

Municipal Government Act Review

What We Heard: A Summary of Consultation Input

Business and Industry Session
Held in Edmonton on February 6, 2014

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Developed by KPMG for Alberta Municipal Affairs



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Introduction

Purpose

This document provides a summary of what was heard during a consultation session for the *Municipal Government Act* (MGA) review. The summary below includes the comments and opinions of the participants of the Business and Industry Session held in Edmonton.

These contributions have not been reviewed or edited for accuracy. Comments recorded here reflect the opinions of individuals offered in person and recorded by session facilitators; they do not necessarily represent the opinion of the Government of Alberta.

The input summarized below will be considered by Alberta Municipal Affairs as part of the review of the legislation. Municipal Affairs would like to thank the participants of this session, as well as all Albertans participating in the review of the MGA. Any inquiries related to this summary or to the consultation process should be directed by email to the MGA Review Team at mga.review@gov.ab.ca.

The Municipal Government Act Review

The MGA is designed to help build strong, prosperous and sustainable communities throughout Alberta. Alberta Municipal Affairs is reviewing and refreshing the MGA to address evolving circumstances and priorities in Alberta's many communities, and to ensure the MGA continues to meet its objective. A successful MGA review process will continue to position Alberta as the leading Canadian jurisdiction in terms of municipal legislation, having incorporated sound thinking, input and research into a clear Act that meets the needs of the Province and municipalities. In order to achieve this vision, an inclusive and comprehensive engagement process was developed to ensure stakeholders across the province have opportunities to provide input to the review.

As part of the MGA review, regional consultations were held in eleven locations around the province to give Albertans an opportunity to provide input face-to-face. In each location, different types of sessions were held, including Technical Sessions, a Business and Industry Session, a Municipal Administrators Session, an Elected Officials Session, and a Public Open House.

These engagements were conducted in February 2014 to April 2014 in 11 locations throughout the province. Each location was held over 3 days in the following locations:

- Brooks
- Calgary
- Edmonton
- Edson
- Fort McMurray
- Grande Prairie
- Lethbridge
- Medicine Hat
- Peace River
- Red Deer
- Vermilion

Sessions were promoted via news releases, direct email invitations, social media, and by the Minister of Municipal Affairs at stakeholder conventions. Information on regional session locations, dates and registration were on the MGA Review website.

Input to the MGA Review has also been provided through other channels, including the MGA Review website (mgareview.alberta.ca), the MGA Review Consultation Workbook, and official submissions.

Session Overview

Session	Business and Industry Session
Location	Delta Edmonton South Hotel and Conference Centre, Edmonton
Date	February 6, 2014
Number of Participants	49

- This session was open to anyone who wished to attend. Participants were asked to register in advance in order to receive background materials before the session.

Regional Consultation Methodology

How sessions were organized

Regional consultations were structured around one or more of the three themes of the MGA Review:

- Governance and Administration
- Assessment and Taxation
- Planning and Development

Participants were provided with agendas in advance, which identified a list of potential topics for discussion. These topics were taken directly from the MGA Review Consultation Workbook. Several of the topics for discussion appear under more than one of the three themes of the review because they are relevant to more than one theme (e.g. public participation). The agenda is attached as Appendix A.

At this session, participants provided input through facilitated table discussions. The goal of the facilitated conversations was to give the opportunity to all participants to discuss the issues that mattered most to them. Given the large size and scope of the MGA, participants at each table were asked to focus their discussion on those topics that they felt were most important to provide input on, using the list provided in advance. In addition, this session included time for “open discussion” during which participants could provide any additional input that they felt was important to the review. Table facilitators and note takers included staff from Municipal Affairs, KPMG and ADR Education.

Capturing input and reporting

Input from session participants was captured on flipcharts by facilitators during the discussion. It was explained to participants that:

- Comments were being recorded on flipcharts so that they could be captured and considered by Municipal Affairs as part of the review of the MGA.
- Comments would not be attributed to individuals or organizations.
- Other avenues were also available to provide written input to the review.

The summary below documents the input heard from participants and recorded on flipcharts. These comments have been transcribed and organized according to the list of topics for discussion; they have not been screened for accuracy and do not reflect consensus of participants. As a result, comments and opinions listed may be contradictory. Comments that apply to issues outside of the scope of the review (e.g., suggested changes to other legislation) have been removed.

It is important to emphasize that this summary reflects the input heard from participants, and does not necessarily reflect the position of the Government of Alberta.

How the Summary of Responses is Organized

Input from session participants is organized according to the three themes for the review:

- *Governance and Administration*
- *Assessment and Taxation*
- *Planning and Development*

Within these themes, comments are organized according to the applicable topics for discussion, using the list provided to participants in advance. In some sessions, not all themes may have been discussed.

Summary of Input

General Comments about the MGA

The following input was received and documented related to the MGA in general.

Comments from participants included that:

- The MGA needs to include the “what,” meaning it should provide principles and direction. Detailed provisions, the “how” will change over time.
 - The MGA should drive consistent application. This may mean more specific provisions in the MGA.
- There could be a trade-off around principles.
 - The MGA needs to provide a balance between flexibility and consistency.
- Concepts like “complete community” leave room for choice and interpretation.
- The more tools available to municipalities, the more flexibility they have to meet their needs. Stakeholders could also be empowered to influence the tools used by their municipality.
- The MGA could include more tools.
 - There is the possibility of ranges or maximums that also build in flexibility for municipalities.
- The MGA may require a built-in annual updating cycle.
- The MGA needs to be mindful of fairness and equity for all types of business and industry.
- The Province should mandate evidence-based decision making at the municipal and regional level.
- There needs to be a mechanism to review and update section numbers in the legislation on a regular basis to keep current with the changing environment.
- The MGA should be reviewed in sections and in stages to be sure there aren't 20 years between reviews.

Governance and Administration

The following input was received and documented related to governance and administration.

Municipal Powers, Structures, Annexations and Other Changes

Municipal structures

Comments from participants included that:

- The MGA is not appropriate for all sizes and maturities of municipalities.
 - It sets rules and regulations that don't fit all municipalities.
 - It is too restrictive for large, more mature municipalities and creates inefficiencies.
 - There needs to be different legislation for major centres.
 - City charters are a good idea; however they are taking a long time to implement.
- More levels of government are not needed.
 - This may be best approached by using a city charter versus the MGA.
- Other jurisdictions have alternative legislation to allow streamlining of operations for large municipalities.

Fundamental changes and municipal restructuring

Comments from participants included that:

- There are many disputes between municipalities regarding annexations. There should be more coordination and collaboration.
- Amalgamation should be forced by provincial legislation. There are many municipalities in a small area, and this is inefficient.
- The MGA should look at other municipal structures, such as Strathcona County and Sherwood Park.
- Issues around annexations come down to funding and an unequal distribution of tax dollars.
- Disputes may be minimized if principles and rules about what must occur in an annexation were more clearly set out in the MGA.
 - Clearer rules regarding annexations may also help with consistency in Municipal Government Board recommendations.
- The MGA could provide more guidance to the Municipal Government Board regarding annexations, such as through a checklist.
- When annexation occurs, the valuation of land based on the previous year's assessment can create disputes on who gets what revenue.
 - This is because taxes increase when moving to urban boundaries.
- The flow-through of municipal finances may mean fewer municipalities in the future.
 - This may force discussion around structures and regional delivery.

Municipal Finances

Financial administration

Comments from participants included that:

- It is impossible for municipalities to predict a full year's budget, because financial years are different between the municipal and provincial governments.
- The Province needs an oversight body for municipal finances.
 - In British Columbia, there is an inspector to ensure municipalities are acting appropriately. This is a neutral, cost-effective system that does not use the courts.
 - The assessment commissioner role should be brought back.
- Consistent application and regular updating of municipal finances are needed.
- Municipalities should fund long-term growth.
- Municipalities should control costs.
- Municipalities need long range financial plans for services and spending. This would be a proactive approach.
- Longer municipal business plans are needed, for example five-year plans.
 - This would enhance the projection of tax implications and increase accountability.
- Municipalities should engage businesses on the taxation and budget processes to ensure they have greater involvement. This should be included in the MGA and city charters.
- Municipalities should be transparent and accountable about what taxpayers get for what they pay.
 - For example, a business asked for information from a municipality regarding any change in tax rate and were told they'd be informed when the change occurred. This doesn't seem democratic.
- Municipalities should have to set up five-year financial plans that have regular reviews and are open to the public. This would provide consistency for businesses.
 - Plans can be beneficial for municipalities too. They allow for long-term planning and informed decision-making.
- The Province could provide oversight, for example mandating responsibility for five-year plans.
- There needs to be more transparency in council decisions, including budgets and actual expenditures per capita.
- The existing levels of municipal debt are not reasonable or sustainable.

Municipal revenue sources

Comments from participants included that:

- The MGA should leave space for municipalities to use other tools unless they can be demonstrated to be detrimental, even if those tools are not specified in the MGA.
- Alternative financing mechanisms are implied in the existing MGA.

- Models from the United States should be investigated and potentially used. These may be more applicable to larger municipalities.
 - Community finance districts and municipal utility districts are examples of alternative funding models or approaches found in the United States.
 - Bond or financing approaches could be used for long-term or larger-scale projects.

Fees and levies

Comments from participants included that:

- Fees and levies in the current MGA are working well. The greater variety results in less reliance on one revenue stream.
- More tools in the “toolkit” would provide for diversification and more options.
 - Community finance districts are an option.
- Under the current MGA, fees and levies lack accountability and transparency.
 - Citizens would need more information about fees and levies to understand them and discuss them meaningfully.
 - Municipalities can engage their residents about how to implement fees and levies. This will help ensure fees and levies are used for what they are intended for.
 - Currently, there is a lack of conformity regarding the use of levies. It is unclear what is proper use and what is an abuse of levies.
- Fees and levies do impact affordability and municipalities’ ability to grow. They also limit Alberta’s infrastructure development.
- More clarity is needed regarding the intent of levies. The MGA could provide broader intent for these provisions.
- The MGA needs to include more clarity about what funds go where. This includes what components go into the levy, who should be paying and who benefits from the levy.

Municipal Services and Delivery

Service provisions

Comments from participants included that:

- There should be transparency about services and level of service.
 - With transparency there may be more informed decision making.
- Service delivery should be simplified.

Public Participation and Municipal Relations

Municipal relationships and dispute resolution

Comments from participants included that:

- Financial incentives, such as grants, may encourage more cooperation.
- Dispute resolution at the local level may not always be appropriate. It could be more appropriate at the Provincial level, especially for regional initiatives.
- The MGA needs to encourage more regional cooperation rather than competition.
 - For example, cooperation around transportation and contracting.

Public participation

Comments from participants included that:

- Municipalities should engage citizens in long-term visioning.
 - This is a challenge for municipalities.
- It is difficult to balance long-term strategy with short-term elections. More support for this from the MGA would be helpful.
- There is not good communications outreach at the provincial level.
 - The Province and municipalities need to understand how to engage the population, especially youth and immigrants.
 - The Province should work with municipalities on how the communications plan will roll out.
- Municipalities should provide more information to people to ensure they want to be empowered, are empowered with information and can provide informed input.
- The public is apathetic. Only those who oppose something speak out.
 - Municipalities need to organize a process to allow opposing sides to identify key issues.
- Benefits need to be broadcast as well as concerns.
- In rural areas, the key issues for public participation are:
 - Where recreational areas can go, such as BMX and dirt bike trails.
 - Land development in rural areas, which faces strong opposition.
 - Environmental concerns.
 - The voice of the municipality not being heard through petitions.
- The current system for petitions is not working.
 - The petition process needs more flexibility.
 - A small minority of the population may control the agenda through petitions.
 - The public doesn't understand the petition process.
 - The short validation period is a problem for the municipality that receives the petition. Municipal staff time and resources are being stretched by these timelines.
 - If there is no petition process at the provincial level, then there should not be a need for it at the municipal level.

- The petition process and requirements should be tailored to meet each municipality's needs.
- Petitions should be able to be completed via web applications.
- "In camera" (i.e., private) meetings are currently only allowed under limited conditions. Council may want to meet without residents or media in order to have a strategic planning session, workshop or breakfast meeting.

Municipal Government Board

Comments from participants included that:

- The MGB could foster inter-municipal cooperation, but current decisions have the opposite effect. For example, when municipalities agree on something, then the MGB shouldn't overrule decisions made between the municipalities.
 - The MGB should not rule on uncontested annexations. The MGB is looking at local issues from a different perspective that might not consider all relevant factors.
- The MGA needs the flexibility for the MGB and municipalities to work together and to make exceptions, if need be.

Assessment and Taxation

The following input was received and documented related to assessment and taxation.

Taxation and Municipal Finances

Taxation

Comments from participants included that:

- Changes must be carefully considered as businesses have to make decisions based on the current assessment and tax system.
- There is a need for more accountability for all taxes.
 - There could be an auditor or inspector to ensure municipalities are within the boundaries of legislation.
 - More accountability would increase consistency in the application of revenue.
- Having the Province collect non-residential taxes and share them across municipalities is a potential model, but it may not be a reasonable one.
 - Some property types, such as pipelines, would be taxed fairly with a province-wide tax rate.
- Different types of tax rates should be linked to control the maximum difference between them.
 - There should be a set ratio between residential and non-residential tax rates.
 - The difference should be no more than 1.33 times.
 - There should be a cap on the differential between the two rates.
 - Setting ratios may increase rates overall. All municipalities may choose to take the top rate possible.
 - Other jurisdictions do tie rates together, such as single mill rates in Manitoba.
- The current non-residential system of only one tax rate should remain.
- If non-residential can have multiple tax rates, they must be linked.
- There should be a link between the percentage of the assessment base and the percentage of the tax base. Municipalities should be required to be consistent in their approach.
- If the level of assessment changes, tax rates need to be balanced accordingly.
- Split mill rates do not work well.
 - A few municipalities have extreme differences between residential and non-residential tax rates. For example, non-residential rates are 12-20 times the residential rate.
 - The current system favours residential rate-payers over businesses.
 - Businesses don't have a voice in tax rates through elections and are paying for services they aren't using.
- Sub-classing, like in the British Columbia model, is not appropriate because of the disconnect between services and taxes.

- There needs to be a balance between services received and building communities. Non-residential tax payers are good corporate citizens too.
- The concept of “one taxpayer” also applies to business. Municipal taxation affects competitiveness.
 - Competitiveness needs to be considered in making changes.
 - Municipalities don’t provide services to industrial property owners, yet are able to tax non-residential property without limits.
- One tax rate for all property is more fair.
- Non-residential tax revenue subsidizes residential services.
 1. Municipalities should not be able to build public facilities solely with property taxes from non-residential sources. Citizens need to pay for the facilities they use. Councils should be responsible.
- Controls are required to ensure fairness, consistency, predictability and equity in taxation. Preserve Alberta as the economic engine of Canada.
 - Municipalities are eroding the “Alberta advantage.” There is concern about business and industry migrating out because of the taxation regime.
- Municipalities are recognizing opportunities and are starting to increase non-residential tax rates.
- Not all business sectors grow at the same rate. Diversity should be a consideration in tax increases.
- Businesses are not given the same services for the taxes they pay.
- There needs to be more transparency on how rates are set. The MGA should include the intent that anyone who pays tax should be engaged over the setting of rates.
- Municipalities should move away from property tax as the sole source of revenue.
 - There should be a spread of revenue streams.
 - The MGA should leave it up to the municipality to decide by removing revenue-generating restrictions.
 - However, as long as councils can download taxes to non-residential property, there should be restrictions.
- There needs to be a link between raising revenues and the cost of services.
- There are a number of tax categories, and some are seen to be redundant. A structure is needed to remove duplication.
 2. For example, eliminate machinery and equipment tax and only assess real property. This would be an easier system.
- Property tax may not be an appropriate mechanism for collecting education funding. There is no relationship to property value.
 - Remove from property tax as there are more appropriate revenue streams. For example, income tax would be better.
- Revenue from non-residential properties should be pooled province-wide and distributed across the province to municipalities.
 - However, pooling would result in a loss of income to some municipalities. This gap would need to be filled.

- Municipalities could provide fewer services.

Fees and levies

Comments from participants included that:

- Fees and levies in the MGA are working well.
 - Some counties collect and distribute fees and levies well.
 - The MGA generally works well in this area, but cities may like increased flexibility and more tools, as appropriate.
- The community aggregate payment levy is not meeting the intent for its use, which is to be put it into general revenue.
 - There is no accountability for its use.
 - Some jurisdictions do engage the public and ensure the levy is used for roads, such as Calgary.
 - Some municipalities don't do a good job of distributing funds with community input.
- There needs to be more accountability in the MGA, as levies can be unfairly allocated without this.
- There should be more disclosure of how funds are being used to ensure transparency.
- Permit fees should be set on a cost recovery basis.
- The MGA specifies how fees and levies are set, but there is no recourse when guidelines are not adhered to.
 - There could be a commissioner or third party tribunal as a means of addressing when guidelines are not adhered to.
- The public needs to be consulted when fees and levies change significantly.
 - The MGA specifies this need for public consultation, but it may not be adequately adhered to.
 - If public consultation is done prior to a fee increase, this information is not made easily available to the public or businesses.
 - There seems to be some arbitrary methods of fee setting by municipalities.
- Provincial oversight of Community Revitalization Levies is working well.
 - However, the increase in the tax base in these zones is allocated in advance and could reduce flexibility.
- Municipalities can only raise business revitalization zone funds via business assessment. They should be able to use non-residential assessments.
- Business revitalization zone levies are not the most efficient. There are other tax tools that could do this more efficiently.

Exemptions from Assessment and Taxation

Exemptions and other special tax treatment

Comments from participants included that:

- Exemptions from taxation create tax shifts to other taxpayers (see Section 298 of the MGA, regarding non-assessable property).
 - Tax exemption is merely a tax distribution system.
 - There is a tax shift from rural to urban due to exemptions, for example gas distribution systems.
- Not all exemptions are clearly defined.
 - Many tax abatements are built into validation; however, it is unclear what these abatements are.
- The average person has no understanding of how exemptions apply to assessment.
- Everyone should be assessed, and then exempt if taxable.
 - However the assessment capacity required if assessing everything would be massive.
 - It is difficult to shift from tax abatements to assessments.
 - It may be more transparent to do exemptions on the tax side, as opposed to the assessment side.
- Exemptions should be audited to create fair levels of adjustments.
- There is a significant deduction if the organizations in northern Alberta are compared to those who are tax exempt in Edmonton, making it difficult to assess.
- The MGA allows for a corridor to hold land for linear property, but does not allow a similar corridor to be designated and exempted for a trail. The MGA should consider other options related to trail development, including:
 - Review of trail development intention applications to change land use.
 - Requiring financial commitments to purchase land that can't otherwise be developed in order to develop trails.
 - Expand tax exemptions to property being held for future recreational use.
 - Clarify to municipalities that they should protect organizations that operate across municipal boundaries.
- The Community Organization Property Tax Exemption Regulation should be part of the MGA.
- Not-for-profits are exempt from property tax and revitalization levies.
 - In revitalization areas, not-for-profits are attracted and businesses disproportionately pay the levy.
 - There could be tiers of exemptions. For example, street-level window space means the not-for-profit should pay more.
- There should be consistent application of the rules between municipalities, but the MGA should still allow flexibility while being more prescriptive.
- There should be more rigor around exemptions.
 - More consistency across the Province is desired. Exceptions are a provincial responsibility.

- Regulations may be the right tool for exemptions. They would provide a province-wide application, but be more adaptable.
- Exemptions should all exist in the same place in the new MGA.

Market Value, Equalized and Supplementary Assessment

Market value assessment and administration

Comments from participants included that:

- It is not currently clear what the role for assessment is in changes of land use around property development.

Progressive and supplementary assessment

Comments from participants included that:

- Supplemental assessment is not consistent across property types.
 - In particular, it is inconsistent between non-residential property and linear property.

Industrial and Agricultural Property Assessment

Linear property assessment

Comments from participants included that:

- Linear infrastructure rates are very unpredictable.
 - Currently, there are different rates between municipalities. Standard mill rates for pipelines would provide clarity and consistency for industry during planning.
 - Pipelines are “easy targets” for unclear tax-rate shifts. However, they don’t use services and can’t be relocated if tax rates rise.
- There is a perception among the industry community that pipelines are viewed as a “bank account” for municipalities.
- There needs to be more accountability for use of linear assessment.
- Linear assessment should reflect depreciation in the way that machinery and equipment assessment does.
- Linear assessment makes it difficult for municipalities to plan.
- There is a need for defined logic behind linear property.
- The existing exemptions approach recognizes an additional form of depreciation.
 - For example, while infrastructure is being built and is not yet turning a profit, it is exempt.
- The MGA should expand exemptions to pipelines for their utilization.
 - This would be similar to other jurisdictions and to railway assessment, where there is a traffic allowance.
 - This would increase consistency across the province.

- The pipeline tax should be a function of capacity and utilization, as it is in Saskatchewan.
 - Railways and pipelines are dealt with differently and should be dealt with similarly.
 - Railroads rates are based on utilization. Pipeline assessment should also be based on utilization.
 - This would result in a lower assessment if the pipeline was under-utilized.
 - More uniformity would allow for reduced confusion and fewer appeals.
 - The rationale for the differences is due to de-regulation.
- The biggest issue with linear assessment is how it is administered.
 - The Province should have an assessment authority.
 - Specialized properties in particular should be managed by a provincial authority.
 - Consistency in assessment across the province is important.
 - Greater expertise about linear assessment is needed to ensure assessments are more uniform, consistent and predictable.
- There needs to be more clarity about why power generation property is considered linear.
- Power generation power output, for example megawatts, could be used as a variable to determine assessment.
 - This process would reduce the amount of appeals.
 - Fewer assessors would be required to process assessments which results in it being cheaper to administer.
- Machinery and equipment and linear assessment should be harmonized.
 - For example, the two types of assessment should have the same statutory levels and the same education tax rate.
- There are inconsistencies in dealing with all linear properties.
- Linear property should be taxed once it's in use after the October 31 cut-off date.
- Schedule D depreciation in the Alberta Linear Property Assessment - Minister's Guidelines needs review.
- The MGA should allow for progressive assessment on pipelines.
- It is difficult to get functional and economic factors included in the assessment.
- There are concerns of bias with local assessors not considering extra depreciation due to loss of revenue to the municipality.
- A local assessor may not have sufficient expertise to deal with multi-million dollar plants.
- No supplementary or progressive assessment should be implemented on linear property.
- The purpose of the Canadian Construction Reporting Guide is to equalize assessment of properties across Alberta.

Machinery and equipment property assessment

Comments from participants included that:

- Machinery and equipment assessment reflects a capital cost to businesses and is different than residential.
- It is difficult to determine the difference between a building and equipment.
- Machinery and equipment assessment should include provisions to remove, as well as add, assets during supplementary assessment.
- Supplementary assessment from the date the machinery or equipment becomes operational is acceptable.
- There is no consistency with machinery and equipment assessments across the province. There are “gray areas” in what is being assessed.
- There is currently a lack of qualified assessors for machinery and equipment assessment.
- The Province needs to invest time and resources to develop a machinery and equipment assessment database.
- The current regulated approach works well, but regulated rates in the Minister's Guidelines need updating.
 - The 77 per cent statutory level is still accurate.
 - The 25 per cent initial depreciation is still appropriate.
 - Depreciation does not work well. The maximum depreciation of 40 per cent should be removed.
- Other provinces don't assess education or machinery and equipment to the same extent as Alberta.
 - Machinery and equipment could be exempt here too.
 - The “77 factor” and education exemptions were put in place to drive investment.
 - The “77 factor” and education exemption could be added to linear assessments.
- The Province needs to prepare more assessments and leave fewer to municipalities.
 - The Province should centralize and have a government agency complete assessments for machinery and equipment.
 - Standardization would facilitate industry equality.
 - Municipalities could have the ability to opt out of provincial assessment for machinery and equipment. This would lead to some inconsistency.
- The MGA should remove incentives to industry from the assessment of machinery and equipment.
- Assessment of machinery and equipment should be eliminated altogether. This would:
 - reduce the cost to administer assessments;
 - be more predictable;
 - result in fewer appeals; and,
 - be more consistent.
- Other provinces, such as British Columbia, do not assess machinery and equipment.

Transportation properties

Comments from participants included that:

- There should be one regulated rate for rail properties.

Farm property assessment

Comments from participants included that:

- The MGA needs to include updates for farm operations.
 - The Rural Assessment Policy for farm residences needs to be removed.
 - All farm buildings are currently exempt and the buildings at large farm corporations should be assessed.
 - A policy needs to be created specific to farm residences, as they should not receive tax exemptions.
 - The size of parcel that is considered a “farm” in the MGA needs to be reviewed.
 - The current lack of clarity about how farm land is defined and classified can lead to a disparity in how taxes are collected.
- Farmland value rates in the MGA need to be updated from 1979 levels to current rates.
 - The updated rate could factor in soil types and production.
 - Farmland assessment should be reflective of market value.
- There is a lack of clarity around farmland undergoing development and when it is no longer classified as “farmland.”
 - There needs to be mechanism in the MGA to deal with farmland owned by non-farmers that will never be developed.
 - Taxes should be based on zoning rather than use.
 - There should be time limits for land to be developed. If development does not go ahead, taxes should be applied retroactively.
- Differences should be considered between urban, urban fringe, and rural farmland.
- The one-size-fits-all approach for farm assessment needs to be reviewed.
 - Change of land use should result in immediate payback of taxes to compensate for the imbalance.
 - An income value approach may work.
 - More consistency would make the assessment process much easier for business and industry, generally.
 - It is still important for assessment to recognize rural and urban differences.
- The MGA needs to take into account the differences across the Province.
- When rural land is annexed, taxes will automatically increase for residents. Farm buildings and residences are especially affected.

Assessment Administration

Assessment administration

Comments from participants included that:

- Assessment administration is not working well as it is not consistent.
 - The process and rules are good, but are not applied consistently due to local autonomy.
 - The outcome of an assessment depends on who conducts the assessment administration.
 - There are not enough skilled assessors available.
 - There is a lack of accountability for assessments, as there is no auditor.
- There is a need for more direction from the Province about assessment.
- There should be a provincial assessment authority that conducts and/or audits assessments.
 - If the scope of assessment authority is elevated above the regional level, this would remove the inconsistency.
 - A central authority would also separate decision making around assessments and municipal finances. Centralization would also allow for more efficient regional services.
 - A central authority would help to balance out the needs of each region.
 - Consistent assessments could address the impact of people who commute into a different municipality than where they live, and use services in that municipality.
 - An assessment commission should be created, like in other provinces.
 - This would reduce the need for an appeal process.
 - A centralized body to assess regulated industrial and specialized properties should be established
- Because of limited revenue tools, municipalities are forced to focus on assessments for their revenue.
- The assessment system should be more transparent and open.

Public Participation and Assessment Appeals

Assessment complaints and appeals

Comments from participants included that:

- Appeal boards need a new membership structure that removes bias.
 - No former or current councillors should be included on the boards as this creates the potential for bias.
 - Boards are not well-educated or independent.
 - There needs to be better oversight and education of boards at the tribunal level.
 - Rural municipalities appoint non-qualified individuals and this becomes a problem when hearings get complex.

- Having a Municipal Government Board member as chair of a composite board is working well for smaller municipalities due to the complexity of issues.
- Appeals have been used to abuse the system. For example, some individuals or organizations file an appeal every year.
- Time is an issue in the annual assessment cycle.
 - The period of 60 days to file a notice of appeal is too long. Thirty days would be more appropriate.
 - Non-residential appeals appear on the last day of the appeal period, which creates a workload issue for the municipality.
 - Some appellants need time to build an appeal.
 - The three business day time period for filing of evidence is too short.
- There needs to be clarity that the standard used is based on mass appraisal, and is not site specific.
 - This currently increases appeals and therefore results in inefficiencies.
 - The public may not be informed.
 - This is less of an issue with industry.
- There needs to be disclosure both ways between the assessor and property owner.
 - There are boundaries on what is legitimate as a property owner and what assessors need to know.
 - If your business has already provided information about the property to the municipality, no additional information should be required.
- There needs to be a step between assessment appeals and the courts, such as mediation processes. Courts are expensive for both the company and the municipality.
 - It is important to ensure consistency in how this step is applied.
 - Appeals could be reduced if the mediation process was utilized more.
- Appeal complaints aren't specific enough. The MGA should clarify on the complaint form which issues are going to be brought forward.
 - Preparation is inefficient otherwise, because more information has to be prepared than is necessary.
 - There needs to be clarification on what is being questioned.
 - There could be restrictions on what the appellant can talk about.
- The appeal process should be managed at the provincial level.
 - Consistency shouldn't necessarily reflect geography. For example, it may not be fair that assessments are higher in the north even if costs are higher.
- There are inconsistencies in rulings on the same subject by the Composite Assessment Review Board and Municipal Government Board.
- The MGA is one-size-fits-all, but the complexity of appeals varies.
- Larger cities have more appeals and therefore have in-house expertise regarding assessment appeals.
- The single board works well with no opportunity for other hearings. The finality of the decision is efficient.

- The written decision process is working well. This requirement for written-decisions should stay in the MGA.

Municipal Government Board

Comments from participants included that:

- The MGA needs to clarify what disputes are handled by the Municipal Government Board.
- The make-up and membership of the Municipal Government Board needs to change.
 - For complex industrial appeals, the current membership is not always the best format.
 - The Municipal Government Board should include three members from the Municipal Government Board and none from the local municipality as local representatives can often have biases.
 - Cross-jurisdictional research of similar boards in Saskatchewan and British Columbia should be considered.
 - The MGA could return to the previous make-up of the Municipal Government Board.
- It would create more efficiency in the appeals process to remove local assessors who sometimes lack knowledge and experience.
- The current implementation of the MGA lacks a focus on precedents. As a result, there is inconsistency in Municipal Government Board decisions. Different panel members make different decisions about similar issues, for example.
 - Precedent should be set by getting an appeal reviewed by the Municipal Government Board. The decision would provide more weight than an Assessment Review Board decision.
- Regulated assessment should be heard at the Municipal Government Board in addition to linear assessment.
- This would promote consistency, efficiency and knowledge at the provincial level.

Planning and Development

The following input was received and documented related to planning and development.

Fees and Levies

Fees and levies

Comments from participants included that:

- Offsite levies are too high. It is difficult to know where the funds are being allocated. More disclosure is needed.

Land Management and Planning Tools

Statutory plans and land use bylaws

Comments from participants included that:

- The Province has downloaded too much to municipalities, which has caused inconsistencies in planning across Alberta.
- The MGA should keep the existing flexibility for planning as it enables choice.
- It is unclear how the *Alberta Land Stewardship Act* and MGA will interact.
 - Regional plans and statutory plans need to be coordinated.
 - Regional boards and regional plans are positive vehicles within the MGA and the *Alberta Land Stewardship Act*.
- The Province has to give leadership and direction about planning tools, not leave them to municipal discretion.
 - The planning tools should prescribe what the Province wants to see in the regions but not be too restrictive.
 - A municipal plan should set a general direction for the municipality.
 - The Province should keep taxes low to support the plans.
 - The plans should include checks and balances for accountability.
 - Inconsistency in processes by different municipalities can cause businesses to leave or set up in other areas.
 - A provincial growth strategy could help restrict municipalities if they don't adhere to their plan.
- There is inconsistent terminology between legislation and municipal plans across the province.
 - This creates confusion for entities that operate across boundaries.
- All municipalities should have similar requirements. For example, permits for scraping topsoil are required in some municipalities but not in others.
- Increased communication between municipalities and from municipalities to businesses and industry is needed.

- The size of a municipality could limit its ability to communicate.
- Limited communication makes it hard to complete Intermunicipal Development Plans.
- Area structure plans should be required because they really help with the municipal planning process.
 - This could be difficult for smaller municipalities.
- There is no mechanism for representation by business or farmers. Guidelines to enable this representation should be in place. These guidelines should ensure communication, engagement and representation.
- The location of gravel resources should be considered in the planning phase of new development.
 - For example, a municipality should mine the gravel from an area, and then develop a community there.
 - Mines can be reclaimed to a state suitable for subdivision rather than farming.
 - Area structure plans should help planning for gravel mining.
 - Municipalities should be encouraged to mine gravel.
- The MGA could encourage forecasting of resource extraction before development.
- Communication with the property owners during development is important.
- For example, there should be dialogue about positioning developments so a new house isn't next to a future gravel pit.

Subdivision and Development Authorities and Processes

Planning authorities

Comments from participants included that:

- In the planning section of the MGA there is no place that indicates who can be a part of a planning authority. Some direction is required.
- Municipal development officers lack expertise.

Land Dedication and Use of Reserves

Land dedication (reserves)

Comments from participants included that:

- Environmental reserves in the MGA overlap with provision from Alberta Environment and Sustainable Resource Development (ESRD) regarding streams and wetlands.
 - There is a lack of consistency in the definitions of streams and wetlands.
 - The lack of consistency increases costs to companies.
 - The regulation either needs to reside within ESRD or the MGA, but not both.
 - The public has concerns. Companies, ESRD and municipalities must justify their actions to the public.

- The cost to developers of creating environmental reserves increases lot prices to buyers.
- At present, municipalities can't change or update drainage on environmental reserve land.
- The MGA should spell out expectations for park development.
 - Residents are concerned about parks not being developed.
 - Developers are concerned about the inconsistency of park development in different municipalities.
 - There should be dedicated funds from developers for parks.
 - Park zoning should not change.
 - Developers are dedicating more land than is being used by the municipality.
 - If municipalities zone for a school, then the land should be used for a school, not a park.
- If the percentage of land dedicated is changed, municipalities need a timeline to develop on the land that has been dedicated or the land should revert back to a use that can be used by the developer.
- There is concern about how municipalities determine dedication requirements. The concern relates specifically to what can be done if the dedication does not suit the area, for instance.
- It would be difficult to get the public to buy into community services reserves if they are perceived as a change from a park or school to a community service.
- Cooperation between the municipality and the developer is important.
 - There are parameters around the developer creating a park and transferring it to the municipality to maintain. There could be an agreement for the developer to maintain the park for a period of time.
 - Under this kind of approach, the cost of the park development could count towards reserves.

Regional Approaches

Municipal relationships and dispute resolution

Comments from participants included that:

- Cooperation between municipalities in the MGA should be more prescriptive than the process used by Capital Region Board, but less prescriptive than the annexation process.

Managing growth and development

Comments from participants included that:

- Regionalization should be balanced with local autonomy.
- The Calgary Regional Partnership seems to work well, as opposed to the Capital Region Board, which is not working well.

- The Province should provide direction to municipalities on how to approach sustainable development and urban sprawl.
 - This is difficult to apply in all areas of the province based on size and type of municipalities.
 - The *Alberta Land Stewardship Act* has given a broad structure and long timeline for this.
 - Growth affects the Province as well as municipalities, such as ring roads.
- More planning tools and greater population density would limit sprawl and protect farmland.
- Fragmentation and conversion of agricultural land is an issue. This limits the size of farm operations and confined feeding operations.
- The Province should set up a heritage fund at the provincial and municipal levels for farmers to keep their land.

Regional funding approaches

Comments from participants included that:

- The tension that the current funding model creates between cities and counties really challenges the growth of the Province.
- The MGA should optimize the efficiencies of sharing services.
 - Shared services result in high administrative costs.
- Alberta should consider the Ontario Model, which has a two-tiered local government.
- There should be consistent, provincial operational standards for regional projects.
 - This would facilitate cooperation and communication.
- There should be consistency in planning and sharing the costs of linear parks, trails, and similar corridors across jurisdictions.
- Provincial tax policies could facilitate regional funding.
- Regional approaches should encourage growth and accountability within both residential and non-residential classes.

Public Participation and Planning Appeals

Municipal Government Board

Comments from participants included that:

- The Municipal Government Board fails to take into account the municipalities' bylaws, such as their Land Use Bylaw or Municipal Development Plan.

Planning and inter-municipal appeals

Comments from participants included that:

- Parties need to be able to appeal planning decisions to an unbiased board.

Appendix A: Session Agenda

MGA Review: Business and Industry Session

Agenda Item	Timing
1. Welcome and introductions	9:00-9:10
2. Potential topics for discussion: The following topics will be available for table discussion: Governance and Administration <u>Subject 1: Municipal Powers, Structures, Annexations and Other Changes</u> <ul style="list-style-type: none"> • Municipal powers • Municipal structures • Fundamental changes and municipal restructuring <u>Subject 2: Municipal Governance and Administration</u> <ul style="list-style-type: none"> • Municipal governance • Municipal administration <u>Subject 3: Municipal Finances</u> <ul style="list-style-type: none"> • Financial administration • Regional funding approaches • Municipal revenue sources • Fees and levies <u>Subject 4: Municipal Accountability, Liability, and Risk Management</u> <ul style="list-style-type: none"> • Compliance and accountability • Liability and risk management • Provincial powers <u>Subject 5: Municipal Services and Delivery</u> <ul style="list-style-type: none"> • Service provisions • Regional services commissions • Municipally controlled corporations <u>Subject 6: Public Participation and Municipal Relations</u> <ul style="list-style-type: none"> • Municipal relationships and dispute resolution • Public participation • Municipal Government Board Assessment and Taxation <u>Subject 1: Taxation and Municipal Finances</u> <ul style="list-style-type: none"> • Taxation • Municipal revenue sources • Fees and levies <u>Subject 2: Exemptions from Assessment and Taxation</u> <ul style="list-style-type: none"> • Exemptions and other special tax treatment <u>Subject 3: Market Value Equalized and Supplementary Assessment</u> <ul style="list-style-type: none"> • Market value assessment and administration 	9:10-9:20

Agenda Item	Timing
<ul style="list-style-type: none"> • Equalized assessment • Progressive and supplementary assessment <p><u>Subject 4: Industrial and Agricultural Property Assessment</u></p> <ul style="list-style-type: none"> • Linear property assessment • Machinery and equipment property assessment • Transportation properties • Farm property assessment <p><u>Subject 5: Assessment Administration</u></p> <ul style="list-style-type: none"> • Assessment administration <p><u>Subject 6: Public Participation and Assessment Appeals</u></p> <ul style="list-style-type: none"> • Public participation • Assessment complaints and appeals • Municipal Government Board <p>Planning and Development</p> <p><u>Subject 1: Fees and Levies</u></p> <ul style="list-style-type: none"> • Fees and levies <p><u>Subject 2: Land Management and Planning Tools</u></p> <ul style="list-style-type: none"> • Statutory plans and land use bylaws <p><u>Subject 3: Subdivision and Development Authorities and Processes</u></p> <ul style="list-style-type: none"> • Planning authorities • Administrative decision-making processes <p><u>Subject 4: Land Dedication and Use of Reserves</u></p> <ul style="list-style-type: none"> • Land dedication (reserves) <p><u>Subject 5: Regional Approaches</u></p> <ul style="list-style-type: none"> • Municipal relationships and dispute resolution • Managing growth and development • Regional funding approaches <p><u>Subject 6: Public Participation and Planning Appeals</u></p> <ul style="list-style-type: none"> • Municipal Government Board • Public participation • Planning and inter-municipal appeals 	
<p>3. Change tables (if needed)</p>	<p>9:20-9:25</p>

Agenda Item	Timing										
<p>4. Table facilitation</p> <ul style="list-style-type: none"> ▪ Two topics will be prioritized for discussion for each block <table border="1" data-bbox="310 464 1157 701"> <tr> <td data-bbox="310 464 618 510">Block 1: 9:25-9:55</td> <td data-bbox="618 464 1157 510">Governance and Administration Topics</td> </tr> <tr> <td colspan="2" data-bbox="310 510 1157 556">Break (10 mins)</td> </tr> <tr> <td data-bbox="310 556 618 602">Block 2: 10:05-10:45</td> <td data-bbox="618 556 1157 602">Assessment and Taxation Topics</td> </tr> <tr> <td colspan="2" data-bbox="310 602 1157 648">Break (10 mins)</td> </tr> <tr> <td data-bbox="310 648 618 695">Block 3: 10:55-11:35</td> <td data-bbox="618 648 1157 695">Planning and Development Topics</td> </tr> </table> <ul style="list-style-type: none"> ▪ Discussion will focus on what is working well, desired changes, and potential impacts of changes to the legislation 	Block 1: 9:25-9:55	Governance and Administration Topics	Break (10 mins)		Block 2: 10:05-10:45	Assessment and Taxation Topics	Break (10 mins)		Block 3: 10:55-11:35	Planning and Development Topics	9:25-11:35
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Block 3: 10:55-11:35	Planning and Development Topics										
<p>5. Open discussion</p> <ul style="list-style-type: none"> ▪ Are there any other relevant topics participants want to address? 	11:35-11:55										
<p>6. Wrap-up</p>	11:55-12:00										