

## Impact Analysis of MGA Amendments

*This analysis reflects AUMA's preliminary understanding of the May 31, 2016 MGA amendments. The policy impacts are numbered for ease of reference in the event that members wish to contact AUMA with questions. The numbering is not a reflection of priority, importance or impact.*

#	Policy Issue	Existing MGA	Description of Changes Proposed through new Bill	Municipal Impacts and Discussion Points for Consultation Sessions
<b>Governance</b>				
1	Provincial-Municipal Relationship (Preamble)  <b>Bill 21: PAGE 1</b>	There is no preamble in the MGA.  The partnership between the province and municipalities is implied but not explicitly mentioned in the MGA or other legislation.  Roles and responsibilities are not legislated.	<p><b>A preamble will be introduced that describes the role of municipalities in relation to the province.</b></p> <p>The new preamble recognizes that:</p> <ul style="list-style-type: none"> <li>• Alberta's municipalities, governed by democratically elected officials, are established by the Province, and are empowered to provide responsible and accountable local governance in order to create and sustain safe and viable communities;</li> <li>• Alberta's municipalities play an important role in Alberta's economic, environmental and social prosperity today and in the future;</li> <li>• the Government of Alberta recognizes the importance of working together with Alberta's municipalities in a spirit of partnership to co-operatively and collaboratively advance the interests of Albertans generally; and</li> <li>• the Government of Alberta recognizes that Alberta's municipalities have varying interests and capacity levels that require flexible approaches to support local, intermunicipal and regional needs.</li> </ul>	<p><u>Municipal Impacts at a Glance:</u></p> <ul style="list-style-type: none"> <li>• While the inclusion of this information responds to AUMA's call for a relationship to be explicitly stated in the Act, it does not have any real impact and falls short of our request to require the province to undertake mandatory engagement with municipalities on matters than affect them.</li> </ul> <p><u>Key Messages and Questions:</u></p> <p>It is difficult to be accountable for the planning and provision of infrastructure and services when we do not know what the province is considering in terms of its economic, social and environmental policies.</p> <p>Involving municipalities would allow the province to better appreciate the consequences of its policies on municipalities.</p> <p>As well, the lack of engagement creates inefficiencies and makes it challenging to provide services.</p> <ul style="list-style-type: none"> <li>• <i>Q: How will municipalities be engaged in decision-making if the legislation is silent on this?</i></li> </ul>

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2	Provincial Oversight via Ombudsman  <b>Bill 21: PAGES 69, 118-121</b>	Enforcement is at the local level, through the courts, or in some circumstances, by the Minister.	<p><b>The Alberta Ombudsman will be expanded to include municipalities and to respond to complaints about municipalities.</b></p> <ul style="list-style-type: none"> <li>The Ombudsman will receive complaints to assess if municipal actions and decisions are fair and consistent with relevant legislation, policies and procedures (e.g. MGA, their own bylaws or policies).</li> <li>Existing oversight mechanisms (e.g. municipal inspections) will remain in place to address larger concerns regarding municipal governance and operations.</li> <li>The Ombudsman's role will <u>not</u> include:               <ul style="list-style-type: none"> <li>reviewing the quality or outcome of decisions made by council;</li> <li>council disputes; or</li> <li>oversight for local codes of conduct. (Processes for enforcement and sanctions for codes of conduct will be done at the local level and set out in the Code of Conduct Regulation.)</li> </ul> </li> <li>Under the Ombudsman Act, the present jurisdiction of the Alberta Ombudsman involves the decision to refuse or cease to investigate any complaint if:               <ul style="list-style-type: none"> <li>there is another adequate remedy for the complaint;</li> <li>the complainant has had knowledge of any decision or recommendation for more than 12 months before the complaint is received by the Ombudsman; or</li> <li>the Ombudsman thinks the complaint is trivial, frivolous or vexatious or is not made in good faith, or the complainant does not have a sufficient personal interest in the subject-matter of the complainant.</li> </ul> </li> </ul>	<p><u>Municipal Impacts at a Glance:</u></p> <ul style="list-style-type: none"> <li>Municipalities may have to respond to issues raised by the Ombudsman.</li> </ul> <p><u>Key Messages and Questions:</u></p> <p>We understand that the intention is for the Ombudsman to review administrative fairness only. Their role is not to look at the quality of a council decision. However, this may be challenging for the public to differentiate.</p> <ul style="list-style-type: none"> <li><i>Q: How will the Ombudsman screen complaints about municipal decisions that come forward under the banner of administrative fairness but that may have more to do with concerns about the council decision itself?</i></li> </ul>

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3	Municipally Controlled Corporations  <b>Bill 21: PAGES 6-12</b>	Municipalities require the approval of the Minister of Municipal Affairs in order to establish a municipally controlled for-profit corporation	<p><b>Municipalities will be allowed to establish municipally controlled for-profit corporations without specific permission. Requirements regarding the allowable scope of these corporations and the transparency of their formation and operation will be legislated.</b></p> <ul style="list-style-type: none"> <li>• New procedural and consultative requirements will be developed through regulations regarding transparency and accountability.</li> <li>• Controlled corporations that provide utility services outside Alberta will still require Ministerial approval.</li> <li>• The regulations will include provisions about review of corporation proposals and public input before final decisions are made.</li> </ul>	<p><u>Municipal Impacts at a Glance:</u></p> <ul style="list-style-type: none"> <li>• Municipalities will have greater flexibility around controlled corporations, but with increased transparency and accountability requirements.</li> </ul> <p><u>Key Messages and Questions:</u></p> <p>The streamlined process for creating municipally controlled corporations is beneficial as it enables greater flexibility and less onerous requirements for the creation and acquisition of for-profit corporations.</p> <ul style="list-style-type: none"> <li>• <i>Q: Is this an approach that the province will also consider for Regional Services Commissions?</i></li> </ul>

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4	Elected Official Training  <b>Bill 21: PAGES 11-12</b>	The MGA does not require council or administration orientation and training.	<p><b>Municipalities will be required to offer orientation training to elected officials following each municipal election and by-election.</b></p> <ul style="list-style-type: none"> <li>This provision allows for the content and delivery of the training to be defined at the local level. The legislation will require municipalities to offer the training, but will not require that councillors (whether newly elected or returning) actually <u>take</u> the training.</li> <li>Requirements for councillors to undergo the training could be locally required through locally-developed codes of conduct.</li> <li>The following topics must be addressed in orientation training: <ul style="list-style-type: none"> <li>role of municipalities in Alberta;</li> <li>municipal organization and functions;</li> <li>key municipal plans, policies and projects;</li> <li>roles and responsibilities of council and councillors;</li> <li>roles and responsibilities of the chief administrative officer and staff;</li> <li>budgeting and financial administration;</li> <li>public participation;</li> <li>any other topic prescribed by the regulations.</li> </ul> </li> </ul>	<p><u>Municipal Impacts at a Glance:</u></p> <ul style="list-style-type: none"> <li>Municipalities will be required to offer training to elected officials but will be able to determine what is included and how it is delivered.</li> </ul> <p><u>Key Messages and Questions:</u></p> <p>We are pleased with provisions to require the offering of training; however, these new accountabilities will require appropriate resources to support them. It will be important to understand how the province will ensure the appropriate support is in place to help municipalities successfully implement the new measures.</p> <ul style="list-style-type: none"> <li><i>Q: Will Municipal Affairs be helping municipalities to develop content or will it be up to each municipality to determine what is needed?</i></li> </ul>

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5	Impartiality of Appeal Boards  <b>Bill 21: PAGES 45, 71</b>	Municipal councillors and public members sit on municipal appeal boards. Councillors may not form the majority of a Subdivision and Development Appeal Board. The Chair of the Municipal Government Board (MGB) is the Deputy Minister or designate.	<p><b>Municipal councillors will be prohibited from forming the majority of any MGA-referenced municipal appeal board or individual hearing panel.</b></p> <p><b>The chair of the MGB will be appointed by Cabinet and will report directly to the Minister of Municipal Affairs.</b></p> <ul style="list-style-type: none"> <li>This policy decision disallows municipal councillors and public members from forming the majority of members on hearing panels (e.g. Subdivision and Development Appeal Board and Assessment Appeal Boards.).</li> <li>An exception to the maximum proportion of councillors on appeal boards will be made where there is a formally established regional appeal board.</li> <li>Where there is a regional appeal board, there will be a limit of only one councillor per municipality on the appeal board.</li> </ul>	<p><u>Municipal Impacts at a Glance:</u></p> <ul style="list-style-type: none"> <li>Municipalities will need to evaluate the composition of hearing panels so that a majority of members are not municipally elected.</li> <li>Municipalities may also choose to work with other municipalities through a regional appeal panel.</li> </ul> <p><u>Key Messages and Questions:</u></p> <p>Improving the impartiality of appeal boards is a positive goal. However, a couple of questions arise:</p> <ul style="list-style-type: none"> <li><i>Q: How will the SDAB's accountabilities within a given municipality interact with the new ICF to ensure appropriate development on that municipality's boundaries?</i></li> <li><i>Q: How will these new requirements impact municipalities that already have recruitment challenges for their boards?</i></li> </ul>

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6	<p>Municipal Sustainability and Viability</p> <p><b>Bill 21:</b> <b>No change</b></p>	<p>The Municipal Sustainability Strategy focuses on providing capacity building support to municipalities, and on a more proactive and inclusive viability review process to assist municipalities in assessing and making choices about their long-term future sustainability.</p>	<p><b>No new legislative changes.</b></p> <ul style="list-style-type: none"> <li>No changes were made to provision of statutory grants or provincial revenue sharing.</li> <li>Since Bill 20's release in 2015, no further provisions have been made to municipal amalgamations or annexations.</li> </ul>	<p><u>Municipal Impacts at a Glance:</u></p> <ul style="list-style-type: none"> <li>Grants continue to be unpredictable from year to year, and no further taxation tools will be available.</li> <li>Non-contiguous amalgamations will only be allowed for summer villages that share a lake boundary.</li> </ul> <p><u>Key Messages and Questions:</u></p> <p>Additional changes are required that go beyond the scope of Bill 20.</p> <p>A lack of legislated certainty for municipal funding has implications ranging from challenges in providing services, to the inability to budget for infrastructure, which creates asset management issues. It will be important to understand how new expectations around regional cost-sharing and new levy powers can mitigate the uncertainty around revenues and help municipalities deliver the complete communities their citizens expect.</p> <p>Once the development of the amalgamation regulation is underway, further changes will be required to allow non-contiguous amalgamations, a public input process that does not require a plebiscite, and an expedited process for jointly-initiated amalgamations.</p>

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7	<p>Growth Management Boards</p> <p><b>Bill 21: PAGES 102-104</b></p>	<p>The Capital Region Board is the only mandatory growth management board under the MGA. The Calgary Regional Partnership is a voluntary organization that has prepared and adopted the Calgary Metropolitan Plan on a voluntary basis, but the plan only applies to participating municipalities.</p>	<p><b>Growth Management Boards for the Edmonton and Calgary regions will be required, with an expanded mandate to address land use planning, and the planning, delivery, and funding of regional services.</b></p> <ul style="list-style-type: none"> <li>• Other areas outside of the Capital Region Board (CRB) and Calgary Regional Partnership (CRP) will be enabled to come together with voluntary growth management boards, under approval from the Lieutenant Governor in Council.</li> <li>• The regulations will provide more details as to who will be on the Boards, and what services will be included (i.e. the scope of the mandate).</li> <li>• Growth management boards will need to develop their own dispute resolution process.</li> <li>• Areas within a growth management board will not need to complete an Intermunicipal Collaboration Framework (see issue #8 below).</li> </ul>	<p><u>Municipal Impacts at a Glance:</u></p> <ul style="list-style-type: none"> <li>• Municipalities within both the CRB and CRP will have additional rules, including who will be on the Boards, as well as the services that must be included such as land use planning, and the delivery and funding of regional services.</li> </ul> <p><u>Key Messages and Questions:</u></p> <p>It is possible that additional growth management boards could arise, depending on the requirements of Intermunicipal Collaboration Frameworks (ICFs).</p> <ul style="list-style-type: none"> <li>• <i>Q: What services will be included in growth management boards as compared to within regional ICFs? How will the dispute resolution processes compare?</i></li> <li>• <i>Q: What resources will be provided to assist other regions in developing new growth management boards?</i></li> </ul>

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8	Intermunicipal Collaboration  <b>Bill 21: PAGES 73, 105-115</b>	Cooperation between neighbouring municipalities is voluntary, with substantial variation across the province.	<p><b>The duty of a councillor has been expanded to include working collaboratively with other municipalities.</b></p> <p><b>Mandatory intermunicipal mechanisms will be implemented for regional land-use planning needs, and for the planning, delivery, and funding of regional services.</b></p> <p><b>All municipalities outside of the growth management board areas must adopt an Intermunicipal Collaboration Framework (ICF) within 3 years. The ICF will include an IDP with all municipalities with which they share a boundary. These frameworks can be individual agreements or regional agreements.</b></p> <ul style="list-style-type: none"> <li>The new ICF must be completed within three years from when the bill comes into force. This translates to a requirement to submit the ICF within two years, and if an ICF cannot be agreed to by then, another year will be allowed for resolution through third party arbitration (with an option to use mediation). The ICF must be completed by the end of year three.</li> <li>The arbitrator can be chosen by municipalities, or if they cannot agree, the Minister will appoint one. The arbitration costs must be paid by the municipalities. There will be a requirement to review the ICF every five years.</li> <li>There must be a clause in the ICF that sets out the dispute resolution process for issues that arise within the life of the agreement. This process will be up to municipalities to agree upon and will not be prescribed by the province. If one party wants to terminate or if there is a problem at time of five year review and renewal, it will go to third party arbitration.</li> <li>As part of hierarchy of plans, the ICF will be referring to IDPs (i.e. there will not be a new type of plan created.) ICFs will only need to be created between municipalities that share boundaries. ICFs will not be required for non-adjacent municipalities that share services.</li> <li>The ICF will not apply to First Nations' lands. The ability to develop agreements will be provided, but it will not be a requirement.</li> </ul>	<p><u>Municipal Impacts at a Glance:</u></p> <ul style="list-style-type: none"> <li>By 2019, every municipality must develop an ICF. ICFs could include cost-sharing for a wide range of services – including as a means of equitably distributing the costs of policing – and land use planning.</li> </ul> <p><u>Key Messages and Questions:</u></p> <p>Mandatory collaboration agreements are key for ensuring positive regional outcomes.</p> <p>The legislation requires alignment between ICFs, IDPs and MDPs, but the required timelines for completing each plan do not support alignment.</p> <p>A possible solution is to stage the plans so that ICFs are completed within two to three years, IDPs within four years and MDPs within five years. This would put the priority where it belongs – on getting the collaborative mechanisms right.</p> <p>ICFs are agreements between neighbouring municipalities; they exclude municipalities that share services but do not directly share a boundary.</p> <ul style="list-style-type: none"> <li><i>Q: In order for this to be successful, how will municipalities account for shared services from those municipalities that are not direct neighbours?</i></li> <li><i>Q: How will the province help municipalities with transitioning to the new ICFs?</i></li> </ul>

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<b>Planning</b>				
9	Affordable Housing (Inclusionary Zoning)  <b>Bill 21: PAGE 101</b>	The legislation is silent on affordable housing initiatives and provides municipalities with limited powers to require affordable housing.	<p><b>The new legislation will enable inclusionary zoning as an optional matter within municipal land use bylaws.</b></p> <ul style="list-style-type: none"> <li>• Inclusionary zoning will help to facilitate development of affordable housing.</li> <li>• Municipalities will be allowed to implement inclusionary zoning at the time of subdivision or development permits application stage.</li> <li>• Offsets to developers will be required to help reduce the impact on builders and on housing prices.</li> <li>• Inclusionary zoning will not impact the 10% municipal reserve.</li> <li>• There will be a linkage between inclusionary zoning and the growth management boards, as affordable housing will be considered a regional service. For municipalities outside of growth management boards, affordable housing may also fit within the scope of intermunicipal collaboration frameworks.</li> <li>• Details regarding the offsets will be developed in the regulations.</li> </ul>	<p><u>Municipal Impacts at a Glance:</u></p> <ul style="list-style-type: none"> <li>• Municipalities will be able to use inclusionary zoning at the time of subdivision or development permits application stage.</li> <li>• Offsets will need to be paid to developers to reduce the impact.</li> </ul> <p><u>Key Messages and Questions:</u></p> <ul style="list-style-type: none"> <li>• The clear ability to mandate inclusionary zoning is consistent with AUMA's interests. However, it will be crucial to have a better understanding, through the regulatory review, of how the required offsets for developers will be determined so that the possible benefits derived from this tool can better enable the provision of affordable housing in our communities.</li> <li>• <i>Q: How will the province contribute to ensuring that municipalities have the resources to utilize inclusionary zoning?</i></li> <li>• <i>Q: How will the offsets be calculated, and will municipalities and developers know what the offset will be before they begin the inclusionary zoning process?</i></li> <li>• <i>Q: How will the offsets be calculated or determined, and who will resolve any disputes regarding the offsets?</i></li> </ul>

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10	Municipal Development Plans  <b>Bill 21: PAGE 74</b>	Municipal Development Plans (MDPs) are mandatory for municipalities with a population threshold of 3,500 or greater.	<p><b>All municipalities, regardless of population size, will be required to create an MDP.</b></p> <ul style="list-style-type: none"> <li>Municipalities will be given three years from when the bill comes into force to have an MDP in place.</li> <li>There will be no change in content for current MDPs.</li> </ul>	<p><u>Municipal Impacts at a Glance:</u></p> <ul style="list-style-type: none"> <li>All municipalities will need an MDP by 2020.</li> </ul> <p><u>Key Messages and Questions:</u></p> <p>The legislation requires alignment between ICFs, IDPs and MDPs, but the required timelines for completing each plan do not support alignment.</p> <p>A possible solution is to stage the plans so that ICFs are completed within two to three years, IDPs within four years and MDPs within five years. This would put the priority where it belongs – on getting the collaborative mechanisms right.</p> <p>Roughly 200 municipalities will be developing their first MDP in the next three years. In some of these municipalities, there could be some resourcing and capacity constraints in developing the new plans.</p> <p>New accountabilities require appropriate resources to support them. It will be important to understand how the province will ensure the appropriate support is in place to help municipalities successfully implement the new measures.</p> <ul style="list-style-type: none"> <li><i>Q: What resources will be provided to help those municipalities that presently do not have MDPs to develop these plans?</i></li> </ul>

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11	Incenting Brownfield Development (Tax Tools)  <b>Bill 21: PAGES 39-41</b>	Municipalities confirm annually any cancelation, deferral or reduction to the municipal taxes of a property through the annual passing of their property tax bylaw.	<p><b>Municipal councils will be allowed to provide conditional multi-year property tax cancellations, deferrals, or reductions for multiple years to identify and promote redevelopment of brownfield properties.</b></p> <ul style="list-style-type: none"> <li>This provision will allow municipalities to encourage redevelopment by providing property tax cancellations, deferrals or reductions for multiple years for brownfield redevelopment.</li> <li>It is still unclear if and how the provincial government will provide compensation to municipalities for the foregone property tax revenue from the brownfield sites.</li> </ul>	<p><u>Municipal Impacts at a Glance:</u></p> <ul style="list-style-type: none"> <li>Municipalities will be able to provide property tax cancellations, deferrals or reductions for multiple years for brownfield redevelopment.</li> </ul> <p><u>Key Messages and Questions:</u></p> <p>Tax incentives are an important tool in creating solutions for brownfield issues.</p> <ul style="list-style-type: none"> <li><i>Q: Is there any intention of using a provincial fund to help support this important policy initiative?</i></li> </ul>

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12	Conservation Reserve and Environmental Reserve  <b>Bill 21: PAGE 87-92</b>	The MGA identifies lands to consider for Environmental Reserve (ER) to prevent pollution and/or provide public access to water. In practice, Environmental Reserve is typically used for land that is not suitable for development.	<p><b>Definitions and purpose of Environmental Reserve (ER) land will be clarified that it is intended for land unsuitable for development. Municipalities will be enabled to have flexibility to determine ER earlier in the planning process.</b></p> <p><b>Municipalities will be able to require dedication of land under a new type of reserve, "conservation reserve", to protect environmentally significant features and conservation interests, provided that municipalities provide appropriate compensation to the landowner.</b></p> <ul style="list-style-type: none"> <li>• Conservation Reserves will provide municipalities with broader authority to protect nature through the land development process, and will allow for municipalities to be responsible environmental stewards and effectively protect other sensitive or high-value ecological areas from development (e.g. tree stands, wildlife habitat, and wetlands).</li> <li>• Conservation Reserves will be treated the same way as ER, in that it will be subtracted from the total land, before the formula for reserves is applied.</li> <li>• There is no ability to dispose or repurpose the use of the land, once land is designated as Conservation Reserve.</li> <li>• The legislation will be addressing issues relating to the definition of a "body of water".</li> </ul>	<p><u>Municipal Impacts at a Glance:</u></p> <ul style="list-style-type: none"> <li>• Municipalities can dedicate land as a conservation reserve in order to protect environmental features.</li> <li>• Land that is dedicated as a conservation reserve will require that the municipality compensate the landowner.</li> </ul> <p><u>Key Messages and Questions:</u></p> <p>Conservation reserves may be an effective tool for municipalities to protect nature. In order to be a successful tool, there will need to be a clear process for working with landowners.</p> <ul style="list-style-type: none"> <li>• <i>Q: How will compensation of landowners be determined?</i></li> <li>• <i>Q: What dispute resolution will be in place for landowner and municipality disputes?</i></li> <li>• <i>Q: What dispute resolution mechanism will be in place to resolve disagreements between the municipal planning authority and the developer with respect to the reserve boundaries?</i></li> </ul>

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13	Transparency of Non-statutory Planning Documents  <b>Bill 21: PAGE 75</b>	The MGA has no requirement that municipalities publish or identify how their non-statutory plans related to one-another.	<p><b>Municipalities will be required to increase transparency around planning documentation.</b></p> <ul style="list-style-type: none"> <li>This provision includes the requirement for municipalities who adopt or utilize any non-statutory planning documents to list and publish "all non-statutory planning documents" and describe how they relate to one another and to the municipality's statutory plans.</li> <li>The description of the relationship between non-statutory documents is not set out in the legislation.</li> </ul>	<p><u>Municipal Impacts at a Glance:</u></p> <ul style="list-style-type: none"> <li>Municipalities will need to take an inventory of all their plans (statutory and non-statutory), evaluate their inter-relationships, and make this inter-relationship public.</li> </ul> <p><u>Key Messages and Questions:</u></p> <p>Any new accountabilities such as these will require appropriate resources to support them. It will be important to understand how the province will ensure the appropriate support is in place to help municipalities successfully implement the new measures.</p> <p>It is unclear the manner in which municipalities will be required to publish all non-statutory planning documents.</p> <ul style="list-style-type: none"> <li><i>Q: Will all municipalities be required to have websites in place to publish the documents, or will municipalities be able to customize approaches to local needs?</i></li> </ul>

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14	Decision-Making Timelines for Development Permits  <b>Bill 21:            PAGES 83-86</b>	The MGA specifies the timelines for issuing decisions and lodging appeals for subdivision and development applications.	<p><b>Municipalities will be able to revise a development application to ensure all necessary documentation has been submitted, and for applicants to provide supplemental documents to complete an application.</b></p> <p><b>Cities or specialized municipalities will be able to create bylaws to set their own timelines for when an application must be complete, and when an application decision must be made.</b></p> <ul style="list-style-type: none"> <li>This provision allows all municipalities to have an additional 20 days to determine completeness of subdivision and development applications.</li> <li>Existing decision-making timelines for most municipalities will be maintained; however, cities and specified specialized municipalities (those with large urban centres) will have the option to adopt their own decision timelines by way of bylaw.</li> </ul>	<p><u>Municipal Impacts at a Glance:</u></p> <ul style="list-style-type: none"> <li>Municipalities will have additional time to ensure an application is complete before reviewing a development application and issuing a development permit.</li> </ul> <p><u>Key Messages and Questions:</u></p> <p>An important component of land use planning is ensuring that applications are complete with all necessary documentation available to make an informed decision.</p> <p>More flexibility in ensuring documentation has been received and evaluating applications would help in dealing with backlogs due to a high number of applications.</p> <ul style="list-style-type: none"> <li><i>Q: Will municipalities have the flexibility to temporarily increase timeframes if they are experiencing a backlog of applications?</i></li> </ul>

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#	Policy Issue	Existing MGA	Description of Changes Proposed through new Bill	Municipal Impacts and Discussion Points for Consultation Sessions
15	Land Use Policies  <b>Bill 21: PAGE 71</b>	Any MGA land use policies currently in effect will cease to apply, and any land use policies created in the future under the MGA will not apply, in any region that adopts an Alberta Land Stewardship Act (ALSA) regional plan.	<p><b>Current MGA land use policies will continue to be phased out of force as new regional plans under the ALSA come into force. The MGA will be amended to provide the Minister with authority, through regulation, to create land use policies for municipal planning matters that are not included in a regional plan under the ALSA.</b></p> <ul style="list-style-type: none"> <li>This provision appears to be a continuation of existing provisions that were changed by ALSA.</li> <li>Any regulation subsequently developed under the Minister's new authority would be developed in consultation with stakeholders.</li> </ul>	<p><u>Municipal Impacts at a Glance:</u></p> <ul style="list-style-type: none"> <li>No impact at this time.</li> </ul> <p><u>Key Messages and Questions:</u></p> <p>We understand that any regulation developed under this authority would be made in consultation with stakeholders.</p> <ul style="list-style-type: none"> <li><i>Q: What types of land use policies are being considered under this plan, and how will the Minister incorporate the new Intermunicipal Collaboration Frameworks into any land use policies?</i></li> </ul>
<b>Assessment and Taxation</b>				

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16	Linking Residential and Non-residential tax rates  <b>Bill 21: PAGE 37</b>	Municipalities are free to set non-residential and residential tax rates independent of one another.	<p><b>The MGA will be amended to establish a ratio of 5:1 between residential and non-residential property tax rates. Municipalities with ratios that exceed the 5:1 maximum ratio will be grandfathered, but will only be allowed to increase any tax rates above the ratio if they increase their tax rates below the ratio by the same percentage.</b></p> <ul style="list-style-type: none"> <li>The grandfathering provisions for those municipalities that exceed the maximum ratios will not expire. This could create an imbalance between municipalities and a disincentive for those municipalities that exceed the 5:1 maximum to reduce their ratio.</li> <li>Last year, less than 20 Alberta municipalities had a ratio that exceeded the 5:1 maximum, and most of these municipalities are rural.</li> <li>Specialized municipalities will also need to apply the 5:1 maximum ratio, where the highest non-residential and lowest residential rates will be considered together (not as separate urban and rural ratios).</li> <li>Farm land is not considered as part of this linkage.</li> <li>The maximum tax rate ratio of 5:1 was deemed to have come into force on reading of the bill (section 55), so municipalities are no longer able to increase their ratios.</li> </ul>	<p><u>Municipal Impacts at a Glance:</u></p> <ul style="list-style-type: none"> <li>Going forward, municipalities will be limited in the differentials between their residential and non-residential tax rates. The highest non-residential tax rate will not be allowed to be more than five times higher than the lowest tax rate.</li> <li>Most municipalities will not be directly impacted by this change.</li> <li>Municipalities that have an existing rate that is more than 5:1 will be grandfathered in.</li> </ul> <p><u>Key Messages and Questions:</u></p> <p>The grandfathering of link rates could create an imbalance between municipalities in terms of their overall fiscal capacity and ability to generate revenue from non-residential property tax.</p> <ul style="list-style-type: none"> <li><i>Q: Will the province look at transitioning out the grandfathering clause in the future?</i></li> </ul>

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#	Policy Issue	Existing MGA	Description of Changes Proposed through new Bill	Municipal Impacts and Discussion Points for Consultation Sessions
17	Splitting the non-residential property classes  <b>Bill 21: PAGES 37-38</b>	Municipalities do not have the authority to split the improved non-residential property assessment class into sub-classes in order to levy different tax rates against different types of improved non-residential property.	<p><b>The MGA will allow the non-residential class to be split into subclasses and taxed at different rates as defined in the regulation. These tax rates must comply with the maximum link of 5:1 (i.e. the highest non-residential rate cannot be more than 5:1 of lowest tax rate.)</b></p> <ul style="list-style-type: none"> <li>This provision will allow municipalities to split non-residential property into assessment and taxation sub-classes other than "vacant" or "improved".</li> <li>Some types of non-residential property exert higher costs on municipalities, so having separate assessment and taxation subclasses will allow municipalities to recoup these costs.</li> <li>Categories for sub-classing will be done in regulation. There is currently no direction on the types of classes, or how many classes will be included.</li> </ul>	<p><u>Municipal Impacts at a Glance:</u></p> <ul style="list-style-type: none"> <li>Municipalities will be allowed to split the non-residential class into subclasses.</li> <li>This may allow for different rates for small businesses compared to large industrial commercial.</li> </ul> <p><u>Key Messages and Questions:</u></p> <p>Providing the ability for municipalities to split the non-residential tax rate will be beneficial for municipalities. Creating subclasses will enable municipalities to incent beneficial development by creating lower subclasses for development they want to attract.</p> <ul style="list-style-type: none"> <li><i>Q: As each municipality has unique needs and local economic development priorities, will the province provide the authority for municipalities to determine their own sub-classes?</i></li> </ul>

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#	Policy Issue	Existing MGA	Description of Changes Proposed through new Bill	Municipal Impacts and Discussion Points for Consultation Sessions
18	Centralization of Industrial Assessment  <b>Bill 21: PAGES 20-36</b>	The application of definitions and valuation methodologies are varied due to the complex nature of regulated industrial properties. Assessment of these properties is currently separated between municipalities and the province.	<p><b>Assessment of all designated industrial property will be centralized within Municipal Affairs. Costs associated with the centralized assessment of industrial property will be recovered from designated industrial property owners.</b></p> <p><b>Supplementary assessment on linear properties will be allowed and a standard assessment condition date of October 21 annually will be established for designated industrial properties.</b></p> <ul style="list-style-type: none"> <li>Designated industrial property will include linear properties, railway, electric power generation, and major plants (including lands, building and structures, and machinery and equipment (M&amp;E) relating to major plants). It will not include light industrial warehouses or facilities that could be converted to another application.</li> <li>The province will allow municipalities three years to make the transition. Staffing will be an implication as municipalities may no longer hire their own industrial assessors.</li> <li>All appeals related to designated-industrial property will be heard by the Municipal Government Board.</li> <li>Also of note, there will not be any changes to make M&amp;E and linear property more consistent. (In other words, there is no change to M&amp;E's accelerated depreciation, exemption from paying education property tax, or the reduced statutory level of 77 per cent assessment).</li> </ul>	<p><u>Municipal Impacts at a Glance:</u></p> <ul style="list-style-type: none"> <li>By 2020, assessment for designated industrial properties will be done by Alberta Municipal Affairs.</li> <li>Assessment for other types of light industrial properties will remain the responsibility of the municipality.</li> </ul> <p><u>Key Messages and Questions:</u></p> <p>The centralization of industrial assessment within Municipal Affairs provides additional consistency. However, it also means that the same body will develop policies and implement them. This has the potential to allow special interest groups to lobby the government for changes that could impact assessments.</p> <ul style="list-style-type: none"> <li><i>Q: How will the province ensure that municipalities have appropriate oversight to ensure that the assessment policies and implementation are not influenced by property owners?</i></li> </ul> <p>Challenges with industrial assessments are also impacted by a lack of clarification in the current legislation, out of date guidelines (e.g., depreciation tables were developed 1984), and lack of on-going training for assessors.</p> <ul style="list-style-type: none"> <li><i>Q: How will the province ensure that a centralized authority addresses these concerns?</i></li> </ul>

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#	Policy Issue	Existing MGA	Description of Changes Proposed through new Bill	Municipal Impacts and Discussion Points for Consultation Sessions
19	Assessment of Farm Buildings  <b>Future regulation change</b>	In rural municipalities, farm buildings are fully exempt from assessment, while in urban municipalities, they are assessed at 50 per cent of their market value for agricultural use.	<p><b>All farm buildings will be exempt from assessment.</b></p> <ul style="list-style-type: none"> <li>• This means that farm buildings in urban areas (e.g. greenhouses) will not be assessed or charged municipal property tax or education property tax.</li> <li>• Farm buildings include any improvement other than a residence that is used for farming operations (the raising, production and sale of agricultural products).</li> <li>• Further work is underway to determine how intensive agricultural operations may be taxed.</li> <li>• No changes to other farm exemptions are being contemplated.</li> </ul>	<p><u>Municipal Impacts at a Glance:</u></p> <ul style="list-style-type: none"> <li>• No farm buildings will be assessed or charged municipal property tax or education property tax, (regardless of whether in an urban or rural municipality).</li> </ul> <p><u>Key Messages and Questions:</u></p> <p>Exempting farm buildings from assessment means that municipalities will not be compensated for the services that the operation utilizes (e.g. roads, sewer, water, etc.). This may create a disincentive for municipalities to zone land for agricultural uses.</p>

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#	Policy Issue	Existing MGA	Description of Changes Proposed through new Bill	Municipal Impacts and Discussion Points for Consultation Sessions
20	Offsite Levies  <b>Bill 21: PAGES 78-80</b>	Offsite levies can be used for sanitary sewer, storm sewer, roads, and water infrastructure in new developments.	<p><b>The scope of offsite levies will be expanded to community recreation facilities, fire halls, police stations and libraries, where at least 30% of the benefit of the facility accrues to the new development in a defined benefitting area.</b></p> <p><b>Where this threshold is met, developers will contribute costs based on proportional benefit.</b></p> <p><b>A dispute resolution mechanism will be created and available to deal with any disputes around offsite levies.</b></p> <ul style="list-style-type: none"> <li>This provision broadens the scope of offsite levies, but creates a threshold where 30% of the benefit of the facility must accrue to the new development in a defined benefitting area.</li> <li>The 30% clause only applies to the new services that have been added (recreation, fire, police and libraries).</li> <li>The 30% provision does not impact those areas covered within the existing scope of offsite levy services (i.e. no changes to offsite levies relating to water service, sanitary sewage, storm sewer drainage, or roads required for the subdivision or development).</li> <li>It is unclear how the "defined benefitting area" will be determined. Appeals of the overall bylaw must be made within a relatively short time period after bylaw is passed.</li> <li>Processes for appeals relating to a specific development, and methodology for the calculation of the 30% will be set out in the regulation, which will be developed in consultation with municipalities and other stakeholders.</li> <li>There are no new provisions for re-collecting levies following significant redevelopment or re-negotiating additional levies with developers.</li> </ul>	<p><u>Municipal Impacts at a Glance:</u></p> <ul style="list-style-type: none"> <li>Municipalities will be able to charge offsite levies for some soft services, if at least 30% of the benefit of the facility accrues to the new development.</li> </ul> <p><u>Key Messages and Questions:</u></p> <p>Broadening the scope of offsite levies is an important and positive step, and is aligned with AUMA's advocacy positions. However, the 30% clause may make the new levies challenging to implement and could create a significant administrative burden to prove this threshold of benefit. Clear regulations will help ensure the potential benefits of a broadened scope can be realized.</p> <ul style="list-style-type: none"> <li><i>Q: How will municipalities be able to implement these offsite levies?</i></li> </ul> <p>Redevelopment levies are a critical element for municipalities. However, as most offsite levies can only be collected once, the costs of infrastructure upgrades often fall to the municipality.</p> <ul style="list-style-type: none"> <li><i>Q: In order to promote wise land use, will the province look at extending the provisions for redevelopment levies so that municipalities can renew their infrastructure and fund their growth within existing boundaries?</i></li> </ul>

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#	Policy Issue	Existing MGA	Description of Changes Proposed through new Bill	Municipal Impacts and Discussion Points for Consultation Sessions
21	Sharing of Linear Assessment and Taxation  <b>Bill 21: No change</b>	Tax revenues from linear assessment flow to the municipalities in which the property is located.	<p><b>Linear taxes will continue to be collected and accrue to the municipality in which the property is located.</b></p> <ul style="list-style-type: none"> <li>While linear taxes are not explicitly distributed, the intermunicipal collaboration frameworks, which are intended to ensure shared planning, service delivery and funding, will be an avenue to consider all revenue streams, including linear tax, that are needed to achieve regional outcomes.</li> </ul>	<p><u>Municipal Impacts at a Glance:</u></p> <ul style="list-style-type: none"> <li>Municipalities will consider linear revenue in the development of Intermunicipal Collaborative Frameworks.</li> </ul> <p><u>Key Messages and Questions:</u></p> <p>AUMA has been very vocal about the need to create a method to enhance equity in aligned costs of services and infrastructure with municipal revenues. The province has decided to maintain the current system of linear revenue collection; however, it will be important to consider all revenue streams, including linear tax, in order to ensure the intended outcomes of ICFs can be achieved.</p>

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22	Assessment of Farmland Intended for Development  <b>Future regulation change</b>	Farmland is assessed and taxed annually at its agricultural use value until the year in which it is converted to a non-farm use.	<p><b>Farm land will be assessed at market value, once the land is no longer used for farming operations.</b></p> <ul style="list-style-type: none"> <li>The definition of farming operations will be updated through regulation to include the triggers that indicate when land is no longer farmed. The province has indicated that it does not want to create a disincentive for farming the land.</li> <li>Municipalities will be able to do supplementary assessment once triggers are hit. Triggers will be defined in the regulation and could include scraping top soil, zoning, etc.</li> </ul>	<p><u>Municipal Impacts at a Glance:</u></p> <ul style="list-style-type: none"> <li>Municipalities may benefit from being able to assess farmland at market value, once triggers are met and the land is no longer being used as farmland.</li> </ul> <p><u>Key Messages and Questions:</u></p> <p>The challenge with having farmland within an urban municipality is that it is often being held speculatively, and not being utilized to its full value or even to its highest agricultural potential.</p> <p>This provision has the potential to curtail cases where developers are not truly farming the land, but benefitting from farm assessments.</p>

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#	Policy Issue	Existing MGA	Description of Changes Proposed through new Bill	Municipal Impacts and Discussion Points for Consultation Sessions
23	<p>Access to Assessment Information for Assessors and Property Owners</p> <p><b>Bill 21: PAGE 52</b></p>	<p>The MGA outlines requirements for sharing of assessment information, but stakeholders have indicated that the MGA provisions are not sufficiently clear in some cases.</p>	<p><b>The information-sharing requirements for both assessors and property owners will be clarified. This will be done without increasing scope, but instead by enhancing regulation making authority.</b></p> <ul style="list-style-type: none"> <li>Assessors will be able to request information to fulfill their duties and responsibilities, and property owners will be able to request information sufficient to determine how their assessment was prepared.</li> <li>Assessment Review Boards will be able to go in-camera and seal evidence to protect confidentiality.</li> <li>There will be a "best practices guide" for property owners and assessors.</li> </ul>	<p><u>Municipal Impacts at a Glance:</u></p> <ul style="list-style-type: none"> <li>Municipalities will be required to provide information to property owners about how their assessments were prepared.</li> <li>Municipal assessors will be able to request additional information from property owners.</li> </ul> <p><u>Key Messages and Questions:</u></p> <p>Openness and transparency are core themes of an effective assessment and taxation system. That said, additional information requests from the public and businesses could increase the administrative burden on municipalities to provide information in a timely manner.</p> <ul style="list-style-type: none"> <li><i>Q. How will a balance be struck in the exchange of information to ensure both a transparent and efficient system?</i></li> <li><i>Q: Will the province provide flexibility in timing to ensure that administration of the assessment system is not unduly impacted?</i></li> </ul>

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#	Policy Issue	Existing MGA	Description of Changes Proposed through new Bill	Municipal Impacts and Discussion Points for Consultation Sessions
24	Assessment Complaints  <b>Bill 21: PAGES 49-54</b>	Local Assessment Review Boards hear business tax and business improvement area levy complaints.  The assessor may not make corrections to an assessment under complaint. An assessed person must seek leave to appeal, and then an appeal must proceed before the case can be judicially reviewed.	<p><b>Composite Assessment Review Boards will be able hear business tax complaints and business improvement area levy complaints.</b></p> <p><b>The assessor will be able to make corrections to an assessment that is under complaint without the Assessment Review Board's ratification of withdrawal of the complaint.</b></p> <ul style="list-style-type: none"> <li>• ARB decisions will be able to be appealed at the Court of Queen's Bench by judicial review only, and it removes the step of Leave to Appeal.</li> <li>• There will be no changes in terms of reducing time periods for complaints.</li> </ul>	<p><u>Municipal Impacts at a Glance:</u></p> <ul style="list-style-type: none"> <li>• Municipalities will be able to take tax and business improvement area levy complaints to Composite Assessment Review Boards.</li> <li>• Corrections can be made to an assessment under complaint.</li> </ul> <p><u>Key Messages and Questions:</u></p> <p>The province's rationale for removing the Leave to Appeal step was increasing efficiency in the appeals process.</p> <p>However, there are also concerns that additional hearings going through the courts could potentially lead to increased costs for municipalities, and additional court decisions that could impact the way the MGA is interpreted.</p>

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25	<p>Municipal Taxation Powers</p> <p><b>Bill 21:</b> <b>No changes</b></p>	<p>Municipal taxation powers are: property tax, business tax, special tax, well-drilling equipment tax, business revitalization zone tax, local improvement tax, as well as fees and levies.</p> <p>The sharing of provincial revenues with municipalities is non-legislated, and is administered through the grants model.</p>	<p><b>No legislative change.</b></p> <ul style="list-style-type: none"> <li>• AUMA has advocated for changes to municipal taxation powers, including recommendations to: <ul style="list-style-type: none"> <li>- include core grants as statutory and indexed to increase financial certainty for municipalities; and</li> <li>- provide municipalities a greater ability to set levies and taxes.</li> </ul> </li> </ul>	<p><u>Municipal Impacts at a Glance:</u></p> <ul style="list-style-type: none"> <li>• A lack of new revenue streams will mean that municipalities will continue to be reliant on existing local revenues and unpredictable provincial grants.</li> </ul> <p><u>Key Messages and Questions:</u></p> <p>A lack of legislated certainty for municipal funding has implications ranging from challenges in providing services, to the inability to budget for infrastructure, which creates asset management issues. It will be important to understand how new expectations around regional cost-sharing and new levy powers can mitigate the uncertainty around revenues and help municipalities deliver the complete communities their citizens expect.</p> <ul style="list-style-type: none"> <li>• <i>Q: Will the province revisit taxation powers through regional frameworks such as growth management boards and intermunicipal collaboration frameworks?</i></li> </ul>