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Jansen, Sandra, Calgary-North West (PC)	Swann, Dr. David, Calgary-Mountain View (AL)
Jean, Brian Michael, QC, Fort McMurray-Conklin (W), Leader of the Official Opposition	Taylor, Wes, Battle River-Wainwright (W)
Kazim, Anam, Calgary-Glenmore (ND)	Turner, Dr. A. Robert, Edmonton-Whitemud (ND)
Kleinstuber, Jamie, Calgary-Northern Hills (ND)	van Dijken, Glenn, Barrhead-Morinville-Westlock (W)
Larivee, Hon. Danielle, Lesser Slave Lake (ND)	Westhead, Cameron, Banff-Cochrane (ND), Deputy Government Whip
Littlewood, Jessica, Fort Saskatchewan-Vegreville (ND)	Woollard, Denise, Edmonton-Mill Creek (ND)
Loewen, Todd, Grande Prairie-Smoky (W)	Yao, Tany, Fort McMurray-Wood Buffalo (W)

Party standings:

New Democrat: 54 Wildrose: 22 Progressive Conservative: 9 Alberta Liberal: 1 Alberta Party: 1

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Legislative Assembly of Alberta

10 a.m.

Tuesday, November 1, 2016

[The Speaker in the chair]

Prayers

The Speaker: Good morning.

Let us commit ourselves to work together with determination but also with compassion and understanding as we carry out our duties to serve Albertans and those who visit us in this great province that we proudly share and call home.

Please be seated.

Orders of the Day

Government Motions

Adjournment of Fall Session

22. Ms Ganley moved on behalf of Mr. Mason:
Be it resolved that pursuant to Standing Order 3(9) the second session of the 29th Legislature 2016 fall sitting of the Assembly be extended beyond the first Thursday in December until such time as or when the Government House Leader advises the Assembly that the business for the sitting is concluded, and at such time the Assembly stands adjourned.

[Government Motion 22 carried]

Constituency Week

23. Ms Ganley moved on behalf of Mr. Mason:
Be it resolved that, notwithstanding Standing Order 3(6), the only constituency week for the 2016 fall sitting shall be held the week of November 14, 2016, with the Assembly reconvening on Monday, November 21, 2016.

The Speaker: The hon. Minister of Justice.

Ms Ganley: Thank you, Mr. Speaker. In speaking to the motion, I would just note that per Government Motion 22 the government expects to sit past the regular rise date of December 1 in order to complete the business of the House. Motion 23 simply ensures that the extension is not interrupted by a constituency week.

Thank you.

The Speaker: The House leader for the Official Opposition.

Mr. Cooper: Thank you, Mr. Speaker. Good morning. I rise to speak just very briefly to the motion. I encourage my colleagues to support the motion; however, I just would like to address a couple of quick comments from the Minister of Justice. She said that the session not be disrupted by a constituency week as though meeting with our constituents is a disruption to the legislative process. I think nothing could be further from the truth, that these constituency weeks are, in fact, a very important part of the process. I just hope that that wasn't the minister's intention.

The other thing that I might just briefly add is that it would be very helpful in the era of, from what I understand of the government, trying to be a much more family-friendly Assembly – these legislative sessions are not a surprise to the government. They know that they are coming. It would be helpful if when the calendar is set out at the beginning of the year, they would do a much better job of working towards those dates and making sure that the

necessary arrangements are made in advance of the first day of session.

Those things would be helpful in the future, but I do encourage all my colleagues to support this motion.

The Speaker: Are there any other persons wishing to speak to Government Motion 23?

Hearing none, the Minister of Justice on behalf of the hon. Government House Leader to close debate.

Ms Ganley: Thank you, Mr. Speaker. I don't think that there is anything additional to add.

[Government Motion 23 carried]

Morning Sitting Adjournment

24. Ms Ganley moved on behalf of Mr. Mason:
Be it resolved that on Thursday, November 3, 2016, the morning sitting of the Assembly stand adjourned at 10:45 a.m.

The Speaker: The Minister of Justice.

Ms Ganley: Thank you very much, Mr. Speaker. This is in order to allow us to attend a Remembrance Day ceremony.

Thank you.

The Speaker: The Opposition House Leader.

Mr. Cooper: Thank you, Mr. Speaker. I just would like to rise because this doesn't happen all too often, where I publicly thank the ...

The Speaker: Hon. member, I neglected to tell you that this is a nondebatable motion.

Mr. Cooper: It's okay. I didn't want to thank them anyway.

The Speaker: Nice try. I didn't go trick-or-treating last night as long as you did.

[Government Motion 24 carried]

Government Bills and Orders Second Reading

Bill 21

Modernized Municipal Government Act

The Speaker: The hon. Minister of Municipal Affairs.

Ms Larivee: Thank you, Mr. Speaker. I rise today to introduce the Modernized Municipal Government Act, or Bill 21, for second reading. I tabled the Modernized Municipal Government Act last May so that hon. members and all Albertans had time to review the changes, to ask questions, and to provide their feedback on the proposed amendments.

Over the summer my team and I travelled across this great province, from Peace River to Medicine Hat and 18 other communities in between, to meet with the public, municipal leaders, business, and industry to get their thoughts and feedback on the proposed changes. More than 2,400 Albertans attended the sessions in communities both large and small. We also received over 2,300 survey responses and 122 written submissions from municipalities, businesses and industry, civil society groups, and members of the public. My team compiled all of that feedback and released a what-we-heard summary on our website last month.

Because the MGA touches every single Albertan in some way, it was valuable to have so many people attend our engagement sessions and to hear their feedback both in person and online. I want to thank everyone who took the time to provide their input and for their interest in ensuring that municipalities have the tools and resources they need to build strong, sustainable communities for Alberta families.

10:10

Alberta has been in the process of updating the Municipal Government Act for more than three years now. The last major review of the MGA prior to that was completed more than two decades ago and does not reflect new economic realities, changes in technology, or evolving municipal roles and responsibilities. Municipalities are at the grassroots of creating stronger, more dynamic communities, and we know that they need robust, forward-looking legislation to meet the changing needs of Albertans. The act is Alberta's second-largest piece of legislation and touches the lives of every single person in this province. It guides how we pay for our roads, where we build our schools, and how we develop strong communities to raise our families.

This Modernized Municipal Government Act is a culmination of nearly four years of comprehensive review and consultation with municipalities, local citizens and businesses, community organizations, the oil and gas sector, builders and developers, the Alberta Urban Municipalities Association, and the Alberta Association of Municipal Districts and Counties. This forward-looking and innovative piece of legislation contains a number of policy shifts. Municipalities will now form regional partnerships to better serve Albertans. Municipalities will have new tools to build better, more complete communities. The act will also support small business and increase industry competitiveness, and it will enhance municipal accountability. Colleagues, with this modernization of the Municipal Government Act we are turning a new page and beginning a new era of local government in Alberta.

As I noted, a key focus of the Modernized Municipal Government Act is on working together, growing together, and making Alberta better together. The previous structure of the MGA led to municipalities working against each other instead of working with each other. Instead of duplicating costly services, the revised MGA will require municipalities to come together through municipal partnerships to find new and innovative ways to integrate services, manage growth, and use land to become better environmental stewards.

Fundamentally, we recognize that our communities are interconnected and that they transcend municipal boundaries. It's very important that political leaders both in municipal government and provincial government recognize this because Albertans recognize this. Albertans are not focused on where lines are drawn on a map. They want efficient, effective services. Period. It is time to collaborate on the planning and funding of services that have a regional benefit whether they exist in municipality A or municipality B.

The Modernized Municipal Government Act will usher in a new era where municipalities are required to form regional partnerships to better serve Albertans. The metropolitan regions of Calgary and Edmonton will do this through mandatory growth management boards. Those two regions are the fastest growing in Alberta, with nearly 75 per cent of the population living in the Calgary or Edmonton area. This creates increased pressures both on the natural and built environments. Growth management boards will address these issues by developing collaborative approaches to the delivery and equitable funding of services.

These boards will also develop a growth plan for the region to help ensure the preservation of agricultural lands and the wise use of the environment. These boards will take a collaborative and co-ordinated approach to economic development, which will strengthen regional economies and support Alberta jobs, because increasingly regions and municipalities must collaborate to compete on a global scale. Growth management boards are a step forward. They're a step forward for smart growth, a step forward for economic development, and a step forward for protecting agricultural lands.

Outside of the metropolitan regions of Calgary and Edmonton, municipalities will develop intermunicipal collaboration frameworks. These frameworks will ensure that neighbouring municipalities partner on land-use planning, co-ordinate services of a regional benefit, and equitably fund those services. With a growing number of families in our provinces, a collaborative approach to service delivery and land-use planning is needed now more than ever before. Instead of unnecessary duplication of services, municipalities will now work together to deliver more effective, efficient services to their communities.

During challenging times Albertans expect their governments to manage the public purse and avoid duplication of services. Municipalities should work together to ensure that every dollar goes as far as possible. Greater regional collaboration through the MGA has been celebrated by municipalities, business, and the public as a step forward. Albertans are served better when their leaders work together, and that is just what we're going to ensure happens.

Alberta continues to grow. More than 4 million people now consider this province home, and our population is expected to jump by another million within the coming decade. As our population increases, we are facing a number of growth pressures, and one of the most complex and most pressing is affordable housing. Every person in our province deserves a safe, affordable place to call home. Affordable housing is an important part of the social and economic infrastructure of municipalities. It helps to attract and maintain a diverse workforce, which in turn ensures economic development and sustainability. There are more than 30,000 Albertans on waiting lists for affordable housing, and our government is taking action.

Through the modernized MGA our government is keeping another platform commitment and will enable inclusionary housing, which will allow municipalities to reserve a portion of new development for affordable housing. This important tool is used across North America and around the world to increase affordable housing and promote inclusive, complete communities. We want to ensure that Alberta's municipalities have strong, diverse housing markets that support not only their economic and social well-being but also their sustainability. Affordable housing is a critical need that has long been ignored. This step will allow municipalities and developers to work together to find solutions to this enduring problem.

Colleagues, Albertans want more than just houses; they want real neighbourhoods to call home. Changes to the MGA will help to make this happen by giving growing municipalities tools to ensure that new communities are built in a way that creates real neighbourhoods for families, Mr. Speaker, neighbourhoods that are kept safe by police and firefighters at nearby stations and ones where hockey practice is held around the corner and not across the city. To do this, off-site levies will see an overhaul. These one-time fees paid by developers are currently only collected for roads, water, sewer, and storm sewer systems, but Alberta's growth has created a demand for community facilities and services outside of these four infrastructure pillars.

The MGA is being amended to allow municipalities to collect off-site levies for community recreation facilities, fire halls, police stations, and libraries. Levies for these facilities can only be applied if the new development receives at least 30 per cent of the benefit of those facilities. This balanced approach will make sure the fire halls, swimming pools and services that Albertans need are there when they move in. These changes to the MGA will result in more complete, inclusive communities for Alberta families, communities where Albertans have an affordable place to call home, access to the infrastructure they need, and where growth is funded in a collaborative way.

Supporting Alberta business is one of the four key pillars of the Alberta jobs plan, and the modernized MGA supports this initiative. Right now all businesses are charged the same property tax rate regardless of their size. Changes to the MGA will empower municipalities to create a more flexible property tax framework between small and large businesses. This change will make life easier for small businesses and allow them to do what they do best, which is to support their communities and create jobs. Small businesses comprise 95 per cent of all businesses in Alberta and are responsible for 35 per cent of all private-sector employment in the province. This policy change, supported by many local leaders, will give communities another tool to build strong local economies tailored to their local realities.

10:20

Supporting our municipalities also means supporting the industries that their residents depend on. The updated MGA will increase industry competitiveness by linking nonresidential and residential tax rates. Municipalities currently have complete flexibility to set tax rates for different types of properties. This has created situations where nonresidential tax rates are significantly higher than residential tax rates, in some cases more than 10 times higher. The new MGA will take steps to end this imbalance and promote more accountability. We will be establishing a maximum ratio of 5 to 1 between nonresidential and residential property taxes. These changes to the MGA support Alberta businesses as we build a more resilient, diversified economy for the future.

One of the things we heard clearly from Albertans in the MGA review was a need to improve transparency and enhance municipal accountability. Like British Columbia did in 1995 and Ontario did in 2015, we are expanding the mandate of the Alberta Ombudsman to include the investigation of complaints about municipal actions or decisions. This will allow Albertans to bring matters of concern to the attention of an impartial third party that can investigate issues as necessary. It creates an additional accountability mechanism for municipalities and gives Albertans another resource to have their local concerns addressed in a fair, efficient, and transparent manner.

I am very proud of all the work that has gone into this review and of the progressive, forward-looking policy shifts in the Modernized Municipal Government Act. After second reading and debate on Bill 21 we intend to introduce House amendments to strengthen the Modernized Municipal Government Act. These amendments will reflect the feedback we heard this past summer. Many of these proposals are based on smart suggestions from engaged citizens and stakeholders we heard during our summer engagement tour.

Before any of the changes and amendments are proclaimed, there are approximately 45 regulations that will need further review and development before the Modernized Municipal Government Act is complete. These regulations will be developed and drafted over the coming months and posted online for public review and feedback in 2017 prior to final adoption. This will provide another avenue for local leaders, business, industry, and the public to help shape the future of municipal governance in Alberta. All changes to the

MGA, including regulations, will be proclaimed before municipal elections in the fall of 2017.

This modernized MGA empowers local governments and strengthens community collaboration. It is a piece of legislation we can all be proud of. It is one that takes us from a winner-take-all approach to where all of us win. I'm confident that Alberta will set the bar for outstanding, forward-thinking municipal governance legislation in Canada with Bill 21. Bill 21 will support municipalities in their work to build a stronger, more prosperous province for all Albertans, and I hope for all-party support in its passage.

Thank you.

The Speaker: The hon. Minister of Justice, I believe, has a request.

Ms Ganley: Thank you very much, Mr. Speaker. I'd like to request unanimous consent to revert to some introductions.

[Unanimous consent granted]

Introduction of Guests

Mrs. Schreiner: Good morning, Mr. Speaker and fellow members. It is my distinct pleasure to introduce to you and through you several members of the board of governors for the 2019 Canada Winter Games, being hosted in Red Deer 821 days from today. Visiting us today are Lyn Radford, board chair, 2019 Canada Winter Games; Scott Robinson, CEO, 2019 Canada Winter Games; Scott Fraser with Alberta Sport Connection and 2019 Canada Winter Games board member; Tom Quinn, chairman of the Canada Games Council; Mary Anne Jablonski, 2019 Canada Winter Games board member. I would ask that my guests please stand and receive the traditional recognition of this House.

Thank you.

The Speaker: Welcome and thank you for your contributions.

Hon. members, for those who may not be aware, a former Deputy Speaker of this House.

Thank you for being here.

Government Bills and Orders Second Reading

Bill 21 Modernized Municipal Government Act (continued)

The Speaker: The hon. Member for Livingstone-Macleod.

Mr. Stier: Yes. Thank you, Mr. Speaker, and good morning to all. It's my pleasure this morning to have this opportunity to speak to Bill 21, the Modernized Municipal Government Act, at second reading.

Before I begin my comments, actually, Mr. Speaker, on the bill specifically, I want to start by recognizing that Bill 21 is the culmination of years of review, study, and feedback. The entire process involved thousands of people and thousands of hours of debate and discussion across the province. I'd like to take a quick moment to acknowledge the dedicated work of Municipal Affairs' staff, local municipalities and their staff, industry stakeholders, and all the individual Albertans who worked so hard on this bill. Thank you. It is also important, I think, to mention that it was the previous government that began this review, and it's important for them to be recognized for their important work on this file. Thank you very much for that as well.

The Municipal Government Act, or the MGA, I've spent many years on. I will refer to it today as one of the largest pieces of legislation that Alberta has on the books, so it's somewhat fitting that Bill 21, which proposes to amend large sections of the MGA, weighs in at 123 pages. It is a huge, huge document to be looking at. While it's impossible for me to provide in 20 minutes comment and feedback on all the different changes, proposals, and edits, I will offer as much insight as I can in the time I have remaining and allow my esteemed colleagues on their own to look at and focus on specific areas of the bill which we have identified, which I hope will allow for deeper debate and discussion in both second reading and Committee of the Whole.

To start, then, the government has organized the proposed MGA changes into three broad groups based on the following: firstly, how municipalities govern themselves; secondly, how they plan to develop and grow; and thirdly, how municipalities are funded.

First, then, I will begin my comments by addressing the question of governance. According to the MGA website, "the amendments that fall under this question aim to improve municipal accountability, transparency, and viability, as well as reframe the relationship between municipalities and the Province." Well, that is for certain. It does attempt to do that. My caucus colleagues and I welcome some of these proposed changes and feel that the preamble that is suggested adds an important improvement to the language of the MGA, and it establishes more explicitly the type of relationship the province will foster with its municipal partners. I would like to make an important note, however. Just as the language and tone set by the preamble are an important improvement, there must be real, concrete actions by the provincial government that follow, for words without action are meaningless.

There are a number of additional items that fall under the governance category which I will take a moment to mention here, as my caucus colleagues will be more detailed, as I've said. First of all, the province proposes to expand the mandate of the Alberta Ombudsman to include municipalities. There's already a system in place, as most of the people in this room know and most of the Alberta municipalities know, of how municipalities govern themselves and what kinds of communications are available to residents. But this would provide, despite all of that, Albertans with an additional avenue to address their concerns with procedural fairness without having to undertake the onerous task of obtaining a petition, as an example, signed by 20 per cent of the municipal electorate before anyone in government will review a complaint about a municipality.

It's important to note that the municipalities have already worked, again, in many ways to address this issue themselves. As an example, a number of the larger municipalities have municipal auditors, and in the case of Calgary an integrity and ethics officer. Notwithstanding the work done by some municipalities, we must, though, ensure there are mechanisms that ensure that decisions by their local government are fair. I suggest that this is probably why the Ombudsman has been suggested as one alternative.

I personally believe there's an education gap sometimes between the citizenry and the elected officials themselves with regard to council roles and responsibilities. I'm happy to see that the province identified this issue as well through their proposal to establish minimum standards for elected official orientation and training. The current proposal is that municipalities must offer their elected officials training and orientation after all municipal, general, and by-elections.

10:30

As a former municipal councillor for the MD of Foothills I don't like that the province has left the municipalities to determine

whether they should make it mandatory for their elected officials to attempt. A lot of the feedback that we have received expressed a desire to see mandatory training, and I may have an amendment actually to table during the Committee of the Whole to reflect that.

The other major proposed changes that fall under this category are strengthening the impartiality of local appeal boards by prohibiting municipal councillors from forming the majority on any municipal appeal board or individual hearing panel. I hope that all members will join me and support me with this change. I think this is a good idea. It's long been indicated that the apprehension of bias and so on is so important, and I think this really, really puts this into a concrete form. However, I'm wary of the proposed changes to municipally controlled corporations. While my caucus and I agree that there is a place for a municipality to own its corporations, specifically utilities, I'm concerned that the province's removal of many of its approval mechanisms will result in municipalities entering competitive markets, which will only serve to hurt Alberta's already struggling economy, in our view.

Moving forward, I'd like to move on to the second category, how municipalities plan, develop, and grow. The MGA review website describes amendments that fall into this category as aiming "to improve municipal relationships, planning processes, and local decision-making," yet there are serious concerns across Alberta from several quarters on that statement. This category of amendments arguably proposes the most fundamental change to the planning division of the Municipal Government Act. The introduction of mandatory growth management boards, compulsory intermunicipal collaboration, and removing the small municipality exemption from the requirement of municipal development plans are just three examples of the many changes this government has proposed on how municipalities plan to grow and develop.

Firstly, and most importantly, the Capital Region Board is the only mandatory growth management board, or GMB, legislated by the MGA today. Now Bill 21 proposes a mandatory growth management board for the Calgary metropolitan area, yet the details, including membership, mandate, and scope, have yet to be released. This presents a significant change in how municipalities around Calgary may interact and relate to one another and, in fact, as it stands today without the details, removes some flexibility and autonomy from municipalities' ability to govern themselves. These are serious concerns by municipalities in the Calgary region.

Again, as a former municipal councillor I understand the importance of regional collaboration. Let me underline that. I understand the importance of regional collaboration, and so does Wildrose. We are and I am a strong believer in regional co-operation. Let me underline that. However, I have some serious concerns and questions regarding the growth management boards, including: which municipalities will be members? Will any member municipality hold an actual or de facto veto? What type of voting structure will be used? Will member municipalities be able to abstain from voting? Is there a dispute resolution process? If not, why not? What will be the mandate and scope of this new growth board?

Mr. Speaker, therefore, unfortunately, until these questions are answered and the rules around growth management boards are established by the government, it's impossible for us and our caucus and municipalities in the region to remain anything but skeptical and very concerned on this proposed change, and it has been that way for years.

As the minister knows and her department knows and a lot of people in this room know, this particular item has been one that has been argued for over a decade and a half. It was a system that they're returning to that was flawed in previous times, and therefore

a lot of people involved today still remain worried about returning to a system that didn't work before.

I had actually hoped that the governance details would be included in the bill, but so much is left to the regulations and backroom negotiations that it's hard to really know what is going to happen. All stakeholders remain very confused on this. For such a major policy proposal I would have hoped, like in the rest of the MGA, that they would have addressed some of these concerns and included the details in the legislation itself. Let's be clear. In the original MGA, as it is prior to this amendment, many, many of the functions and processes for municipal governments are very clearly defined. In this occasion it is not. This type of forced regionalization was problematic, as I said, in the '80s and '90s, and unless these adverse effects are properly addressed, this form of centralized control will remain problematic, just like it was in the '80s and '90s.

As I just mentioned, another major policy change proposal in this Bill 21 is the introduction of intermunicipal collaboration frameworks, or ICFs. Under the current MGA municipalities are not obligated to collaborate or co-operate with one another at all, yet they do. While most municipalities do have intermunicipal development plan agreements, or IDPs, outlining how they plan to develop and collaboratively work over the medium- to long-term solutions, it's not universal across the province. That is for sure. In fact, there are a number of municipalities that for one reason or another have no relationship with their neighbouring municipalities whatsoever. It is these outliers that the proposed ICFs plan to address, I'm thinking. Bill 21 provides municipalities with two years to negotiate these, which must address land-use planning in addition to planning, delivery, and funding of regional services and infrastructure. Should the municipalities fail to agree, as is proposed, to an ICF in that time, the third year is provided for arbitration, which will impose an ICF unilaterally, I understand.

I will repeat what I've said previously. I'm a big believer in regional collaboration; however, there are simply too many variables here, again, left unaddressed for me to approve this proposal as it stands at this time. Once again, a lot of these kinds of processes are very well and heavily described in the existing MGA. This one has no detail.

Some of the major concerns were raised by small municipalities, those with fewer than 3,500 people. Not only are these smaller municipalities now required to negotiate ICFs, which will undoubtedly cost tens of thousands of dollars, but the government is removing their exemption from having to establish a municipal development plan, or MDP. This is kind of like a double hit, and this will result in even more pressure on the municipalities' administration staffs. While I recognize that the department has suggested that there will be some mechanisms and templates to work from and support in some manner, these too are yet not known.

All these costs being piled on top of our smallest communities all at the same time is likely to challenge the viability of many of these municipalities to conduct their business in a proper fashion. Big Valley, in their feedback on Bill 21, described the issue they face:

There are numerous changes in the proposed MGA changes that we feel are disturbing to smaller municipalities. The significant increase to the amount of statutory planning that will be necessary over a very short [period of time] will cause capacity issues. Developing an MDP, IDP, & ICF when you do not have a planning department will be extremely difficult.

While one might argue that many of these communities would not likely survive long term as it is, I believe that to be a very pessimistic and unhelpful philosophy. Many of these communities predate the province, and it is incredibly distressing to see the provincial government saddle them with even more onerous and

costly regulations. It seems to me that for the past few decades they have existed without MDPs and some of these other things, and to thrust all these extra requirements on them is somewhat, I think, a little bit over the top.

It's for this reason that I will be submitting an amendment at Committee of the Whole that will extend the timeline for municipalities to develop an MDP from three to five years, and we may look at other amendments in this area. I hope all my hon. colleagues in the House will support this reasonable amendment when it gets tabled.

To move on again, then, Mr. Speaker, to the proposed amendments on conservation reserves, another part of the planning process, currently municipalities empowered by the MGA and its regulations can create environmental reserves in order to prevent pollution and/or allow for public access to waterways and to protect natural drainage courses and water bodies, et cetera. Because this is undevelopable land in most cases, municipalities are not required to compensate developers for environmental reserve land taken as ER. Unfortunately, there is little a municipality can do legally, though, to conserve land that falls outside of the definition of environmental reserve.

10:40

The proposed remedy is the creation of an additional type of reserve called a conservation reserve. That could be used to conserve environmentally significant areas: tree stands, grasslands, et cetera. Because this might remove or would remove land that could be developed, the municipality would have to compensate the developer in this proposal. As a long-time property rights advocate I appreciate the government ensuring that property owners are compensated for any conservation reserve taken from their land. I want to underline that. I appreciate that there is finally compensation for lands being taken.

My concern is largely that I believe that this type of problem might be better utilized through an environmental reserve easement, which exists already today, registered against the title of the land. By establishing the ERE, the title of the land does not change and the developer would still be able to establish a development using density calculation based on the entire land area. While development would be restricted on the easement, the developer would potentially benefit more under an easement than losing the title outright through a conservation reserve.

I realize I haven't touched on all the different topics, actually, that fall under the planning and development category as I'm limited in time, Mr. Speaker, but I'd like to touch on a couple of topics that fall under how municipalities are funded. The third grouping is to apparently "aim to improve municipal funding models to ensure a balanced, consistent, and efficient collection of municipal revenue sources." And I'd like to add, by the way, that the MGA did not address municipal funding in any large degree. But one of the proposed amendments is to centralize the assessment of all industrial properties by the province.

The province states that this is a requirement because of the complex nature of regulated industrial properties. Currently only linear properties are assessed by the province while the remaining industrial properties are assessed by the municipality in which the property is located. I found it interesting that the Assessors' Association in their feedback on Bill 21 amendments specifically advocate against the centralization of industrial property assessment. These are the experts in the field, the trained experts. I look forward to proposing amendments, therefore, during Committee of the Whole based on their advice and recommendations, and I hope that all of my colleagues in the House seriously consider the recommendations of the Alberta Assessors'

Association before passing judgment on the government's proposed centralization model.

Moving on to another proposed change is granting municipalities the ability to split the improved nonresidential property assessment class into subclasses. Municipalities already have the ability to split residential properties, of course, and apply a different tax rate. My caucus colleagues and I largely support the move by the province towards greater local autonomy and in turn in determining subclasses of nonresidential properties. However, I'm particularly interested in the potential to promote small-business development at the local level with this.

One of the most critical amendments proposed by this government that has given me the greatest pause, though, is the proposal to link residential and nonresidential tax rates at a maximum ratio of 5 to 1. This has been shown to be of concern across the province as well by most of the municipal associations, including the administrators' association or CAOs. This proposal would restrict municipalities from charging nonresidential properties at a tax rate that exceeds the lowest residential rate by more than five times.

According to Municipal Affairs most municipalities are well below the 5 to 1 ratio. That certainly is recognized. And this would only affect a handful of municipalities. According to stakeholder feedback, though, there are around 19 municipalities that exceed that ratio to varying degrees, and one of the largest reported variances, of course, is the regional municipality of Wood Buffalo, which currently has a nonresidential property tax rate that is 18 times higher than its lowest residential rate.

According to the research we've been able to do over the course of the summer, most of our fellow provinces have established ratios, most significantly lower than Alberta's proposed, actually. Ontario has established an acceptable range between 6 and 1.1 times. British Columbia has a ratio of 3.4 to 1 for major industrial and light industrial properties, and New Brunswick is 1 to 5.1. While a ratio does result in an erosion of local autonomy, I believe consensus is possible.

I'd like to quote the Association of Municipal Districts and Counties, who in their feedback expressed the following sentiment: "While noting that this change does limit local autonomy and flexibility in setting mill rates, the AAMDC recognizes the proposed changes as reasonable and acceptable."

I want to point out at this time that we recognize the grandfathering clause on different municipalities like Wood Buffalo, but we certainly have concerns.

Mr. Speaker, I didn't realize my timer was off a bit, but I will carry on at another time with more. Thank you.

The Speaker: Thank you.

Any other members who wish to speak to Bill 21? The Member for Grande Prairie-Wapiti.

Mr. Drysdale: Thank you, Mr. Speaker. It's an honour to rise today to speak to Bill 21, the Modernized Municipal Government Act. To begin, I would like to thank all Albertans who have taken the time to provide input on Bill 21. Their voice on this matter is crucial on drafting a piece of legislation that is beneficial to all Albertans. Their expertise and knowledge are invaluable. Alberta's strength is reflected in the resiliency, vibrancy, and diversity of our municipalities, and it is important that the government maintain a respectful two-way relationship with our municipal leadership and stakeholders. With that being said, I would hope that this government has consulted appropriately with Albertans and adequately considered the proposals they have put forth with the intent of improving the Modernized Municipal

Government Act. I suppose we'll have an answer to that question in the coming weeks.

Mr. Speaker, a theme of Bill 21 is intermunicipal collaboration. Collaboration between municipal partners on the surface, I think, is something everyone in this House can agree to. This concept is evident through the creation of the intermunicipal collaboration frameworks, municipal development plans, growth management boards, as well as others detailed within the legislation.

However, I think it's important that we bring to light some possible issues related to this concept and assist the government in areas where they will have fallen short, beginning with municipal development plans, which will require that all municipalities, regardless of population size, create a plan that helps guide important matters such as land development. It is important that government remain cognizant of the fact that these plans take time, money, and resources to develop. In some cases rural municipalities may lack the resources required to complete the plan in the given time frame as mandated by this government. In fact, without sufficient resources the requirements of developing a municipal development plan could hinder the operations of rural municipalities.

Additionally, there are concerns with respect to election timelines. Some of these planning timelines fall within the municipal election cycles. This could negatively impact and delay how plans are constructed. It is the finer details such as these, Mr. Speaker, which the government must keep in mind when imposing mandatory deadlines on local governments for municipal development plan completions.

Given these circumstances I hope this government is sensitive to the needs of rural municipalities and Albertans, something they've shown a slight disregard for in the past, and the individuals who work in local municipalities responsible for developing these documents. If completion of the plans within a mandated time frame becomes an issue for smaller municipalities, I would hope the government would consider increasing the time limit on proposal submissions or provide resources to municipalities to help facilitate the objective of meeting the timelines.

Staying with the theme of collaboration, Mr. Speaker, I would like to turn my attention to the growth management boards. Growth management boards will be required for Edmonton and Calgary regions with an expanded mandate to address land-use planning and the planning and delivery and funding of regional services. The government intends on using regulations to mandate some crucial nuances with respect to the scope of services being provided by these boards. As far as I'm concerned, the more time we can give these boards to plan for such crucial service delivery, the better. With that in mind, it would be my hope that the government is conducting appropriate due diligence with these entities to ensure seamless transition and not catching anyone off guard when the regulations are developed.

10:50

Yet another piece of legislation being determined in part through the regulation is splitting of nonresidential property classes. The revised MGA, Mr. Speaker, will determine categories for subclasses within the regulation. There is currently no direction on the types of classes or how many will be included. For the benefit of all Albertans during these troubling economic times some clarification would be appreciated, especially with matters pertaining to taxation, a favourite topic of this government.

This provides some examples whereby key sections of the MGA are to have important components determined via regulation. Mr. Speaker, it would be conducive to the development of the legislation if we could have some thoughtful, transparent, and

respectful debate on these issues for the sake of all Albertans instead of having important details determined in cabinet behind closed doors.

Mr. Speaker, another area of concern that I think we could work to improve upon in Bill 21 is definitional clarity and, really, clarity in general. There are some rather key concepts that need elaboration; for example, affordable housing. There is no clear definition with respect to this term or what it encompasses within the context of the legislation. Given the magnitude of this policy and its inherent effect on inclusionary housing, it would be nice to have lucidity around this topic.

Yet another example of subpar definitional clarity, Mr. Speaker, is with respect to off-site levies. The scope of off-site levies will be expanded to community recreational facilities, fire halls, police stations, and libraries where at least 30 per cent of the benefit accrues to the new development in the defined benefiting area. Where this threshold is met, developers will contribute to the cost on a proportional benefit. It is important that the government provide clear definitions of the defined benefiting area and appeal process regarding these levies. It is also equally important that we have clear language around what constitutes a 30 per cent benefit. How will this be calculated? Conveying this information is important as it will assist land developers in identifying costs, ensuring the financial feasibility of their companies and in turn helping to protect the jobs of numerous Albertans who are employed in the construction industry.

When we look at the language regarding environmental reserves, we have a signal from groups that are affected by this legislation that they would like to see changes in the language to provide – guess what? – better clarity. Specifically, developers and municipal stakeholder groups have requested that the definitions and purpose of environmental reserves be clarified as land unsuitable for development. This change in language is significant in that it would allow municipalities to preserve environmentally significant features without having to resort to designating the area as a conservation reserve.

These groups are also requesting that the government address the fact that the definitions relevant to environmental reserves aren't harmonized across different pieces of legislation. Where Bill 21 defines that it includes a body of water, it leaves out wetlands, which puts it out of alignment from the Alberta wetland policy, some would argue.

These are the kinds of issues that really start to frustrate municipalities. We are really just looking for some consistency and clarity in how these rules are applied.

When it comes to the rules regarding conservation reserves, municipal stakeholders have come to our caucus with some measured requests for changes to the bill. These are grounded ideas from people that work closely every day with our municipal leadership. We have municipal stakeholder groups advocating for a strong, efficient dispute resolution mechanism to deal with disagreements between municipalities and developers, and that, I think, is in the interest of all concerned parties. We would like to see the government's plan on what such a dispute resolution mechanism would look like and, more importantly, how the two groups will have their concerns addressed with respect in this manner.

Mr. Speaker, an area where the government does deserve a bit of credit is in the push to incent brownfield development. We absolutely need to do what we can to remediate these sites so that they can be put to productive use again. It is unfortunate that so many of these properties are sitting vacant, not contributing to the local economy, so we need to do everything that we can to make remediation and reclamation of these properties happen. The

government is working towards this, allowing municipalities with these sites to provide conditional property tax cancellation, deferrals, and reductions to make developing these sites more attractive. So kudos on that point. Let's just hope the NDP tax increases don't hinder potential development of such developments, making this policy change moot.

Mr. Speaker, I'm pleased to see municipalities will be required to list and publish all nonstatutory planning documents and describe how they relate to one another. We're all in favour of greater transparency in land-use planning. This is a good proposal. A list like this increases the accountability of municipal councils to their voters and helps residents engage with their council to make informed decisions.

Mr. Speaker, groups like the AUMA and the AAMD and C are telling us that they agree with the need for greater transparency around land-use plans. They want to be part of this positive change. However, for them and other municipal groups and leaders to truly be effective partners in this, they need to know what exactly is being required of them. So we have these groups come to us, and they ask us, "What exactly is included in these nonstatutory policies?" because they are looking at that legislation, and they are not finding any clarity. Further, when they are being required to explain how all these policies relate to one another but there's no prescription for that, what the process looks like, they start to worry about how to actually accomplish that. So what they would like to see is the government come forward with some clarity about what exactly is being asked of these municipalities. That clarity, or lack of, is something that we are seeing a lot of in response to this government's attempt at modernizing the Municipal Government Act.

There are just so many areas in this bill where we look at it and we see what could be a good idea if it wasn't weighed down by questions about scope and implementation. Legislation like Bill 21, which proposes to change so much about such complex legislation, is bound to have a number of unforeseen consequences. I think that we need to keep in mind as legislators and representatives of Alberta that it is our responsibility to do our due diligence and eliminate as much of that uncertainty as possible. I hope the government will strive towards this objective as the bill passes through the House and continue to work with all Albertans in this bill's development. I know the government has consulted this summer with lots of municipalities and stakeholders, so I look forward to the amendments that they will bring forward to address the concerns they've heard.

Thank you, Mr. Speaker.

The Speaker: Thank you, hon. member.

Are there any questions of the hon. member under 29(2)(a)? The Opposition House Leader.

Mr. Cooper: Thank you, Mr. Speaker. I appreciate the remarks from my colleague from Grande Prairie. I just wondered. I heard him speak a fair amount on the fact that there were consultations over the summer and introducing a piece of legislation and then allowing municipalities to comment on it. I know that hasn't really been a trademark of the government, but I just was curious to know if he felt like that was perhaps a step in the right direction and that more of this sort of consultation instead of rushing bills through the House would be beneficial to Albertans.

The Speaker: The hon. Member for Grande Prairie-Wapiti.

Mr. Drysdale: Yes, Mr. Speaker. Of course I support that more consultation is always better. I know this government did go around the province this summer, and I attended some sessions.

Unfortunately, the session I attended was overcrowded, so some of our mayors and reeves weren't allowed to come. That's unfortunate, but they did have a good showing, and the government heard lots of concerns from municipal leaders and stakeholders around the province. So I'm looking forward to their amendments. If they were truly listening to the stakeholders this summer, they should be bringing some amendments forward. We've yet to see those. I guess if they don't bring them, we'll have some amendments to bring on our own, but we'll wait to see what amendments they bring forward. That's exactly the right way of doing legislation: introduce it, consult with people, take it around the province, and then pass it. Good job on the government.

11:00

The Speaker: Are there any other questions or comments to the Member for Grande Prairie-Wapiti under 29(2)(a)?

Seeing and hearing none, I would recognize the Member for Little Bow.

Mr. Schneider: Thank you, Mr. Speaker. I'm just trying to set my clock here. I apologize.

I certainly appreciate the opportunity to stand in the House today and speak to Bill 21, the Modernized Municipal Government Act. I'd also like to thank, as my colleagues before me have, all Albertans that took the time and all those in the province that took time to make comments and suggestions to build this important act. Those of us inside the House that have spent some time on council – there are a few on this side; I don't know how many on the other side of the House – we certainly recognize how important the Municipal Government Act is. It is the law that sets out guiding principles for municipalities, and we need to make sure that we get this right. Municipalities are our partners. That being said, this is a huge act, and the proposed changes are also huge. Like I said, we need to get this right.

I'll speak today, I think, about municipal development plans. A municipal development plan is a long-range statutory planning document. "Statutory" refers to something that is related to a formal statute or law such as a by-law in a municipality. A statutory planning document provides a municipality – well, their elected officials, the administration, the ratepayers of that municipality, and potential developers – with a framework or an outline or an agenda of policies for making important decisions for that municipality regarding future growth and development opportunities within that municipality that creates the municipal development plan.

Statutory plans allow councils of that municipality to create wide-ranging development policies. Now, these policies of development can refer to the entire municipality in the plan or just a portion of that municipality. The policies of a municipal development plan tend to be put inside that document in order to shape and outline the potential or expected growth as well as profile the development or the progress of a municipality.

As the Municipal Government Act sits right now, municipalities with a population of 3,500 people or more are required to adopt a municipal development plan. Alternately, municipalities with less than 3,500 are simply encouraged to do so. Now, we all know what happens when you're encouraged to do something. You kind of say: "Well, thank you very much. I'll let you know. I'll take it under advisement." Probably not much happens. In the case of municipalities under 3,500 I would suggest that a large majority of those municipalities have not completed a municipal development plan.

You know, "encouraged" isn't generally a word that would drive a municipality to get on with developing such a hefty little document. Don't get me wrong. There are certainly municipalities

that have probably gone the extra mile to put together their municipal development plans. These things, like I say, can be considered hefty documents, certainly, for smaller municipalities, 300- and 400- and 500-person villages, that will now be required to create their own municipal development plans and, quite frankly, expensive too. We can talk about that a little later.

Now, the other thing about statutory plans such as the municipal development plan is that statutory plans at the end of the day absolutely must be aligned with the Alberta Land Stewardship Act regional plans, and in no way, shape, or form can the plans not be consistent with each other. The statutory plan and the regional plan for whichever area the municipality is in must be consistent. Regional plans set out land-use intentions and definitions and possibilities for a specific area of the province. They also offer the structure for land-use decision-making within that precise area.

Another consideration of the regional plan is the individuality of the particular area as well as the important parts within those individual areas within the regional plan. For instance, where I'm from our development and planning must be aligned with the South Saskatchewan regional plan. If I quote from the Alberta Environment and Parks website, I am told that the South Saskatchewan regional plan

ranges from the Rocky Mountains to the west, the Canada-U.S. border to the south, the Alberta-Saskatchewan border to the east and north to the tip of the Municipal District of Bighorn.

That's a very diverse area: mountains to the west, then down gradually through the foothills, out to the prairie, and gradually from the prairie towards a city like Lethbridge, where we traditionally see a drier area. Certainly, Mr. Speaker, you're aware of anything east of that. You know, a little drier area there and then you can drive 50 or 75 miles to the north and see completely different vegetation, where a more moderate climate would prevail. So these regional plans certainly have to be regional because there's so much diversity going on.

Compare that to the North Saskatchewan region, which is what Edmonton sits in. It's described as

bordered by the Alberta-Saskatchewan border to the east, Alberta-British Columbia border to the west; it peaks at the north boundary of Smoky Lake County and includes Banff National Park. It includes Edmonton and seven other cities.

So you can see the unique differences in the regional plans that are put forward.

Down where I live just about every tree that you run across was planted by a man or a human. A human. I'm not going to get in trouble here.

Mr. Cooper: A person.

Mr. Schneider: A person. Sure. I'll say the word.

Up here, 400 or 500 kilometres away, trees in the past have been removed for development and removed for farming, et cetera. I mean, up here there's brush everywhere, which encourages more wildlife or at least different wildlife than I would see down south and may encourage areas that need to be protected.

There are seven regional plans in Alberta: the lower Athabasca regional plan, the lower Peace, the North Saskatchewan, the Red Deer regional plan, the South Saskatchewan regional plan, the upper Athabasca, and the upper Peace regional plan. The lower Athabasca and the South Saskatchewan regional plans have been approved. The others have either not been started or are in various stages of development.

That brings us to another small issue. Just a few moments ago I suggested that all statutory documents, or in this case municipal development plans, must be aligned with the Alberta Land Stewardship Act regional plans. So if the regional plans aren't

developed, what then happens? In regions that do not have a functioning regional plan as laid out by the government of Alberta, all municipalities in the province inside of those regions will continue to use the provincial land-use policies developed pursuant to section 622 of the Municipal Government Act to guide land-use planning and development decisions until regional plans are developed in their regions and are approved by the provincial government. At that point the regional plans will replace the provincial land-use policies. So you can see how an MDP, a municipal development plan, and the regional plans actually fit together.

Just one other thing. In the event of a conflict or an inconsistency when we do get into planning, in our case using a municipal development plan here, any kind of inconsistency between that and the regional plan, the regional plan will always trump to the extent of the conflict.

11:10

Content of a municipal development plan will hold and reflect some common portions for a lot of municipalities. The Municipal Government Act says that a municipal development plan must address such issues as future land use and development within a municipality, also the delivery of municipal services and facilities as well as intermunicipal issues such as future growth areas and the co-ordination of transportation systems and infrastructure.

The municipal development plan helps council evaluate immediate situations or proposals in the context of a long-range plan. There is usually a list of objectives that the municipality sees as paramount, perhaps a statement about protecting quality farmland in the case of a rural municipality while allowing for subdivision and development to occur. A small urban municipality may speak of responsible growth management, environmental stewardship, and economic vitality and such, but what is common among municipal development plans for small municipalities is the fact that they can be very expensive to put together.

As I look through submissions from stakeholders, I generally start with the two biggest associations that represent municipalities throughout Alberta, those being the Alberta Urban Municipalities Association and the Alberta Association of Municipal Districts and Counties. These groups are in business to bring concerns of municipalities to government. It turns out that both associations believe that mandatory municipal development plans are a good idea regardless of the size of the municipality. It's important for all municipalities to have this statutory plan to ensure that there is a long-term, transparent approach to land development. But as I stand here and say those words, there is a reality. I alluded to this earlier in my short speech. I'm coming back to the fact that these municipal development plans can be a little expensive, and they're rather hefty tasks to undertake for these smaller communities.

We know that the municipal development plan must be consistent with the regional plan. Reality suggests that a lot of small municipalities – and I can think of several within my own riding – simply don't have a planner or a development officer sitting in the back room waiting for something to do, waiting for something to come across his desk so he can earn his salary. Those just aren't realities in small communities. They rely a lot on a bigger municipality that may offer little bits of help, whatever they can manage, to get their planning done. These little municipalities are doing their best to stay alive. They have income issues every minute of the day. I mean, there's lots to spend money on, a never-ending list, believe me, but having the wherewithal to be able to spend that kind of money for issues that are ongoing within small communities, for example, and to keep a development officer around just can't happen.

In the south, back where I come from, many municipalities let their planning work be done by an organization, actually a commission, called the Oldman River Regional Services Commission. ORRSC is what everybody calls it. Those folks certainly do fine work. They are on top of the regional plans, and they're on top of any potential amendments to the regional plans. Their work is quite accurate so that decisions about planning for statutory documents like municipal development plans align with regional plans, as we talked about before. This is a great organization that helps dozens of municipalities on a daily basis. I'm not sure there aren't just under 30 municipalities that use ORRSC to do all their planning, but the truth is that it's expensive to hire someone like ORRSC to create a document like a municipal development plan.

Where does the money come from for a small municipality to have a municipal development plan created? I've already kind of talked about the fact that it can't be generated from within. These little guys just don't have that ability. The possibility of templates and resources made available to municipalities to assist in the process of developing a municipal development plan is something that both AAMD and C and AUMA think is appropriate. Of course, those municipal associations wouldn't be able to fund something of this magnitude on their own. I would say also that the timeline requirement set forward in the amendment is perhaps not practicable.

The Speaker: Thank you, hon. member.

The Opposition House Leader.

Mr. Cooper: Thank you, Mr. Speaker. I was just on the edge of my seat there with this very important information about MDPs and how they interact with regional planning and some of the costs that are associated with those in smaller municipalities. I am just a little bit curious to know if perhaps the member had a tiny bit more information to share with us on that very important file.

Mr. Schneider: Well, Mr. Speaker, I live to create speeches that put people on the edge of their seats. Really.

I would say that the timeline requirement – I think I said that – may not be practicable. We've already talked about small municipalities not having the capability of developing statutory plans like intermunicipal development plans, you know, which are coming up, and we'll talk about them at a different time. Intermunicipal collaboration frameworks on top of municipal development plans. It's somewhat overwhelming for some of these small villages, that anybody can argue shouldn't be around, but they are around. They have their own government. They're proud of that, and they're proud of what they do within their villages and their municipalities. This is a mountain, I would say, for these municipalities to be trying to climb.

Mr. Speaker, you know, to be perfectly honest, I can see some possible amendments coming forward to see if there are some possibilities of making this particular requirement something that is a little more in line with what small municipalities are actually able to do. That being said, I have every intention of supporting in second reading the ability for mandatory municipal development plans to be put forward in every municipality. But as I alluded to a moment ago, I expect that we will be providing a few amendments later on that will be well intended to make a document such as this just a little bit better.

Thank you very much, Mr. Speaker.

The Speaker: Hon. member, I couldn't help but note that you made an observation that the wildlife that you see is different in this particular part of the province than in our south area. I just wanted

to caution you. Don't put too much determination in the House that this House is necessarily the definition of wildlife.

The hon. Member for Athabasca-Sturgeon-Redwater.

Mr. Piquette: Thank you, Mr. Speaker. It is my great privilege to rise in the House this morning to speak in favour of the Modernized Municipal Government Act. I think this is the way legislation ought to be done, and I want to really congratulate our minister and her staff for the fine job that they did. I think that we've got a real jewel in Municipal Affairs. I've had a chance to meet a lot of people that are working there, and I think they do a fine job.

I had the great pleasure to be able to participate in the consultations in Two Hills, Lac La Biche, Athabasca, and Rocky Mountain House, you know. And through mine as well, of course – I represent a large rural constituency – I've had an opportunity to speak on multiple occasions with councillors from Smoky Lake, Athabasca, Thorhild, and the MD of Opportunity.

11:20

One thing is that one of my prior careers, at the university, was to do qualitative research, and there's usually a kind of a guideline for when you know you've done enough research. It's when you reach what you call the saturation point. The saturation point is when you start hearing the same things from different quarters again and again. I'm quite gratified, listening to members of the opposition speaking on the bill, that I've also heard similar concerns from stakeholders and councillors from around the region. I mean, these are valid concerns.

I guess I would want to take a moment to congratulate, first of all, the obvious diligence and collaborative spirit that the Official Opposition is taking towards this bill. I think this is something that is critical to the future of the province, especially critical for those of us in rural areas, and I really appreciate the tone and the attempt to be helpful. I mean, that's kind of what the opposition normally is supposed to do. I think this could be a wonderful thing to see us put this together.

Also, I think that some congratulations are indeed in order to the former government for setting this consultative process up. You know, being part of the process, I think this is something that, as I said, is an excellent way to make sure that all the stakeholders are treated with respect and that when we put these things into force, they serve Albertans well now and into the future. It's especially important because, of course, I mean, the hon. Member for Livingstone-Macleod, I think, was saying that it's one of the largest pieces of legislation. It's, in fact, I think, the second largest that we have.

Now, that being said, I guess I want to go over and just do a quick overview. I think our minister made an excellent, excellent speech, so maybe I'll just fairly quickly, you know, highlight what I think are kind of the key points or objectives of this legislation and then speak on a preliminary basis to some of the concerns that the hon. members in the opposition have raised. I mean, I think that this bill has three main focuses which I'll pick up, which are, of course, governance, planning and development, and revenues. What we're intending to do, of course, is to work to strengthen the municipal-provincial partnership by enhancing municipal accountability and transparency and to strengthen municipal capacity and viability.

Governance is something – unfortunately, I think it's been long overdue – where we do make some changes. I mean, I can actually speak from experience from just even around my own area. Actually, the hon. Member for Lac La Biche-St. Paul-Two Hills might remember some of the issues that the county of Lac La Biche had some years ago with municipal governance, problems around that. Within my own constituency, of course, we had issues with the

town of Gibbons, the county of Thorhild, the town of Athabasca, neighbours, you know, to the west in Barrhead, Morinville. Of course, the county of Westlock has been having some issues.

These are actually real tragedies in these small communities because, I mean, unlike maybe some of the large metropolitan areas, when you have these types of conflicts that are not being resolved, you know, within municipal government, you're talking about friends and families fighting with each other. You're talking about long-term divisions in communities that are going to hell. It's really painful to be involved in them. So I think the problem we've had is that the MGA, to this point the only tool that citizens had when they've had concerns about issues in governance, was essentially a sledgehammer. As the opposition members highlighted, you had to go out, you had to get a petition, and then the whole long process sometimes took years in situations where, really, it was more about municipalities actually enforcing their own bylaws and regulations properly, right?

The Ombudsman being able to help in those situations, I think, is going to help a lot with that. I think that's a really positive part of this act that's going to make a lot of people's lives a little bit better and less stressful, especially in rural Alberta, when these changes come into effect.

Now, the other thing that I agree with – and I'm glad they highlighted it – is that when you deal with I believe it's council when they have these issues, very often the problems have stemmed from where councillors overstepped their boundaries, let's say, where they're not quite certain what their proper role in municipal governance is. You know, very often it's very well meaning, but they end up being involved and intervening in areas that perhaps they shouldn't, causing conflict of interest and causing all sorts of problems, and then things start to escalate. This very often, I think, comes from councillors not quite understanding just what their mandated role is. I think that having that training component is also going to make it, perhaps, that citizens will have less recourse to have to go to the Ombudsman to resolve these issues because fewer of these issues are going to be arising in the first place.

I think those are excellent things. I think that we actually have pretty close to unanimity on this issue. I'm trying to confirm if the opposition has actually brought up any major objections. That's a good thing.

Now, coming to the things around growth, one thing that I did also hear was some concerns around the mandatory growth management boards. Now, just so members of the opposition are aware, did we listen to the consultation? Did we listen to feedback? Well, of course, we did. You know, on the online survey over 50 per cent of respondents were in favour of these growth management boards. Now, those are the online respondents from the survey.

We need to make sure that the type of development that goes around our two major metropolises is appropriate, co-ordinated, and sets us up for the future. You know, how can we have responsible growth and development of Alberta's metropolitan regions if we don't have frameworks where the different partners have to sit down at the table to work things out? I mean, we really do need to work together to deal with increased pressures on our natural and built environments in order that we can capitalize effectively on increased opportunities for economic prosperity.

Now, there are a lot of really tangible benefits that can come out of this. For example, instead of duplicating costly services, municipalities will be able to work together to develop more effective, efficient services. I think that will be a real plus and give us some real cost savings. They can also, you know, work to encourage collaborative approaches so that we can develop infrastructure services that are used at our municipal and regional level. It's kind of hard to see how these things can be done

effectively unless you have enduring bodies that do have some type of framework in order for these discussions to be able to go on into the future.

Now, what are these things not about? They are not about reducing the autonomy of rural municipalities. You know, they are about empowering them to be able to work effectively with their rather larger neighbours. I mean, there's also absolutely zero conflict within these growth boards, making sure that agricultural lands are preserved, that you can't have granular approaches to service delivery and to other things.

Of course, change is always a bit unsettling, and I mean, there are going to be concerns, but because of the excellent collaborative relationship the province has been able to develop with municipalities, you know, this open-door policy, I'm very confident that these are going to be worked out satisfactorily and that down the line our municipal partners – Edmonton, Calgary, and the surrounding regions – are going to be very satisfied with the results, with the continuing help of the opposition in case we miss any of the concerns.

11:30

Now, the other concern – just give me a moment here. I know that with the intermunicipal planning agreements there are some concerns, especially from the smaller rural municipalities. The idea is that these are going to be onerous exercises. I just want to assure, you know, any municipal leaders that might be listening to this as well as the members of the opposition that, I mean, nothing could be further from the case. I think that there might actually be interested elements that are going around and telling some of these municipalities that they need to hire all sorts of expensive support – accountants and lawyers and so on – and spend tens or maybe twenties of thousands of dollars in order to put these things into place.

I would say that they might want to take that with a very large grain of salt. I mean, these are basically things that can be very simple, direct, straightforward. If municipalities have ones already existing, there's probably very little work that needs to be done. If they need a place to start, I mean, as the days unfold, you'll see that I'm quite confident there will be plenty of support and assistance for municipalities to get those into place. The results, I think, are going to be wonderful.

I mean, for far too long, especially in some parts – well, many of the members across the floor, as far as some of their own, know that sometimes rural Alberta hasn't been particularly good at collaboration. It tends to be that, in fact, your nearest community is your long-standing rival. I know that if you're from a small town and there's another small town there, you know, if we can do something that helps us and at the same time harms them, maybe that's not a bad thing, right? But that beggar-your-neighbour philosophy is one that we can't afford anymore. I think most of us have gone beyond that, but there are a few exceptions out there that might need some encouragement to sit down at the table.

What I've found is that even though sometimes you have these municipal leaders – because, of course, some are actually doing this already in advance. You know, I have municipal leaders in my own riding that maybe haven't spoken in quite some time that have been motivated to pick up the phone and start working together. What they find out is that once they actually sit down and start trying to work out these agreements, they realize they have a lot more interests in common than they might have thought and a lot of wonderful avenues where collaboration will allay all parts.

I think this is really, I guess, an excellent balance. I know that there were a lot of people concerned with these changes that thought what we were going to do in actual fact was to enforce

amalgamation. Now, nothing could be further from the truth. So having a model that encourages and helps facilitate co-operation while still preserving autonomy for municipal officials, I think, is the best way forward. I'm glad that the other members also agree with it in principle. Just like anything else, of course, change is a bit uncertain. You know, the devil is in the details, that kind of thing, and I'm sure that we will be working to satisfy them as the days go on.

Let's see here. Now, as far as having mandatory development plans for municipalities under 3,500, this is something where I've also heard, of course, from municipal councillors who say: "Well, look, we have two staffpeople in our office. They've got 500 other things to do. This is another layer of difficulty that you're . . ." [Mr. Piquette's speaking time expired] Oh. I had so much more to say.

The Speaker: Thank you, hon. member.

Under 29(2)(a) are there any questions of the Member for Athabasca-Sturgeon-Redwater? The Opposition House Leader.

Mr. Cooper: Thank you. I'll be very brief. Just more of a comment, I guess, and if the member would choose to respond, he's more than welcome to. It's just with respect to those plans and the costs associated with the plans and how simple they can be. I know that as a small municipality of 3,500, approximately, the community of Carstairs in the outstanding constituency of Olds-Didsbury-Three Hills – I once was on council and went through the process, and they aren't just small, one-page documents that are quite simple. They're, in fact, very involved.

I notice that we saw the government release an economic impact assessment yesterday, a one-page document on a \$3 billion carbon tax. But specifically to the MDPs and other intermunicipal agreements, Mr. Speaker, I actually take a little bit of – "offence" is the wrong word. But I am concerned that the member would say: "Oh, they're very simple. They're quite easy." In fact, municipalities take these planning documents seriously, and as a result they are costly and do require resources and professionals. So if we're asking them to be professional, we need to be cautious about how flippantly we speak about the importance of these documents.

The Speaker: The Member for Athabasca-Sturgeon-Redwater.

Mr. Piquette: Yeah. Well, thank you to the hon. member for the question, and I guess, well, commentary would be more apt. I was referring more to the intermunicipal agreements and, you know, updating existing ones. When you're talking about the municipal development plans, that's an entirely different matter. If I gave the impression that I was saying that those are simple and that you could do it on the back of a napkin, I apologize. That was not at all my intent.

Now, that being said, I mean, the concern for the small rural municipalities is that they're saying: we don't have the resources and the time to be able to implement these. Of course, as days progress, we're saying that I'm sure there will be assistance or that I'm confident of that. I can't speak for the ministry, but I'm confident that these concerns will be addressed.

However, I mean, you have to think of the contrary. What does it mean if a municipality doesn't have a plan for its sustainability, if it doesn't have any idea of where it's going to be in five years or 10 years or how to get there? Now, how does that impact their sustainability and viability if they're so caught up in the day-to-day minutiae of just keeping these communities running, which is very time consuming, that they don't have any sort of strategic idea of how they are going to be sustainable into the future? That is of

critical importance for a lot of our smaller communities where, you know, you've got issues of declining employment and you've got an aging population. We do have serious, serious issues without easy solutions to keep these communities sustainable. I really don't understand how we could reach a solution if they're not making sure that they're thinking about that future. I guess that would be my response.

The Speaker: Are there any other questions of the member under 29(2)(a)?

Seeing and hearing none, the Member for Calgary-Elbow.

Mr. Clark: Thank you very much, Mr. Speaker. I did want to rise briefly to take the opportunity here at second reading of this bill, Bill 21, I believe, if my numbers are correct, the Modernized Municipal Government Act, and just echo some of the comments that have already been made about the process and how that's been such a positive process, a process that has gone on for some time. I remember participating in 2013 or '14 in some round-table discussions in Red Deer, and that was my introduction to the process. So it's great that we're finally here, that we've had a chance through the summer to talk to municipalities in our constituencies, for the government themselves to go around.

I give the Minister of Municipal Affairs a great deal of credit for the work that she and her staff have put in travelling the province and doing so while battling the most devastating natural disaster in Alberta history, for certain, if not in our entire nation. I want to just acknowledge the tremendous work of the minister and, you know, those unsung folks who work in the background. I think all of us in this House know what that means, the impact that that not only has on their lives professionally but personally when travelling the province of Alberta. It's a big place. At the same time, it's, I'm sure, a nice opportunity to get to see the entire province.

So I did just want to acknowledge the tremendous amount of work that went into that process. It is good that we're finally here. The same thing on the opposition side. Some very good questions have been asked. It's nice, though, to know, at second reading anyway, that it looks like we have some consensus that we should move forward.

11:40

On the bill itself, I'm pleased to see that the government has raised questions about affordable housing. It's something I'm personally very passionate about, and it has been a big challenge throughout the province. Certainly, in my own constituency it's a challenge. That may not always be the perception of Calgary-Elbow, but I can tell you that it absolutely is a challenge for the people specifically in Calgary-Elbow but, of course, beyond, in the city of Calgary and all throughout the province. So if there are things that we can do through the Municipal Government Act to help address that, I'm all for it.

Having said that, I have some questions about the specifics of how this all works, the mechanics of this. I imagine those are questions, I would hope, that could be addressed at the committee stage, and I look forward to learning more about that. Growth boards and regional planning, of course, have been a challenge in many municipalities around the province, so having some framework which municipalities can work from, I think, can only be a positive thing.

On the opposition side, of course, our job is to find improvements. I certainly don't want to bring the mood down too much, but I do want to sound a note of caution that, really, the essence of this bill, I believe, is likely to come out through the committee stage. I know, again, that in listening to some of the

debate this morning, there have been a lot of very fair questions raised. The Official Opposition has indicated that perhaps they will consider bringing some amendments. I can well imagine that the government also, I believe – I certainly would not be surprised if we were to see some amendments from the government side as well. It does make it a little challenging at this stage for us to have what amounts to almost a hypothetical discussion. If some of the concerns that we are raising here on the opposition side are going to be addressed by the government in amendments – and I imagine and hope that they will be – I would urge the House to move as quickly as possible to the committee stage so we can have that discussion.

I also just want to put our friends on the government side on notice. Further to the very brief debate this morning on Motion 22, about extending the time of session, what I hope we don't see happen this time is what happened last session, in the spring, where not a lot was accomplished legislatively early on in the sitting and we found ourselves up against the clock at the end, sitting till late, late at night just to simply get through the legislative agenda. I hope that we don't find ourselves in that position again. As we are on day 2 of the fall sitting, we have the opportunity, I think, to move relatively quickly now without, obviously, shortcutting debate and to ensure that we have a thorough analysis and review.

Really, my point is: let's get to this legislation as soon as possible. Let's get to committee stage on Bill 21 in particular as soon as possible to ensure that we can have fulsome and robust debate and do so in a reasonable time frame and that we don't find ourselves up against the clock, bumping into the holiday season. I imagine it can be tempting for the government to do that at times, to perhaps rush through some things that may be a little more controversial than Bill 21. I just want the government to know that those of us on the opposition side are paying very close attention to the scheduling of the proceedings in the House, and we think it's quite important that we move relatively quickly through bills that we can and get to the heart of the matter.

With that, I certainly will support Bill 21 at second reading and look very much forward to seeing what amendments come forward at committee. Thank you, Mr. Speaker.

The Speaker: Thank you, hon. member.

Before we go to 29(2)(a), I'd like permission of the House as I think the Minister of Justice has a request.

Ms Ganley: Yes. Thank you, Mr. Speaker. I'd like to request unanimous consent to revert to introductions.

[Unanimous consent granted]

Introduction of Guests

(continued)

The Speaker: The hon. minister.

Ms Ganley: Thank you very much, Mr. Speaker. It's my extreme pleasure to introduce in this House today sheriff recruit class 961. We have 13 sheriffs with us here today. The rest will be coming by tomorrow. They started their training on October 24 of this year, and they will graduate in February of next year. They are here touring the Legislature Building. Thank you very much for joining us.

The Speaker: Welcome.

Government Bills and Orders

Second Reading

Bill 21

Modernized Municipal Government Act

(continued)

The Speaker: Are there any other questions under 29(2)(a) for the Member for Calgary-Elbow?

Seeing none, the Member for Calgary-Hays.

Mr. McIver: Thank you, Mr. Speaker. It's nice to have the sheriffs here. Hopefully, we don't talk you out of sticking with the government after you hear how we operate in here.

Mr. Speaker, I'll be brief today. There's a lot more to say when we get to the amendments, but I will touch on that. We'll start off with the positive. I would congratulate the minister and the government for getting this here to the House. It's been a long time coming. I know the previous government tried for years and years to get this here and could never get it quite right. Don't be offended, Mr. Speaker, and I hope the minister is not offended when I say that the minister and the government didn't get it quite right. I don't know, with a piece of legislation this big, that you can ever get it exactly right. I guess what I'll appeal to the government on and part of the reason that I'm going to be brief is because I think we need to spend a lot more time in committee than we will on a lot of bills so that we can get it more right.

I'm happy, you know, to give credit for the efforts that the government and the minister have made travelling the province and hearing a lot of feedback. Even through that feedback, I think, and even with some of the amendments the government has pretty much publicly acknowledged they're going to bring forward because of what they've heard – that's good. There's a lot more that we need to talk about, and I sincerely hope that the government will take the time and let the opposition side of the House participate in this because this is an important piece of legislation.

After spending myself nine years on Calgary city council and eight of those on the Alberta Urban Municipalities Association board, I think I have a reasonably good understanding. Here's one thing I know for sure: the group of Albertans who elect people to the municipalities in Alberta is exactly the same group of citizens that elect people to this Legislature. If there was ever a piece of legislation that is political in nature, that we shouldn't take lightly, I think the Municipal Government Act is that.

There's a lot to be said here, I think, that we need to talk about. Affordable housing is a big issue. I think we need to be cognizant, as we go through this, that every time you pile a cost onto a municipality or allow a municipality to pile a cost onto a development project, then those costs, that cost of housing, that cost of land, can only be recovered from one place. We need to be aware of that.

I know that it talks in here about the off-site levies for fire halls and police stations and all of that. I think I heard in some of the government contact earlier or from the minister that it'll be more collaborative, and I would suggest that, in my opinion, it might be more collaborative. I can tell you that when I was at the city of Calgary, we collected levies for a lot of these things even though we weren't allowed to in the Legislature. "How would you do that and have that be legal?" you might ask. It is because we actually negotiated with the development industry and got them to voluntarily pay those levies, by negotiating with them.

I think we need to talk about this in Committee of the Whole. I know that many municipalities are in favour of this, so I'm cognizant of that. It may be fine, but I think we need to talk about

that. One of the things that this will do is change the power structure, which might be a little bit less collaborative. Because of the fact that we had to negotiate as a municipality with the development industry to get these levies before, that meant that both sides were at the table. We were fairly equal in power, if you will, in that the city needed the development industry to develop the land and do things, and the development industry needed the city for the land-use approvals to get things done. The only way to do that and pay for all the things with the levies was to come to an agreement.

Now we will be in a position where municipalities will be able to basically have all of the power, and that's fine until those that they depend upon go somewhere else because it doesn't make sense to work there anymore. I'm just asking that we be sensitive to that. I understand why municipalities want to do that, and I'm not against it per se, but I just think that this is one of many issues where we need to tread just a little bit carefully.

11:50

When we talk about the inclusionary zoning, again, it's one of those affordable housing things in that it sounds good to say that a certain percentage of land or a certain number of units in a building have to be affordable housing. The reduced cost received on one piece has to be charged somewhere else, so what you'll end up with is either less affordable housing somewhere else or less affordable business development areas somewhere else, which could make the municipality less competitive.

You know what? I'm not going to pick on the government here because this is complex, it's big, but my appeal is that the government take the time in Committee of the Whole. I think that if we work together in this Legislature, we can make a pretty good effort, started here by the government, even better.

I know the government has published just recently their What We Heard document, and they put it online. Thank you. It's always good when we don't have to look for it, when you push it right out there to us. That's very helpful, and I thank you for that, Minister. The government document What We Heard is a good document, but members of the opposition, the other side of the House, probably have a what-we-heard document, too, or at least pieces of it that we might have heard differently. I think that if we commit to working together on this, we can make it the best it can be when we're all finished. Again, when you're looking at something that affects every municipality in Alberta, which by definition it does, if ever there was a piece of legislation where we should take the time and hash it out clause by clause if necessary, Mr. Speaker, I think this is that piece of legislation.

I hope I haven't taken too long. I hope the minister and the government side will seriously consider this because I think that if we do work together, we can get the best result for all of us.

Thanks, Mr. Speaker.

The Speaker: Are there any questions or comments for the Member for Calgary-Hays under 29(2)(a)? The Opposition House Leader.

Mr. Cooper: Thank you, Mr. Speaker, and I'll thank the Member for Calgary-Hays for his comments. I couldn't agree more that there is a significant amount of work to be done here on this piece of legislation and that all voices in this House are important in getting it right. I just wonder. I know that members of this Assembly will be familiar with our desire to have important pieces of legislation like this referred to committee . . .

The Speaker: Hon. member, you are under 29(2)(a)?

Mr. Cooper: Right, where I'm making a question or a comment, and I think that the standing orders allow for about five minutes for that to take place, whether it's me or other members inside the Chamber.

We like to make recommendations that these types of pieces of legislation are referred to committee. I know that the member spoke at length about the importance of Committee of the Whole. Do you think, Member, that while all the consultations that took place over the summer were important, if a piece of legislation like this had been referred to committee, from that committee, then, we could have all received the same information, we could have all heard from all of the witnesses at the same time, and then gone through a process of potentially amending the bill there instead of what is likely to be quite a rapid-fire, back-and-forth discussion on amendments coming up here in Committee of the Whole?

The Speaker: The hon. Member for Calgary-Hays.

Mr. McIver: Thank you, Mr. Speaker. I thank the hon. member for the question, and I think it's a good question. Because of the complexity of this legislation and all the variables – and, again, I'm not pretending that it's easy, and again I'll compliment the government for getting it here. But to answer the member's question, yes, I think this would benefit from a committee. While the collective wisdom of 87 minds is good, lots of times the conversation can be less stilted with the collective wisdom of 15 in a committee. Things can move a little bit faster. You can have a more fulsome discussion. The process isn't quite as formal in committee as it is here in the Legislature.

In my opinion, to the hon. member, I believe that this legislation – and again I'll compliment the government on getting it this far – could probably even benefit from having some committee work done on it, not in the spirit of any partisanship but, rather, quite the opposite. I think that would actually make it more able to be looked at in a more fulsome, nonpartisan way because I think that on all sides of the House there's legitimate wisdom and legitimate input that would benefit the legislation, and that, of course, would benefit all of Alberta.

The Speaker: Are there any questions or observations to the Member for Calgary-Hays under 29(2)(a)?

Are there any other members? The hon. Member for Lac La Biche-St. Paul-Two Hills.

Mr. Hanson: Thank you very much, Mr. Speaker. It's a pleasure to stand today and speak to second reading of Bill 21. I'd like to thank my colleague from Little Bow for the brief geography lesson that we received today. It was quite interesting.

It looks like I'm going to run out of time here pretty quickly. In my consultations with local municipalities, of which I represent quite a few, both rural and urban, kind of a common theme was sustainable, predictable funding. You know, much of that concern came from linear taxation, some of the losses that we've had in the last year; for instance, the loss of grants in lieu of taxes to urban municipalities.

One of the main ones that we've found with the rural municipalities when it comes to linear is the issue of noncollectible

taxes. We've got quite a few small gas and oil companies that are facing insolvency and leaving a lot of our municipalities with unpaid taxes, and in some instances these municipalities have been forced to rely on local residents, transferring it on to property owners as a separate line item on their tax assessments, some of them to the tune of anywhere from \$80 to \$200 extra over and above what they pay on their taxes.

Like I said, we've already seen this issue coming up in rural municipalities, and there's been some concern that this wasn't addressed as part of the MGA. What they would be looking at, rather than having to pass this on to their residents, which is very unpopular, I might add, is that they might see some assistance from this provincial government under this MGA to assist them in instances where they've planned for this taxation as part of their budget and then, at the end of the day, the oil companies have moved on and these taxes are uncollectible.

There's also been a lot of talk about the intermunicipal collaboration frameworks and municipal development plans, all very good ideas, and I'm seeing a lot of support from my municipalities in regard to that, you know, more from the urban municipalities than the rurals, of course, because the rurals are expected to share a little bit with the urbans as far as infrastructure goes.

The question that arises is: how do you commit to an MDP or an ICF or even develop one when you don't have a sustainable, predictable funding model? Right? You try to plan ahead. There are concerns over the MSI funding, that there's no real predictable model there, and they're facing these delinquent industrial taxes. In some of our urban areas we've got people that are moving out, losing their houses, and who can't afford to pay their taxes. We've had instances where residents have come to the municipality and negotiated payment plans for their taxes because they're going through hard times. All of these are issues that affect the development of the MDPs and ICFs with regard to sustainable, predictable funding.

12:00

Another thing with the MDPs and the ICFs – and I know that my colleague from Athabasca-Sturgeon-Redwater spoke on it – is that they do require extensive work and commitment by both urban and rural municipalities. Some of the smaller municipalities and villages may not have the funds available. Just adding this burden onto them may push some of these folks over the edge and make them unsustainable, where they'd have to be amalgamated in with the urban municipality, which puts another burden onto the urban municipality that's already done their MDP and hadn't planned on absorbing this other community. Their question is: will there be funding available to assist . . .

The Speaker: Hon. member, if I might interject.

We're at noon. A motion to adjourn till 1:30?

Ms Ganley: I can make that motion, Mr. Speaker.

[Motion carried; the Assembly adjourned at 12:01 p.m.]

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