



Province of Alberta

The 29th Legislature  
Second Session

# Alberta Hansard

Tuesday morning, November 29, 2016

Day 54

The Honourable Robert E. Wanner, Speaker

**Legislative Assembly of Alberta**  
**The 29th Legislature**

Second Session

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New Democrat: 55      Wildrose: 22      Progressive Conservative: 8      Alberta Liberal: 1      Alberta Party: 1

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## Legislative Assembly of Alberta

10 a.m.

Tuesday, November 29, 2016

[Ms Sweet in the chair]

### Prayers

**The Acting Speaker:** Good morning.

Let us reflect, each in our own way. Hon. members, let us take a moment to send our thoughts and prayers to the family and friends of Captain Thomas McQueen, the pilot of the CF-18 fighter jet who tragically lost his life yesterday. The loss of a life is always difficult, and today Alberta feels this loss.

Please be seated.

### Orders of the Day

#### Government Bills and Orders Committee of the Whole

[Ms Sweet in the chair]

**The Deputy Chair:** I'd like to call the committee to order.

#### Bill 21 Modernized Municipal Government Act

**The Deputy Chair:** The Committee of the Whole has under consideration amendment A1, subamendment SA3. Are there any comments, questions, or amendments to be offered with respect to the subamendment? The hon. Minister of Municipal Affairs.

**Ms Larivee:** Thank you, Madam Chair. I want to speak regarding the subamendment presented by the Member for Calgary-Fish Creek. I want to say thank you to that member for the work on this proposed amendment and to say that while the intent of environmental reserve certainly is to address lands not suitable for development, past experience has shown that there is a need for greater certainty around this definition. The term "unsuitable for development" alone is simply too broad and open to interpretation. That is the reason that the term was removed from the previous planning act in 1983.

Throughout the MGA review we heard that a clearer definition of environmental reserve would benefit municipalities and developers alike because it would address the problem that an unclear definition was leading to different interpretations and applications across the province. For example, AAMD and C told us that the definition for environmental reserve should be clarified within the MGA to promote consistent use of these tools in the land-use planning process. Over the summer we asked Albertans for feedback on our approach to environmental reserve, and two-thirds of respondents agreed with the proposed direction in Bill 21. Only 8.7 per cent disagreed.

Our intent here is to create greater certainty and precision for both municipalities and landowners. That is why we stand by the clarified definition in Bill 21 and do not support the proposed amendment.

**The Deputy Chair:** Thank you, hon. minister.

Are there any other members wishing to speak to the subamendment? The hon. Member for Calgary-Hays.

**Mr. McIver:** Well, thank you, Chair. I appreciate that, and I just wanted to speak in favour of it. My colleague from Calgary-Fish

Creek, I would say, more than knows what he's talking about on this. This is really an opportunity to provide a platform, if you will, or a set of rules under which the many municipalities in Alberta and the people who do building and developing in those municipalities can have a more fruitful discussion and a more fruitful working relationship. So I think that I would ask members of the House to support this.

I think you will find in the fullness of time that this is actually doing the municipalities a favour and will probably make Alberta a better place. I think everybody recognizes that there are certain times when land has to be given up by people that are developing it for a whole variety of legitimate reasons: park space, roads, environmental reserve – very important – protecting waterways, watercourses, wetlands. All of those things matter a great deal, and you need a set of rules under which to talk about these things, where both the municipality and those that seek to develop land can come to the best decision, not just for today but for the long-term future of Alberta.

For those reasons I would ask members of the House to support this amendment.

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to the subamendment?

Seeing none, are you ready for the question on the subamendment?

[Motion on subamendment SA3 lost]

**The Deputy Chair:** We are back on the original amendment, A1. Any members wishing to speak to the amendment? The hon. Member for Little Bow.

**Mr. Schneider:** Thank you, Madam Chair. I appreciate the fact that I'm allowed to stand in the House today and speak to the Modernized Municipal Government Act, the amendment to Bill 21, and the amendment to the amendment. That gets a little lost in the water when I talk to local press about a subamendment to an amendment to an amendment of the MGA. That being said, on Monday of last week a colleague of mine and I met with, among other folks, bureaucrats from Municipal Affairs to go over the government amendments to Bill 21, the amendment to the Municipal Government Act.

Madam Chair, it will be intermunicipal collaborative frameworks that I will be speaking about this morning. Now, ICFs are a new addition to the Modernized Municipal Government Act. Intermunicipal development plans have certainly been around for some time, and while not mandatory right now, there are several municipalities that have completed them. Intermunicipal collaborative frameworks are now mandatory, and intermunicipal development plans will be a mandatory part of an ICF. Wow. That's another one when you talk to local press where they kind of go: wow. Anyway, a municipality must develop an ICF with any municipality, either urban or rural, that it shares a border with. The exception is those municipalities that are part of a growth management board. More about that in a minute.

You know, Madam Chair, it is understood that Albertans routinely cross municipal borders when accessing services or infrastructure, so it may make some sense that if services or infrastructure provide regional benefit, then perhaps all municipalities in that region should share some responsibility in the funding model. I just want to say that rural municipalities understand why the proposed intermunicipal collaboration frameworks have come along in the Modernized Municipal Government Act. Basically, it has to do with linear funding not

changing from the rural municipalities and an effort to have collaboration with their urban neighbours. I know urban municipalities have been asking for something, at least they were asking for part of the linear funding for years, so it appears that this was the solution here.

#### 10:10

As a rural MLA I represent both rural and urban municipalities in the riding of Little Bow, and in my riding there has been sharing of linear revenue for years. However, there are many urban municipalities in the province that feel that they provide significant infrastructure and service amenities to rural residents without receiving any corresponding compensation from rural municipalities. That one has been tossed around for several years as well. The government hasn't touched linear funding, but the proposed mandatory intermunicipal collaborative frameworks must include provisions for the joint funding of shared services, which ultimately would see linear funding likely being used in those instances. Anyway, I just wanted to make that point clear before I moved on to the particular aspects of an intermunicipal collaborative framework.

You know, Madam Chair, I think intermunicipal relationships for the most part have been generally positive in Alberta. There are always exceptions: some for very good reasons; some for all the wrong reasons, as it turns out. Mandatory council training, on another topic, could possibly help in that resolve, but we're talking about ICFs at the moment.

Anyway, back to these intermunicipal development plans and intermunicipal collaboration frameworks. In the proposed legislation IDPs will be a necessary part of ICFs. Intermunicipal development plans must address things like land use, future residential development, future transportation corridors, possible future annexation considerations between those municipalities. Intermunicipal infrastructure has been removed. In the new amendments from the government service delivery has also been removed. An IDP will also include something like where potentially an industrial site may be located, so that could also be part of an IDP.

Madam Chair, I quote from the Lacombe county and village of Alix IDP.

Intermunicipal planning is an effort between two or more municipalities to make long term land use planning decisions. An Intermunicipal Development Plan (IDP) should approach the area with a regional perspective. Municipal boundaries disappear during the development of future land uses and reappear in order to administer the preferred land use pattern.

IDPs are broad-based policy documents that strive for environmentally responsible development without significant unnecessary costs and unacceptable negative impacts on either municipality. Both municipalities face growth pressures and an IDP searches for mutually beneficial solutions.

I just found that IDP when I was searching around online and felt it relayed an accurate description of what an IDP actually is.

In the past an IDP was a voluntary plan. Now it is proposed that an intermunicipal development plan is a mandatory part of an ICF. Two or more councils of municipalities that have common boundaries must, by each passing a bylaw in accordance with the act, adopt an intermunicipal development plan to include those areas of land lying within the boundaries of the municipalities as they consider necessary, which will be a component of the ICF that is also necessary, mandatory. Madam Chair, that sounds like a lot of municipalities that have to implement two statutory plans plus an ICF.

One more, which will be known as a statutory plan that is now mandatory, is a municipal development plan. A municipal

development plan is a long-range planning document that provides a municipality's elected officials, administration, ratepayers, and developers with a framework of policies for making decisions regarding future growth and development opportunities within said municipality's borders. A municipal development plan almost has to be completed before an intermunicipal collaboration framework can be set up. So a municipal development plan used to be mandatory for only towns that had a population of 3,500 or more and cities, of course. Now all municipalities must complete a municipal development plan.

I just want to say, Madam Chair, as a municipal councillor in southern Alberta for several years, that the municipality I sat on received about half of its annual budget from linear funding, so you can imagine the criss-crossing of pipelines and the above ground machinery and equipment that was within those borders. That municipality was certainly favoured with oil and gas exploration.

Long before I arrived on the scene, municipal leaders of that municipality determined that some of its linear money should go to recreation agreements with all of its urban counterparts within her borders. Truth be told, most of the money for recreation in those municipalities came from that linear funding, and it was no small sum at the end of the day. So I have certainly been witness to collaboration between rural and urban municipalities and communities, and I've also been witness to a rural municipality sharing some of its linear funding with its urban neighbours. As it turns out, I guess I was lucky to have been witness to some of that kind of collaboration and sharing.

I also have a rural municipality within my riding that has very little linear funding, yet they still find a way to be able to share something with their rural neighbours, urban neighbours within their municipality. So that's another successful collaboration even based on the fact that they don't have linear funding to share.

However, that aside, consider the statutory plans that I've discussed here plus the intermunicipal collaborative framework. Imagine what small communities, small towns, or small villages are thinking. They have got to be saying to themselves: "How can we be expected to put together all these documents, all these statutory plans? How can we be expected to put them all together within the now three-year timeline suggested in the Modernized Municipal Government Act amendments?" To be frank, it is a short timeline, and from the communities that I've talked to – and, believe me, when I say small, I mean small communities in my riding: 122 in one, 279 or 298 or something in another. Small.

Madam Chair, the opposition, of course, has been engaging in extensive stakeholder outreach, and we've been striving to receive whatever feedback we can get about these proposals. We certainly have feedback from municipalities across the entire province, that I'll share in a moment. But to start off, I think I'll share submissions on the Modernized Municipal Government Act, MMGA, that were sent by the two organizations in this province that represent rural and urban municipalities, namely the Alberta Association of Municipal Districts and Counties and the Alberta Urban Municipalities Association. Okay. I will talk about submissions from those two organizations with regard to MDPs, IDPs, and ICFs.

Municipal development plans. The Alberta Association of Municipal Districts and Counties in their submission does support the requirement for all municipalities to have an MDP, is supportive of the idea, but they do suggest a few changes. Number one, "Municipalities should have up to five years to complete [an] MDP." Number two, "The province should fund AAMDC and AUMA in developing additional resources and templates to assist those municipalities [as] capacity challenges."

In gathering their data from their rural municipalities, AAMD and C members

recognized that this will challenge many small municipalities including summer villages.

There is a reality. AAMD and C believes:

Without sufficient resources or tools, the requirements of developing a [municipal development] plan could push many municipalities into dissolution.

On the other hand, MDPs will not have to be extensive for small municipalities. That's understood.

AAMD and C also notes:

... these planning timelines falling during the election cycle ... could impact how the plans are done. Templates and resources ...

according to AAMD and C

... should be available to assist in this process.

Now, our friends at AUMA, the Alberta Urban Municipalities Association, say pretty much the same thing about MDPs that AAMD and C is saying. With regard to intermunicipal collaborative frameworks and intermunicipal development plans, AAMD and C

supports regional collaboration [of course] between municipal neighbours and [certainly] recognizes the need for municipalities to work collaboratively to plan, fund and deliver services. Where possible, this should be done through local decision making. Bill 21's requirement for ICFs and IDPs presents a balance between local decision making and mandatory inter-municipal collaboration by requiring municipalities to meet province-wide standards in their agreements ... details [can] be determined locally,

according to AAMD and C. AUMA also supports the ICF and IDP concepts but also states:

Municipalities should work collaboratively and make decisions on the planning [and] funding ... [while acting] in good faith in the negotiation,

something, I think, that almost goes without saying.

#### 10:20

As far as some of the submissions that we've received with regard to this topic, I'd just like to quote from some of the municipalities we heard from. Sturgeon county is certainly supportive of the change and the amendments to Bill 21. However, it states that it has some concerns around the capacity for rural municipalities to complete all required intermunicipal collaborative frameworks and corresponding intermunicipal development plans within a three-year time frame.

Parkland county, on the other hand, states that it is unable to support ICFs. Parkland county claims that this change will have a significant impact on the county as this will require intermunicipal development plans with municipalities sharing a border that are not part of the Capital Region Board. They also say that a definition for regional services is something they believe is required. Major concerns exist around the scope of work and, certainly, the costs.

All the way down to the village of Barons: they say that it strongly feels that intermunicipal collaborative frameworks should be voluntary and not mandatory. Barons believes that better relationships can be made when it is done willingly and voluntarily versus mandatorily.

Lac La Biche county states that as a regional municipality their county will have to negotiate intermunicipal collaborative frameworks and intermunicipal development plans with its neighbouring six counties, two Métis settlements, and throw in one improvement district. They don't expect negotiations to be difficult because most of the areas that border them are relatively uninhabited. They are hoping for reduced intermunicipal collaborative framework and intermunicipal development plan requirements for rural/rural neighbours since they believe that the

main thrust of intermunicipal collaborative frameworks and IDPs is to encourage collaboration between rural and urban municipal neighbours.

The village of Big Valley suggests that a significant increase to the amount of statutory planning that will be necessary over a very short timeline will cause capacity issues. Developing three statutory plans when you do not have a planning person in the building can be extremely difficult. Financial assistance through provincial grants would be helpful, but it will not address the extra demand on staff time for small offices that often only have one employee.

You can see, Madam Chair, how municipalities think about these proposed changes to the MGA. I have given a fairly broad examples of municipalities' thoughts throughout Alberta about the changes. You know, we aren't necessarily against the amendments here in the Bill 21 amendment, but I think there is a common theme here when we hear the concerns of the two associations and the concerns of municipalities. No one knows what the regulations will say. The legislation is one thing, but the regulations can make things more difficult yet for municipalities.

You know, what we're really worried about is the cost of putting forth an MDP, an IDP, and an ICF, especially for small municipalities in this province. They plain don't have the capacity, whether it be financial or physical, to put together these documents within a three-year time frame. This is a huge concern. This is what we hear. If they certainly don't have the training to begin to put together an IDP, an MDP, and an ICF, they would certainly have to be in contact with a consultant, and those folks cost money.

I guess the last thing would be: what kind of support is the government prepared to offer to these municipalities? Consider the work and the money that's involved for a village of 300 that has, you know, had all of its elevators torn down, which were their tax base. Where will the line item in the 2017 Municipal Affairs budget appear, and how much money will be in that line item to help these municipalities in this endeavour? Those are the concerns that municipalities have. Perhaps the minister has thought about all that and will move forward with something in Budget 2017.

Let's just remember that small municipalities – and there are lots of them across Alberta – certainly may only have one employee. That employee is the CAO, and he writes the agenda for council, and he hires someone to come in and do maintenance, and he answers letters, and he talks to ratepayers, and now he has three statutory documents that he needs to deal with.

Those are the concerns that we certainly have. They pretty much mirror the concerns of the municipalities. Those are our partners. They must live by this document, so let us consider that when we make our decision on this matter.

Madam Chair, I'd like to make a motion for a subamendment today with regard to the intermunicipal collaboration frameworks, municipal development plans, and intermunicipal development plans. I have the requisite number of copies here, and I will wait until you have received it and seen it before I continue.

**The Deputy Chair:** Hon. members, the subamendment will be referred to as SA4.

Just a reminder, please, to everyone in the House. The volume is getting a little bit loud, and I'm not able to hear everything that the member is saying. So if you could, if you're going to have long conversations, maybe find somewhere else to do it or keep the volume down, please.

Hon. member, please continue.

**Mr. Schneider:** Mr. Schneider to move that amendment A1 to Bill 21, the Modernized Municipal Government Act, be amended as follows:

- (a) in Part T in clause (b)(i) by striking out “2 years” and substituting “3 years”;
- (b) by striking out Part U;
- (c) in clause (b) of Part EE as follows:
  - (i) by renumbering subclause (i) as (i.1) and by adding the following before subclause (i.1):
    - (i) in subsection (1) by striking out “2 years” and substituting “3 years”;
    - (ii) in subclause (ii) by striking out “2 years” wherever it occurs and substituting “3 years.”

The purpose of this subamendment is to extend the timelines for municipalities.

**The Deputy Chair:** You’ll have to speak again, hon. member.

**Mr. Schneider:** I’ll have to speak again? All right. That’s fair enough.

**The Deputy Chair:** I see that one of your hon. colleagues, Olds-Didsbury-Three Hills, would like to speak to your subamendment, so we’ll let him.

**Mr. Cooper:** Yes. Thank you, Madam Chair. The hon. member was giving such a riveting dissertation on the need for amendments to ICFs, and likewise I wondered if he might be willing to just conclude his thoughts, that I’m sure will be persuasive and that the government will be quick to act upon.

**Mr. Schneider:** You know, Madam Chair, last week I gave a speech where I think it was the same member told me that I had written a speech that had people on the edge of their seats, and I told him that I live to write speeches that put people on the edge of their seats. Now, this is riveting. This is riveting stuff.

**Mr. Hanson:** Stick to a monotone so we can handle it.

**Mr. Schneider:** Sure.

The purpose of this amendment, if I could get back to this amendment, is to extend the timelines for municipalities to develop all the planning documents that are being made mandatory in Bill 21. I just want the minister to be aware of what my goal is here. As we know, the timelines for statutory documents changed last Monday. With regard to the Modernized Municipal Government Act, at the end of the day we’d like to see everything, all of the stat documents – ICF will also be called a stat document once it’s passed – be a three-year and that the potential arbitration for an intermunicipal collaboration framework document be given an extra year.

I know that when we met in the meeting last Monday, the government put all these plans so that the numbers weren’t scattered all over the map. They basically said: three years for everything. Well, that means two years for an ICF plus one year for arbitration. We now have municipal development plans and intermunicipal development plans that are allowed three years. I really hope that we can talk about an ICF being three years as well, and in the event of arbitration that can take an extra year.

**10:30**

Intermunicipal collaborative frameworks reduce the duplication of services and increase efficient and co-ordinated service delivery. Intermunicipal collaborative frameworks will allow for improved land-use infrastructure planning across municipal boundaries. That is clear. The ICF changes won’t solve every problem – I’m sure there’s nothing we could write down that would solve every problem – but they will at least get the municipal leaders of the municipalities to sit down at a table and start discussion about what

collaboration they can determine between themselves. If they’re still unable to come to an agreement, arbitration allows a year for there to be a settlement. Certainly, there would be an arbitrator involved. That would move that situation forward.

Now, the issue is that this could be burdensome for smaller communities. I’ve talked about that. Folks, outside in rural Alberta there are villages that have one employee, and that person will be under huge amounts of stress to make this happen. Even if they hired it out to a consultant, they now have to figure out where the money will come from. I know that we are hoping to see either some templates for these statutory documents or – I know the minister talked when I was at the meeting in Lethbridge – that there may be potentially some money somewhere to help with all these issues.

We’re proposing that the timeline be stretched out one more year to allow municipalities time to adjust to this change. All plans need to be complete within three years, and the ICFs will still have an additional year for arbitration. That’s where the end result of the amendment is.

That being said, I encourage everyone in the House today to consider what I’ve said about small communities when they make their decision about intermunicipal collaborative frameworks. Thank you, Madam Chair.

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to subamendment SA4? The hon. Minister of Municipal Affairs.

**Ms Larivee:** Thank you, Madam Chair, and I want to thank the member for recognizing the value of intermunicipal collaboration frameworks. Some of the biggest, most exciting changes we are making to the MGA are about creating a new system of collaboration between municipalities to help make them sustainable, smart land-use and servicing choices that benefit all citizens no matter where they live. These partnerships will bring together neighbouring municipalities to partner on land-use planning, co-ordination of services of regional benefit, and equitable funding of those services, which will mean, for the residents, integrated services and cost sharing on regional projects that transcend municipal boundaries. The MMGA does set a two-year time frame in which municipalities must create ICFs where they don’t yet have agreements on items determined to be of regional benefit.

While this is a lot work for municipalities in a condensed time frame, we want municipalities to succeed in working together now. Certainly, we do not achieve success as one but as many. We know there is work that has already been done by many municipalities which have great working relationships and similar agreements in place. There are more than 600 examples of intermunicipal agreements already in place, and the provincial government wants to see that work expanded. Intermunicipal collaboration will help communities work together, grow together, and become stronger together, and by working together, we can strengthen Alberta’s regional economies, taking us from a winner-take-all approach to one where we all win.

Certainly, with that, Madam Chair, we are fully committed to support the smaller municipalities to be able to complete this work in a timely fashion. We’ve already been quite clear in terms of the fact that we will be working with the municipal associations to create templates and other resources to ensure they have the support they need to move forward. Certainly, there is an abundance of staff within the Department of Municipal Affairs to provide assistance to municipalities in doing this work, and there is also, of course, a certain amount of funding available through the Alberta community partnership grants. Municipalities can choose to utilize funds from that.

Madam Chair, certainly, there are many examples already of municipalities recognizing the benefit of working together and choosing to utilize those resources to move forward in recognition of the fact that, you know, a few dollars expended at the front and some time expended at the front allows them to find the efficiencies that actually support them to be more viable and more sustainable going forward. Certainly, the citizens and residents of the communities in municipalities do expect that municipalities have a plan for municipalities to go forward.

You know, certainly, the member referred to some municipalities that maybe don't have a lot going on on their borders. We only ask that they have a conversation about those issues, and if they both agree that there is actually no overlap, then they can agree that there's no requirement to come up with a plan on that. There just needs to be documentation of that question. The ICFs are a very flexible tool, recognizing the variety of different agreements and relationships that happen between municipalities. We certainly created a tool broad enough to do that.

Madam Chair, when it comes down to it, again, residents expect their municipalities to have a plan going forward, to know what's happening with that municipality, to know where that municipality needs to go in the future, so we will continue to work with them to ensure that they have the tools they need to go forward with that. It is important, again, that that kind of collaboration actually lead to increased viability and sustainability of municipalities by working together to get that work done as soon as possible so their citizens can have access to the co-ordination of services, the land-use planning, and equitable funding sooner rather than later. For that reason, I will not be supporting this amendment.

**The Deputy Chair:** Thank you, hon. minister.

Are there any other members wishing to speak to subamendment SA4? The hon. Member for Bonnyville-Cold Lake.

**Mr. Cyr:** Thank you, Madam Chair. Actually, this amendment was brought to me by one of my local councillors. I'm not saying that this is where it had come from, but I am saying that this was one of his concerns, that there might not be enough time to be able to do all of the municipalities across Alberta within this time frame. There are areas or ridings where the municipal governments aren't collaborating as productively as some of the others, and we've heard, like one of my colleagues here said, that they've had some sort of agreement in place for a lot of years. This is not the case in my riding, and the concern is that we're going to have the two years lapse where they're trying to get through this but not be able to get the support from the municipal government that they need to be able to create this.

Now, I'm sure the minister has got the answers, but my concern is – and this is from my understanding – that I believe this start date would come into effect when the bill is proclaimed. Does that mean that that two-year period starts at proclamation, or does that two-year period start when the regulations are done? This is an important fact because if it takes a year for the regulations to be done for this part of the ICF, then that means we've only got a year left to be able to create the ICF within my constituency.

With the fact that it has got some potential for having, I guess, distractions become part of this process, my question is: will we end up with many of our municipalities caught within this arbitration process? Will we be able to manage having a large volume of municipalities within this arbitration process because of the fact that we don't have enough time? This is where I see that right off the bat we've got to have some extra time so that we can see the regulations, have the municipalities interpret the regulations, and then work together. It takes time for it to be done. Now, if the

government has these regulations ready to go, then they should have these regulations released already so that the municipal governments can actually see the direction that this is going.

**10:40**

One of the questions that I've got is that some of these ICF parts in here are a little vague and open to interpretation, and that is, I guess, when it comes to my riding, where some of the concerns are going to be brought forward. And this isn't something that is unique to my riding because when I went to one of the government town hall meetings in Lac La Biche, this also was a concern that was brought up, exactly what Bill 21 meant to ICFs and exactly how to interpret it.

Now, I am looking forward to the process of municipalities working together because I believe that it's in the best interests of municipalities to work together. I don't agree with it being forced, but I do understand that the government is going in this direction. The problem is: are the timelines too tight for it even to be possible? And that is what I would like to hear from the Minister of Municipal Affairs. Have they actually got a timeline on how this is going to take place, and if not, then are we going to be putting a lot of strain on our municipalities in arbitration when that could have been avoided by just adding an additional year? If I could get an answer from the Minister of Municipal Affairs, I'd appreciate that.

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to subamendment SA4? The hon. Member for Olds-Didsbury-Three Hills.

**Mr. Cooper:** Thank you, Madam Chair. It's a pleasure to rise and speak to Bill 21. Before I get to the meat of the matter, I'd just like to thank my colleague from Little Bow for his persuasive speech, the silky smooth '70s sounds of the Member for Little Bow. I also heard him use some animations like nnnnn, and I'm kind of curious to know how *Hansard* will be recording that. I look forward to the reading tomorrow.

But on to important things about this amendment, Madam Chair. The Member for Little Bow has made some very important points, particularly with respect to timelines. That's exactly what this amendment does do; it expands the timelines. I know that you'll be aware that when Bill 21 first was introduced, there was a range of timelines to finish the statutory documents around ICFs and MDPs and all of the other acronyms that are included in Bill 21, some of them two years and some of them five years. So through consultations – and some of the associations were concerned around that lengthy timeline of five years – the government decided to collapse all of the agreements to two years.

Well, the big, big challenge with that, Madam Chair, is that a number of municipalities will struggle greatly to be able to complete all of those documents. For example, the county of Mountain View, which, as you know, makes up a large portion of the outstanding constituency of Olds-Didsbury-Three Hills, will need to form an agreement with the town of Olds, the town of Carstairs, the town of Didsbury, the town of Cremona, the town of Sundre, Red Deer county, Clearwater county, Rocky View county, and Kneehill county, and that is only for ICFs. That doesn't include any of the additional stat docs that also need to be completed. So you have nine agreements that need to be done in two years. We're looking at less than three months per agreement for that particular county.

The challenge with that is, as you know, that many of these councils only meet sometimes once, sometimes twice, possibly three times a month. In large respects, these are volunteer councillors who give of themselves to this process. The challenge:

in order to get these very significant documents accomplished, it's quite likely going to take more than three months for each municipality to do that. So now we have a situation where Mountain View county needs to enter into nine of these agreements, and part of my concern is on the enforcement of what happens if this isn't completed.

In Bill 21, under Measures to Ensure Compliance with Frameworks, section 708.43(3)(d) states: "withholding money otherwise payable by the Government to the municipality pending compliance with an order of the Minister." Part of my concern is that if these documents aren't completed in the allotted two years, will then, in fact, the minister act to withhold potential grant funding, MSI dollars, gas tax transfers, and these sorts of funding requirements, that are so critical to our municipalities, based upon them not having finished any of the stat docs? Obviously, that issue would still exist if we accepted the amendment and it went out to three years, but the big difference there, then, would be that we would at least give more time and opportunity to have these ICFs approved.

Now, let me be very clear. The process of accomplishing an ICF is an important process. You know, ICFs certainly will have the potential to reduce the duplication of services and increase efficiencies, co-ordinate service deliveries, so the co-operation that can be found in the ICFs and the co-operation that can be found through ICFs is not necessarily a negative, but the timelines that the department has laid out certainly don't provide appropriate time, particularly in the smaller municipalities. My colleague from Little Bow provided some of those examples. For example, the village of Cremona will need to have multiple ICFs with its neighbours, and I know they only have a couple of employees.

One of the other big challenges with this particular proposal around ICFs, generally speaking, and small municipalities is that it's quite likely that, whether it's in staff time, which is still a very real cost if they do it in-house, or municipalities go externally and get consultants to do it, some of these documents will wind up being a net cost to the municipality of \$10,000, \$15,000, \$20,000, or, certainly where there are larger, complex negotiations, upwards of \$50,000.

So there are lots of concerns and potential risks around ICFs, lots of potential positives as well, but certainly the timeline that the government has laid out isn't fair. It doesn't respect small municipalities. In fact, it doesn't respect large municipalities as well, particularly in the case where there are multiple stakeholders or multiple municipalities inside the boundaries, typically, of a county.

I know that we've heard from the minister this morning and that she is encouraging her colleagues to not support this. I hope that she will reconsider. I mean, the Member for Little Bow was exponentially more persuasive than I, and she, you know, isn't going to listen to him. I hope that she'll reconsider and think about some of the consequences of having only two years allotted for the planning process around ICFs. I wondered if she might have a moment to comment around: what exactly are the plans of the department if those aren't completed, and will grant monies be withheld from those municipalities which, either through lack of time or lack of desire, haven't got these documents completed?

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to subamendment SA4? The hon. Member for Livingstone-Macleod.

10:50

**Mr. Stier:** Well, thank you, Madam Chair, and thanks, everyone, for the time this morning on this very important matter.

I just have a couple of quick comments to add to what my colleagues have already presented this morning with regard to the timing of the intermunicipal collaborative framework idea and MDPs and IDPs and trying to match these up. I think that my colleague from Olds-Didsbury-Three Hills did a great job of pointing out a lot of the timing issues, as did the Member for Little Bow. It seems to me that there may be just a little bit of refinement that I'd like to add in, and that is that when we have a lot of municipalities throughout the province that are considering having to now possibly hire consultants to do this because a lot of them, as was said earlier, don't have in-house planning departments and so on, there may be some sort of economical or cost-saving advantage to having these timelines match up.

Given what we've already said in our comments this morning and given that the new change is a very, very big new change, as was pointed out clearly, I too would like to back up what the Official Opposition House Leader has said. To the minister: please, would the minister reconsider her comments that she made already this morning and look at the possibilities of this? All we're asking for is more time to get it right.

Thank you, Madam Chair.

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to subamendment SA4? The hon. Minister of Municipal Affairs.

**Ms Larivee:** Thank you, Madam Chair. I was hoping to provide some opportunity for some feedback on this so that I would have the opportunity to respond to it at one time. I certainly want to clarify that the process for this is that, absolutely, they will not be required to start the timeline for the IDPs, the two years, until the legislation is proclaimed.

Those regulations will be posted online, based on the feedback and stakeholder engagement that we do. There will be a draft version posted online this coming spring, spring 2017, and all municipalities, including all the members across the floor, and all of the public will have the opportunity to provide feedback on those regulations as well. I'm looking forward to collecting that feedback to ensure that, just as we worked to make sure that the legislation was the very best piece for the people of Alberta, the regulations also continue to best reflect that.

Madam Chair, those regulations will be in place at the time that the legislation is proclaimed, prior to the election in the fall of 2017. Essentially, incoming councillors will be able to familiarize themselves with the new MGA and all the amendments and all the requirements prior to being elected so that they know what they're getting into and also so they have a fresh slate to work with and have a new council to work through all those processes and there's no interruption mid-term with that.

Absolutely, they will have the full two years to work on that. I think one of the things I wanted to highlight as well is that the legislation provides for and enables municipalities to do more regional planning. So if there are a number of small municipalities embedded within a rural municipality, then they can get together and work together on a plan. It's not a requirement that they have to be bilateral agreements. Certainly, they can have agreements with multiple municipalities if there is indeed an overlap of services in municipalities that reside close together.

Mostly I just wanted to highlight our commitment to working with municipalities. In fact, there are so many municipalities that are excited about this already that several communities have already applied for the ACP grant to get started on developing their IDPs, and there's nothing keeping them from getting started on it now if they so desire. Many of them already have IDPs and productive

relationships with their neighbours, so there's a lot of great work going on. A lot of work being started already is going to capitalize on the work that has been done for a long time. But when it comes down to it, we'll make sure that they have the templates, make sure that they have the support of the staff, the advisers, the support of staff in our planning department in order to move forward.

Certainly, for some of the smaller municipalities – for example, you know, a summer village that has 10 people – we're not talking about a document that requires substantial work by a consultant but something that they can work on together through a template, with support of the department, in a very short period of time. Between the excellent work that my department can offer in terms of all the advisers that we have on staff for municipalities along with the templates and along with the ACP grants, I'm looking forward to continuing to work with them to ensure that they get the work done in a timely fashion so that their residents can, sooner rather than later, take advantage of all of the amazing opportunities that this kind of collaboration has to offer.

Once again, I'm not standing in support of the amendment because it is important that we get moving on this right away and ensure that Albertans can have the advantage of it sooner rather than later. Thank you, Madam Chair.

**The Deputy Chair:** Thank you, hon. minister.

Are there any other members wishing to speak to SA4? The hon. Member for Livingstone-Macleod.

**Mr. Stier:** Yes. Thank you. I appreciate the comments back from the minister in relation to our request to only extend this by one year. It seems as though she's not convinced that that would be the right way to go, but she's brought up a couple of interesting points that I cannot resist talking to a little bit because the door is open.

Yes, there is an election coming up in October '17. We're going to see a massive amount of interest at the local level, I'm sure, in this, so it occurs to me that we have got to talk a little bit about that. The number of people that come into municipal elections and are surprised by what they find once there is quite surprising, I think. Once again, you've given us another point, I think, Minister. I think this is an added point we didn't think of this morning, so thank you. This is another reason we should extend it one year. All those people are going to be so blind to some of the things that are going on, as they currently are, let alone these changes. The regulations, of course, we won't be debating here today, and I know that you're going to be putting them on the sites, et cetera, et cetera, et cetera. Still, I would believe that we're not making a large request – it's a small request – and because of the election I think this is a great reason for it to be extended that extra year, which our amendment is asking for.

Thank you very much.

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to subamendment SA4?

Seeing none, I will call the question on the subamendment.

[The voice vote indicated that the motion on subamendment SA4 lost]

[Several members rose calling for a division. The division bell was rung at 10:57 a.m.]

[Fifteen minutes having elapsed, the committee divided]

[Ms Sweet in the chair]

For the motion:

Drysdale	Loewen	Panda
Fraser	McIver	Schneider
Gotfried	Nixon	Stier
Hanson		

Against the motion:

Carson	Larivee	Payne
Ceci	Loyola	Renaud
Connolly	Luff	Rosendahl
Coolahan	Malkinson	Sabir
Dang	Mason	Schreiner
Drever	McCuaig-Boyd	Shepherd
Feehan	McKitrick	Sigurdson
Ganley	McLean	Sucha
Goehring	McPherson	Turner
Hoffman	Miranda	Westhead
Horne	Nielsen	Woollard
Jansen		

Totals: For – 10 Against – 34

[Motion on subamendment SA4 lost]

**The Deputy Chair:** We are back on the original amendment. Any members wishing to speak to A1? The hon. Member for Lac La Biche-St. Paul-Two Hills.

**Mr. Hanson:** Perfect. Thank you very much, Madam Chair. On behalf of the Member for Olds-Didsbury-Three Hills I would like to propose an amendment to the amendment to Bill 21.

**The Deputy Chair:** Hon. member, if you could just wait until I have a copy of the original, please.

**Mr. Hanson:** You bet.

**The Deputy Chair:** The subamendment will now be referred to as SA5.

Please go ahead.

**Mr. Hanson:** Thank you very much, Madam Chair. Mr. Cooper to move that amendment A1 to Bill 21, Modernized Municipal Government Act, be amended in part X by striking out the proposed subsection (2.2) and substituting the following:

(2.2) Subject to an appeal under section 648.1, an off-site levy may be imposed and collected for a purpose referred to in section (2.1) only if, in respect of the land on which the off-site levy is being imposed,

- (a) no off-site levy has been previously imposed under subsection (1) for the same purpose with respect to the land on which the off-site levy is being imposed, and
- (b) at least 15% of the benefit of the purpose, as determined under the regulations, is anticipated to benefit the future occupants of land on which the off-site levy is being imposed.

This amendment instates a threshold of 15 per cent rather than the current 30 per cent of the benefit of a proposed community infrastructure – police station, library, fire hall, recreation centre, et cetera – to protect consumers more from the effects of rising house costs.

Originally off-site levies could be charged for water, infrastructure, sanitary sewage, storm sewage, drainage, and roads. Bill 21 originally brought in new capital projects that will now be included, and they are recreation facilities, fire halls, police stations, or libraries. For these new areas in Bill 21 there originally had to be a minimum benefit to the new members of the community of 30 per

cent. In this amendment the government has chosen to take away the 30 per cent minimum benefit, or this amendment would propose to take away the 30 per cent minimum benefit. While it's true that the benefit should be proportionate, the 30 per cent minimum was a reasonable threshold to balance needs of municipalities against the rising cost of new homes. We feel that 15 per cent would better reflect a reduction in that.

Housing affordability is very important. Our housing industry not only supplies homes for Alberta families; it also employs many, many workers. So in an effort to regain this balance, we are proposing a new threshold of 15 per cent to protect consumers more from the effects of rising house costs.

Thank you very much, Madam Chair.

**The Deputy Chair:** Any members wishing to speak to subamendment SA5? The hon. Minister of Municipal Affairs.

**Ms Larivee:** Thank you, Madam Chair. During the government's summer tour we heard from many municipalities and members of the public who are supportive of our proposal to expand the scope of off-site levies to help build fire halls, libraries, police stations, and recreation centres. Such facilities are expensive but highly valued and should be part of complete, safe, healthy, and growing communities.

Until now municipalities had to dig deep into existing tax revenue to fund construction, the responsibility weighing heavily on them and individual taxpayers. This new policy spreads part of that responsibility to developers, new home buyers, and growing communities to help pay a fair share. Essentially, it's growth helping to pay for growth.

Additional feedback received over the summer identified a number of suggestions to further improve the proposals put forward in Bill 21. In particular, many municipalities suggested that changes were needed to make this tool more accessible to small communities across the province. Most notably, we heard that the proposed 30 per cent threshold for applying these levies was problematic. Under the House amendment that we made, municipalities would be able to – and, of course, it's enabling legislation only – charge developers one-time fees based on the benefit the new development would receive from the new facility, whether that benefit is 1 per cent, 10 per cent, 50 per cent, or more. There's no minimum or maximum benefit, just a shared responsibility among all partners to help pay for growing communities and valuable services.

Madam Chair, we heard very clearly from municipalities that that threshold was a challenge for smaller communities to be able to utilize this tool. So on behalf of those smaller communities and ensuring they've all the tools that they need to support the infrastructure development in their communities, we chose to remove the 30 per cent threshold, and with that, a 15 per cent threshold would continue to present a challenge for those municipalities. By removing the threshold, Alberta municipalities are better positioned to create healthy communities, provide a more consistent level of service to all their residents, and manage growth within their boundaries. Of course, Madam Chair, developers will contribute to the costs of some community facilities based on the degree of benefit while municipalities will continue to find the rest through general revenue.

11:20

So this is, again, about providing an opportunity for municipalities to engage with their residents, to engage with their development industry to create a bylaw that would make sense to ensure they meet the infrastructure needs of their communities.

Again, it's just another tool in their tool box so that Albertans in new communities have a more consistent level of service from fire halls, libraries, recreation centres, and police stations. Albertans in existing communities will know they are not shouldering a disproportionate burden in funding services for new development through their taxes. Expanding the scope of off-site levies and basing them on a fair formula is good for communities and good for all of Albertans.

Again, the developers pay only a proportional benefit for this, and it is important that we ensure that small communities have the access that they need to this tool, so I will not be supporting this amendment.

**The Deputy Chair:** Thank you, hon. minister.

Are there any other members wishing to speak to the subamendment? The hon. Member for Lac La Biche-St. Paul-Two Hills.

**Mr. Hanson:** Okay. Thank you very much again, Madam Chair. I just would like to speak briefly to the issue of off-site levies and in particular this amendment. The number one priority that we need to consider, I guess – there are two things: basically, the needs of the municipalities and their ever-shrinking funding abilities. The other thing that we have to consider also is the taxpayer. We're seeing taxpayers being faced with ever-increasing property taxes. We're seeing a lot of people, especially in the construction industry, facing cuts to their hourly wages and the number of hours worked, and then on January 1 we're going to be seeing a carbon tax come in, that's also going to be stepping in on that.

I'd just like to look at section X of the amendment. It says that it is amended by striking out the proposed section and substituting the following:

(2.2) Subject to an appeal under section 648.1, an off-site levy may be imposed and collected for a purpose referred to in subsection (2.1) only if . . .

(a) no off-site levy has been previously imposed under subsection (1) for the same purpose.

I understand that that is where the 30 per cent has been struck from the list.

Looking at the recommendations from the AUMA and the AAMD and C, they voted to support

the expansion of the scope of offsite levies to include the land and buildings for community recreation facilities, fire halls, police stations and libraries, and in general, supports the notion that those who benefit from a facility or service should pay for that service in a manner that is proportional to their benefit.

Under the current MGA it says that currently the MGA mandates that off-site levies can only be used to fund the construction or expansion of roads, sanitary sewers, waterways, and land connected to those types of infrastructure. This amendment does seem to reflect the needs and wants of the AUMA and the AAMD and C. The only reflection of the off-site levies that is found in the amendment is the area where it covers appeals of off-site levies. So it does give tools for developers to address that.

I'm going to drift off a little bit onto education of councillors and county employees. I had one incident brought to my attention where a person was going to develop a shop on private farmland out in a county, and when they got their off-site levy, they had factored in all kinds of things like waterlines out to the property and sewer lines out to the property, which would have been totally unworkable anyway. But initiated onto this, roughly a hundred thousand dollar project, was an off-site levy of \$750,000. This is a concern for a lot of communities, just these off-site levies put forward under bylaw by the municipalities, and the caution is to make sure that people understand that these can actually lead to lack of development in

their areas if they try to introduce too many off-site levies onto developers.

The idea of setting some type of limit on it: we felt, you know, rather than to just have a limit of zero, people would be tacking on anything that they could come up with, and even if a person was building an acreage five miles out of town, they could tack on parts of the police station or parts of recreational facilities. So we do feel a need that there should be some level that reflects the use of a new development and limits, at some point, the ability for the municipality to tack on a levy just arbitrarily. The fact that the municipality should actually have some time frame on when they have to build this facility – and that should be reflected in that cost. There was also the concern about where the funds would be held until such facility was completed.

I really think that having some sort of threshold in there for setting an off-site levy on a new development – and I think 15 per cent is a nice fit between zero and 30. We wonder where the 30 per cent came from. It just seemed like an arbitrary number anyway. Again, our concern is that off-site levies may actually stifle development in some areas, so we do need to have some sort of limits on the levels of off-site levies as well as a time frame on when projects have to be completed by.

It is fairly clear in the amendments where it does cover the ability to appeal, which is a good addition in there.

A couple of the other things. One of the recommendations from AUMA and AAMD and C was to remove the 30 per cent threshold. I don't believe from our conversations that they wanted it reduced down to just a zero but did want some sort of threshold limit on that.

One of the other recommendations from AUMA and AAMD and C was to “enable multiple municipalities to use the off-site levies to fund the same facility when new development in each of the municipalities use and benefit from the new facility,” so we're asking, I guess, if that is going to be a part of the intermunicipality framework, that they'll have to consider these as well. Does that allow one municipality to impose levies through an agreement onto developments in another, which is a concern also to some of the people there.

I guess I would just encourage anybody else that would like to speak to this amendment. I do think that we need some sort of limit on it, and I believe 15 per cent is better than the 30 per cent and also better than just leaving it wide open to interpretation by municipalities.

Thank you very much.

**The Deputy Chair:** Are there any other members wishing to speak to subamendment SA5? The hon. Member for Olds-Didsbury-Three Hills.

**Mr. Cooper:** Thank you. It's great to be back in the House, where it's warm and cozy, and talking about significant pieces of government business and particularly amendments, a very good amendment moved by my hon. colleague. It's just like it was my amendment.

I'd just like to rise and speak in support. You know, this amendment is really about striking the right balance. We went from one extreme to the other, from 30 to zero, and perhaps 15 is, well, about balance. It's approximately in the middle of zero and 30. This is a good opportunity to ensure that there's a threshold of 15 per cent of the benefit for proposed community infrastructure around police stations, fire halls, libraries, rec centres, et cetera. Really, it has the potential of protecting the increasing housing costs for the consumer.

**11:30**

When legislating, oftentimes it is about balance, about finding the right balance between all stakeholders that are involved. I know that the government some days likes to cozy up to industry. The next day they like to sue industry and never really know what's coming or going.

This particular amendment comes to us not as a direct result of industry, but certainly industry spoke out strongly about this particular portion of the MGA. I think that this is a reasonable compromise to developers that will provide some certainty for them and also ensure that off-site levies aren't used where the value isn't there. That's certainly what we can see if the threshold is zero, that development costs can increase dramatically with the use of off-site levies.

[Mr. Sucha in the chair]

Now, while I appreciate and respect the fact that, you know, municipalities have to be competitive with their neighbours and that if one municipality is overusing off-site levies, perhaps that will have its own way of sorting itself out – there was certainty for the building industry, and now there is zero – this is a very reasonable compromise, one that strikes the right balance. I would encourage the members of the government to also support this amendment so that we can respect both municipalities' individuality, if you will, in local decision-making as well as provide certainty to developers. So I encourage members in the Chamber to support it this morning.

As I've mentioned and as I'm sure you'll hear me mention on numerous occasions, with Bill 21 it is so important that we get it right this time. It's so important that we legislate in a manner that will allow future growth and have consideration both of the development side and the municipality side.

I look forward to the ongoing debate not just around this issue but around issues included in this bill.

**The Acting Chair:** The Member for Livingstone-Macleod.

**Mr. Stier:** Thank you, Mr. Chair. Good morning. Good to see you there again today.

Just to sum up, then, I think that our colleagues here this morning have talked a little bit about this change, that was proposed in the amendment, from zero and now going to 15 per cent. I think there needs to be a bit of emphasis, which I'm picking out here from what's been said so far, and I'll perhaps provide a bit of that. The growth of a community is so important. With inflationary costs and all of the other things that happen in a small community, small-town situation, where you have higher costs for building materials, road materials, all kinds of different things, a municipality needs growth to offset those higher costs to maintain the municipality's services and programs. Good growth means having the right administrative rules and costs and things about it where it will encourage development and, hopefully, attract investment and speculators to come out and buy properties to develop.

[Ms Sweet in the chair]

Certainly, one of the economic factors that is so important to developers is that the administrative costs and all of the added costs, that a municipality can sometimes think they should perhaps throw at a developer's application, can make it noneconomic to proceed. With this bill, the original Bill 21, we have seen a lot of changes coming through that may have been a bit of a blow to home builders and developers in general. This is one of them where, you know, if we have no limit as to how much a new development will be making use of new fire halls, libraries, and police stations, et cetera, without

a rule, we have the situation where a developer could on the whim of the council be hit with a substantial levy.

So it makes sense to have some sort of level between zero and up to whatever we set. The original bill said 30 per cent. There were some thoughts in the department that 30 per cent was probably a good number. Then the government came back, and their department talked about removing it totally in the new amendment bill that we're working on right now. We think it should still be there but at a reduced level. Fifteen per cent is palatable to the various associations we've contacted with this suggestion. They like this idea so that if it's shown that in their development there will not be any probable benefit to having these types of facilities within their development, they're not hit with unnecessary costs.

I think the 15 per cent level makes sense, and I would encourage all members in the House this morning to support this change as it's not that much different from what they originally had suggested, and it kind of gets it partway and helps to support the developers' positions.

Thank you very much.

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to subamendment SA5? The hon. Member for Calgary-Fish Creek.

**Mr. Gotfried:** Thank you, Madam Chair. I just want to speak in favour of this subamendment as well. Having spent about a good dozen years in the building and development community, you know, there's a lot of risk that's taken by people within the industry. These are the same people that we've been talking about over the last few days, people taking risks to invest in creating jobs in our communities. We've seen that take place, creating jobs on the land development side, but that also furthers the opportunity for the creation of jobs in the residential construction industry and in the commercial real estate industry that, as well, complements that.

I'm concerned that if in a headlong approach to do this – and as much as I also understand the municipal side of this and that there has to be sustainable development, the development industry has always said that they're willing to pay their fair share. I think the concern is where that goes into imbalance. I think that we need to be cognizant of that, and I think that this limit recognizes that 30 per cent was maybe too high, zero per cent is maybe too low, and 15 per cent is maybe a compromise that allows us to move forward in recognizing that risk capital that is put forward, Madam Chair.

Without that risk capital, we don't create the economic activity that we so desperately need in this province, and we don't create an opportunity for a fair return on investment amongst those developers, who, by the way, give up land for municipal reserves, who create amenities within their communities, who donate to recreation centres voluntarily. I happen to have worked for a company that put up a million and a half dollars for a regional recreation centre, which was not required by any legislation. We see that time and time again. I think it's an industry that doesn't blow their own horn very often about the other investments they make in communities outside of their commitments. In fact, in Calgary there are voluntary payments that are made towards some of the community amenities and services that are done voluntarily by the industry to support that.

I think this subamendment is one that is in the spirit of compromise. I hope that it's taken as being a balance between the interests of the municipalities, which I think is of grave concern for all of us, to ensure that they can fund the infrastructure that they need and the services that they need to offer and the amenities that are expected by communities – the schools, the recreation centres, the parks, and those things – also recognizing that the best thing for

the building and development industry is to also have those amenities. Those facilities are the amenities and the selling features that they go forth with to their potential residents in that community to say: "We have schools not just coming, but they're announced. We have a recreation centre. We have the fire and police services that we require in those communities. We've protected the environment. We've protected areas that we're going to conserve for parks and park reserves and environmental reserves and municipal reserves."

**11:40**

I think that we need to take that balanced approach. We need to recognize again that we live in a time where those investments are at significant risk. We do not live in a robust economy right now, what we've had in the past, which was almost guaranteed strong net migration numbers from not just across Canada but from around the world because of the strength of our economy. Those dollars that are put towards such developments are now at very significant risk.

I can tell you that the people that I talk to within the industry say that they're meeting their expectations and that those expectations are, at best, about 40 per cent of what they would have been just two years ago. They're keeping the lights on. They're trying to keep their employees employed. They're taking on third-party work that they never would have done during regular, robust times. They're still building on spec sometimes, single-family homes, multifamily. They're incorporating attainable home ownership, they're incorporating affordable rental, and they're incorporating accessible housing within many of those through their work with organizations and initiatives such as the Resolve campaign in Calgary. I know that there are similar initiatives in Edmonton and across the province to deliver affordable, accessible, attainable housing.

I think we have to recognize that there are lots of voluntary things going on at the same time as we are putting in legislation to govern what we expect as minimums from the industry, again recognizing that there is always a balancing point there but that that balance has been put a little off balance over the last two years with the economy, Madam Chair.

I would encourage all members of the House to consider this subamendment as being a rational one, a common-sense one, and one that recognizes that we need those investments. We need them to move forward. We need to be cognizant of the economics around those decisions, and we need to use those economics and respect the risks taken to create jobs in this province.

Thank you, Madam Chair.

**The Deputy Chair:** Thank you, hon. member.

Are there any other members wishing to speak to subamendment SA5?

Seeing none, I'll call the question.

[The voice vote indicated that the motion on subamendment SA5 lost]

[Several members rose calling for a division. The division bell was rung at 11:43 a.m.]

[One minute having elapsed, the committee divided]

[Ms Sweet in the chair]

For the motion:

Cooper	Hanson	Schneider
Cyr	Loewen	Starke
Drysdale	McIver	Stier
Gotfried	Nixon	Yao

Against the motion:

Anderson, S.	Horne	Nielsen
Babcock	Jansen	Payne
Bilous	Larivee	Piquette
Carson	Littlewood	Renaud
Ceci	Loyola	Rosendahl
Connolly	Luff	Sabir
Coolahan	Malkinson	Schreiner
Dach	Mason	Shepherd
Dang	McCuaig-Boyd	Sigurdson
Drever	McKittrick	Sucha
Feehan	McLean	Turner
Ganley	McPherson	Westhead
Goehring	Miranda	Woollard
Totals:	For – 12	Against – 39

[Motion on subamendment SA5 lost]

**The Deputy Chair:** We are back on the original amendment, A1. Are there members wishing to speak? The hon. Member for Bonnyville-Cold Lake.

**Mr. Cyr:** Thank you, Madam Chair. I rise today to speak about Bill 21, the Modernized Municipal Government Act, and the subamendment that the government has put forward. I again would like to recognize all members of this House, government officials, associations, and municipalities who have contributed at various stages of the consultation on this bill and this amendment. This review comes as a result of much discussion, but there's still work that needs to be done.

One topic which I believe requires more scrutiny is the decision to remove local industrial assessment and centralize the process in provincial bodies. I know that I brought this up awhile ago, but I think more answers are required from this government, specifically the changes that have been made to section 289(1), which reads, "Assessments for all property in a municipality, other than designated industrial property, must be prepared [by the assessor appointed] by the municipal assessor." This proposed change would centralize the responsibility for all industrial property assessment with the provincial government. Likewise, the provincial government will be responsible for defending the assessment if appealed. All assessment appeals will be adjudicated by the Municipal Government Board. Industry stakeholders seem to prefer to have one appeals process, and under the new centralized assessment, there is now a specific assessment appeal process and adjudicator, which should result in more consistent rulings. This is something that we can agree with.

11:50

My colleague from Livingstone-Macleod, who is also the shadow minister for Municipal Affairs, has been busy consulting with stakeholders to find and hear what the options are on this subject. One thing that we've heard in respect to centralizing industrial assessment was that this change came as a result of inconsistencies found within a few particular municipalities, which may have been better addressed by working with each different municipality. The county of Rocky View, for instance, believes that the change reduces municipal autonomy, is unnecessarily disruptive, and has the potential for significant loss of municipal revenue. The proposal will also result in province-wide job loss as responsibility shifts to the centralized authority. This is one point which was echoed by the AAMD and C, Alberta Association of Municipal Districts and Counties.

Based on our understanding, there are five points which most accurately summarize their position on the centralization. One:

AAMDC members have expressed considerable concern about the centralization of assessment on designated industrial property because it could lead to decreased local autonomy and local knowledge of the properties being assessed. Further, municipalities are concerned that assessment will be lost or missed and that the proposed cost reductions will not materialize as municipalities retain assessors to verify provincial assessments.

Two:

As noted, the AAMDC does not support the centralization of assessment of designated industrial property but if it is going to continue forward, the following recommendations are proposed to strengthen the process.

Three:

Clarify that designated industrial property can apply to residential and agriculture properties only in cases where there is a mixed use on the property.

Four:

Exempt municipalities from paying the requisition to fund the centralized assessment body if an industrial property owner does not pay their property taxes.

Five:

Ensure assessors are based throughout the province and not centralized in Alberta's metropolitan centres.

Now, we've heard that the AUMA, Alberta Urban Municipalities Association, is generally supportive of this bill. There are a few recommendations that they say need to be implemented to improve this bill:

- Require the provincial assessor to share valuation details and other relevant information with the municipal assessor/municipality to ensure transparency;
- Require updates to regulated assessment rates annually;
- Create a third party audit function so that the province is not auditing its own assessment;
- Enable municipalities to participate in any assessment appeals for assessments provided by the provincial assessor.

The Alberta Assessors' Association also provided comments, which I'd like to read into the record. Quote: the association has completed a careful analysis of this issue and does not support the creation of a central agency to prepare industrial assessments. We do recognize ...

**The Deputy Chair:** Hon. member, I hesitate to interrupt, but pursuant to Standing Order 4(3) the committee will now rise and report progress.

[Ms Sweet in the chair]

**The Acting Speaker:** The hon. Member for Calgary-Shaw.

**Mr. Sucha:** Thank you, Madam Speaker. The Committee of the Whole has had under consideration a certain bill. The committee reports progress on the following bill: Bill 21. I wish to table all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

**The Acting Speaker:** Does the Assembly concur in the report?

**Hon. Members:** Concur.

**The Acting Speaker:** Opposed? So ordered.

The Acting Deputy Government House Leader.

**Mr. Westhead:** Yes. Madam Speaker, thank you very much. I think we've made some good progress this morning. Seeing the time, I move that we adjourn until 1:30 this afternoon.

[Motion carried; the Assembly adjourned at 11:56 a.m.]







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