

Twenty-Seventh Legislature Third Session

Standing Committee on  
**COMMUNITY SERVICES**

*Review of Bill 203, Municipal Government  
(Local Access and Franchise Fees)  
Amendment Act, 2010*

OCTOBER 2010



**COMMITTEES**  
OF THE LEGISLATIVE ASSEMBLY

**Standing Committee on Community Services**

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October 2010

To the Honourable Ken Kowalski  
Speaker of the Legislative Assembly of Alberta

The Standing Committee on Community Services has the honour to submit its Report containing recommendations on Bill 203, *Municipal Government (Local Access and Franchise Fees) Amendment Act, 2010*, for consideration by the Legislative Assembly of Alberta.

(original signed by)

Arno Doerksen, MLA  
Strathmore-Brooks  
Chair  
Standing Committee on Community Services

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**MEMBERS OF THE STANDING COMMITTEE ON COMMUNITY SERVICES**

**Review of Bill 203, *Municipal Government (Local Access and Franchise Fees) Amendment Act, 2010*  
27<sup>th</sup> Legislature, Third Session**

Arno Doerksen, MLA  
Chair  
Strathmore-Brooks (PC)

Kent Hehr, MLA  
Deputy Chair  
Calgary-Buffalo (AL)

Ken Allred, MLA<sup>†</sup>  
St. Albert (PC)

Art Johnston, MLA  
Calgary-Hays (PC)

Rob Anderson, MLA  
Airdrie-Chestermere (WA)

Rachel Notley, MLA  
Edmonton-Strathcona (ND)

Carl Benito, MLA  
Edmonton-Mill Woods (PC)

Dave Rodney, MLA  
Calgary-Lougheed (PC)

Manmeet S. Bhullar, MLA  
Calgary-Montrose (PC)

Janice Sarich, MLA  
Edmonton-Decore (PC)

Harry Chase, MLA  
Calgary-Varsity (AL)

Dave Taylor, MLA<sup>†††</sup>  
Calgary-Currie (IND)

Jeff Johnson, MLA<sup>††</sup>  
Athabasca-Redwater (PC)

**Substitutions Pursuant to Standing Order 56 (2.1 – 2.4):**

Dave Quest, MLA<sup>\*</sup>  
Strathcona (PC)

Fred Lindsay, MLA<sup>\*\*</sup>  
Stony Plain (PC)

Dr. Raj Sherman, MLA<sup>\*\*\*</sup>  
Edmonton-Meadowlark (PC)

\*Substitution for Ken Allred on October 6, 2010.

\*\*Substitution for Manmeet Bhullar on June 28, 2010.

\*\*\*Substitution for Dave Rodney on May 12, 2010, and September 8, 2010.

<sup>†</sup>Committee Member from April 14, 2010.

<sup>††</sup>Committee Member to April 14, 2010.

<sup>†††</sup>Committee Member from April 14, 2010.

## 1.0 Introduction

Bill 203, *Municipal Government (Local Access and Franchise Fees) Amendment Act, 2010*, was introduced and received first reading on February 25, 2010. On April 19, 2010, the Bill was referred to the Standing Committee on Community Services, prior to receiving second reading.

As part of the Committee's review of Bill 203, Committee meetings were held on May 12, 2010, June 28, 2010, and October 6, 2010. The sponsor of the Bill, Mr. Kyle Fawcett, gave a presentation on the Bill to the Committee at the May 12, 2010, meeting. In addition, written submissions were solicited from identified stakeholders and members of the public, and public hearings were held on September 8, 2010, in Edmonton. The Committee received 18 written submissions, and six interested parties made oral presentations before the Committee at the public hearings.

## 2.0 Order of Reference

Excerpt from the *Votes and Proceedings of the Legislative Assembly of Alberta*, Monday, April 19, 2010:

On the motion that the following Bill be now read a Second time:

Bill 203 Municipal Government (Local Access and Franchise Fees) Amendment Act, 2010—Mr. Fawcett

A debate followed.

A debate followed on the amendment introduced by Mr. Griffiths, Hon. Member for Battle River-Wainwright, on April 19, 2010, that the motion be amended by deleting all the words after "that" and substituting the following:

Bill 203, Municipal Government (Local Access and Franchise Fees) Amendment Act, 2010, be not now read a Second time but that the subject matter of the Bill be referred to the Standing Committee on Community Services in accordance with Standing Order 74.2., and that the Committee report the Bill back to the Assembly on or before October 28, 2010.

The question being put, the amendment was agreed to.

### 3.0 Recommendations

Pursuant to Standing Order 74.2(1),

When a Bill is referred to a Policy Field Committee after first reading, the committee may conduct public hearings on the subject matter of the Bill and report its observations, opinions and recommendations with respect to the Bill to the Assembly.

The Standing Committee on Community Services recommends to the Assembly that:

1. Bill 203, *Municipal Government (Local Access and Franchise Fees) Amendment Act, 2010*, not proceed.
2. The issue of local access and franchise fees be referred to the Minister of Municipal Affairs to consult with the Alberta Urban Municipalities Association (AUMA) and the Alberta Association of Municipal Districts and Counties (AAMDC) to explore the development of a franchise fee formula that provides consistency and predictability to consumers across the province and that the formula not utilize a variable that factors in commodity prices but that control for setting rates remain within the purview of the municipalities.
3. The Minister of Energy change the appropriate regulations to mandate that municipalities disclose on all utility bills the name of the municipality that is the beneficiary of the fee and that municipalities report revenues generated from franchise and access fees separately from other revenues in their annual financial statements.

## Appendix A: List of Oral Presenters and Written Submitters

The following organizations and individuals made oral and/or written presentations to the Standing Committee on Community Services as part of the Committee's review of Bill 203. Public hearings were held on September 8, 2010, in Edmonton.

### Oral Presentations

NAME	ORGANIZATION
Given, Bill and Perrott, Trenton	City of Grande Prairie
Hunka, Dave and Litzenger, Rob	FortisAlberta Inc.
Mandel, Stephen	City of Edmonton
McGowan, John	Alberta Urban Municipalities Association
Sawyer, Eric and Tobert, Owen	City of Calgary
Truscott, Richard	Canadian Federation of Independent Business

### Written Submissions

NAME	ORGANIZATION
Aldous, Darren	Alberta Urban Municipalities Association
Blake, Melissa	Regional Municipality of Wood Buffalo
Borreson, Kathleen M.	Private Citizen
Bronconnier, Dave	City of Calgary
Carlson, Marian	Town of Cardston
Graham, Ken	Town of Innisfail
Hunka, Dave	FortisAlberta Inc.
Irwin, John	Municipality of Crowsnest Pass
Johnson, Donald W.	Alberta Association of Municipal Districts and Counties
Latouche, Marcel G.	The Institute for Public Sector Accountability
Logan, Dwight	City of Grande Prairie
Mandel, Stephen	City of Edmonton
Nagel, Al	Alberta Federation of Rural Electrification Associations Ltd.
Shields, Martin	City of Brooks
Stol, Melodie	Town of Blackfalds
Taylor, Glenn	Town of Hinton
Truscott, Richard	Canadian Federation of Independent Business
Tuazon, Miriam	Private Citizen





Appendix B: Minority Report  
(Dave Taylor, MLA)

LEGISLATIVE ASSEMBLY  
ALBERTA

**Minority Report: Review of Bill 203**

**From: Dave Taylor, MLA for Calgary-Currie**  
**To: Standing Committee on Community Services**

October 22, 2010

While I am in full agreement with my committee colleagues with the first recommendation – that Bill 203, *Municipal Government (Local Access and Franchise Fees) Amendment Act, 2010* not proceed – I do not agree with the second recommendation (3.2).

The committee heard that many municipalities already choose to use a standard franchise agreement template designed by the Alberta Urban Municipalities Association (AUMA). Therefore, the recommendation that the Minister of Municipal Affairs consult with AUMA and Alberta Association of Municipal Districts and Counties (AAMDC) to explore the development of a franchise fee formula would appear to be a call to fix something that isn't broken. More importantly, municipalities now have the freedom to choose whether or not to use the AUMA template. This choice goes to the heart of the issue under consideration in Bill 203 – the right of municipalities to self-determination in respect of both designing the franchise and local access fee formulae and setting the rates for those fees in accordance with what each municipality determines to be its unique needs and circumstances. Edmonton is not Calgary. Calgary is not Wood Buffalo. Wood Buffalo is not the County of Grande Prairie. Local government is best positioned to design appropriate solutions to local issues. Further, local governments are directly accountable to their local electorates who have the authority and duty to act when they determine their local government is not acting in their interest. Absent clear evidence of corruption or malfeasance on the part of a local government, any attempt by the province to exert any control over these local fees is, in my opinion, an infringement on municipal autonomy.

A handwritten signature in black ink, appearing to read 'Dave Taylor'.

Dave Taylor  
MLA, Calgary-Currie  
Member, Standing Committee on Community Services



Appendix C: Minority Report  
(Kent Hehr, MLA)

LEGISLATIVE ASSEMBLY  
ALBERTA

Minority Report: Review of Bill 203  
To: Standing Committee on Community Services  
From: Kent Hehr, MLA for Calgary-Buffalo

October 25, 2010

In our view, a great deal has changed in the way the cities and provinces provide services to its citizenry. Cities are now the level of government that is often the closest to the citizens and local governments are called upon to provide an incredible array of services. In fact, over the last 20 years cities across Alberta have been asked to provide many more services than they did in the past, but without a commensurate increase in their ability to raise funds through taxation. Further, the ability of municipalities to provide services is made more difficult by the fact that the government of Alberta holds on to as much as 50% of the property taxes paid by Albertans.

Accordingly, in order to fund these services, the municipal government has two revenue sources: property taxes and Local Access and Franchise Fees. Thus, the Local Access and Franchise fees provide an important source of revenue to Alberta's municipalities.

In conclusion, it is our position that recommendation 3.2 goes against the view that cities should be seen as being in charge of their own destiny and have an ability to raise revenue for appropriate projects without interference from the province. The discussion between how cities raise money is between the municipality and the electorate.

A handwritten signature in blue ink, appearing to be 'KH', written over a faint blue line.

Kent Hehr, MLA  
Calgary-Buffalo  
Deputy Chair, Standing Committee on Community Services

**Standing Committee on Community Services**  
October 2010