

MGA Review Discussion Paper

Special Areas and Improvement Districts

This technical document is part of a series of draft discussion papers created by Municipal Affairs staff and stakeholders to prepare for the Municipal Government Act Review. It does not reflect existing or potential Government of Alberta policy directions. This document is the result of a careful review of what is currently included in the Municipal Government Act (MGA) and regulations, definitions of terms and processes, changes requested by stakeholders over the last 18 years, some highlights from other jurisdictions, and identification of potential topics for discussion during the MGA Review. This information will be used to prepare consultation materials as the MGA Review proceeds.

These discussion papers have been reviewed and approved by the MGA Stakeholder Advisory Committee, comprised of representatives from major stakeholder organizations: Alberta Association of Municipal and Counties, Alberta Association of Urban Municipalities, Alberta Rural Municipal Administrators Association, Alberta Chambers of Commerce, City of Calgary, City of Edmonton, and Local Government Association of Alberta.

The Government of Alberta is asking all Albertans to directly contribute to the MGA Review during online consultation in late 2013 and consultation sessions throughout Alberta in early 2014. This technical document is not intended for gathering stakeholder feedback, but to generate thought and discussion to prepare for the upcoming consultation. Public engagement materials will be available in early 2014. To learn more about how you can join the discussion on how we can build better communities, please visit mqareview.alberta.ca/get-involved.

Preamble

The *Municipal Government Act (MGA)* provides the legislative framework to guide the operations of municipalities in Alberta. The current *MGA* empowers municipalities with the authority and flexibility to provide services in the best interests of the community. The *MGA* Review will proceed along three major themes: *governance*; *assessment and taxation*; and *planning and development*.

This paper is one of 12 discussion papers exploring aspects related to the *governance* theme. It focuses on the Special Areas and Improvement districts, two municipal structure types recognized under the *MGA*. The objective of each discussion papers is to

- 1) Outline the existing legislation,
- 2) Identify issues with specific aspects based on stakeholder requests
- 3) Look at how other jurisdictions are approaching these issues; and
- 4) Pose questions to help formulate future analysis of, as well as public and stakeholder engagement on the *MGA*.

Below is a list of the papers that relate to the governance theme.

- Municipal Powers
- Provincial Powers
- Municipal Structures
- Municipal Governance
- Municipal Administration
- Financial Administration
- Liability and Risk Management
- Service Provisions
- Controlled Corporations
- Regional Service Commissions
- Compliance and Accountability
- Special Areas and Improvement Districts

Special Areas and Improvement Districts

Special Areas (SAs) and Improvement Districts (IDs) are municipal authorities that were established, for the most part, where conventional municipal structures (e.g., city, town, village, municipal district) were not feasible due to historical or regional circumstance. In the case of Improvement Districts, the Minister may choose either to exercise the power of a council or to create a council.

The Special Areas refer to three rural districts in southeast Alberta that were established in response to the depression and drought years of the 1930s. They are constituted under the *Special Areas Act* and administered by the Special Areas Board, whose chairperson is appointed by the Province. The Special Areas Board provides local governance and administers public lands, assumes responsibilities similar to those of a municipal council, and may include members of a locally elected advisory council.

Improvement Districts are constituted under the *MGA*, and were originally established in sparsely populated areas where there was neither the population nor the tax base to support and finance a viable local government. In many ways, the *MGA* treats IDs as any other municipality. There are 8 Improvement Districts in Alberta, primarily in national and provincial parks. The Province manages all local government functions for the Improvement Districts unless a local council has been elected. The Province may carry out changes to an Improvement District, including amalgamation, annexation, dissolution, and establishing industrial improvement areas. The formation process, criteria, and administrative matters related to IDs are distinct from the *MGA*'s provisions on these matters for conventional municipal structures.

A key difference between these non-conventional structures and conventional municipal structures is that residents of the Improvement Districts and Special Areas have no direct input into the bylaws that govern them, or into local planning decisions, apart from when the Province has established a local advisory council. In the case of the special areas it has been the practice for the Special Areas Board to work with the Special Areas Advisory Council (elected by Special Area residents) on matters related to local governance and administration of public lands.

The Special Areas and Improvement Districts are two non-conventional municipal structures operating in Alberta today. They represent innovative approaches to addressing challenging circumstances in particular areas of the province.

Discussion Points

Below are some identified discussion topics and questions based on a review of requested amendments, cross jurisdictional research and issues raised by stakeholders.

The requested amendments discussed below draw upon an inventory of requests received by the Province over the past 18 years. It is important to note these requests:

- i) do not include all the requests Municipal Affairs has received in the past 18 years;
- ii) do not necessarily represent the views of most Albertans;
- iii) do not necessarily apply to all municipalities; and
- iv) are categorized by policy topic, and have not been evaluated or ranked by number of requests received.

1. Evolution of Improvement Districts

Background

The original intent of Improvement Districts was to provide local government services to areas with unique circumstances and without the population base to form an incorporated municipality. Most Improvement Districts were incorporated as municipalities in the 1980's and 1990's. Today's remaining Improvement Districts are comprised of Crown lands located in national or provincial parks. The Improvement Districts generally exist to address local issues, while respecting the challenges posed by federal and provincial parklands.

The current *MGA* does not define the purposes for which an Improvement District may be created. For the purposes of this paper, the existing Improvement Districts can be grouped into the following categories:

- Three IDs are part of a national or provincial park system, have a permanent population, and have an elected or appointed advisory council;
- Three IDs are part of a national park system, but have no permanent population;
- One ID is a wilderness park with no permanent population; and
- One industrial ID has no permanent population and facilitates revenue-sharing within its surrounding region.

Cross-Jurisdictional Research

- Manitoba, Ontario, New Brunswick, Newfoundland and Labrador and the Territories have municipal structures that are similar to Improvement Districts, in that they operate in rural areas and are the Minister's responsibility.
 - All of these municipal structures play a role in delivering services to rural areas.

Stakeholder and Legislative Amendment Requests

- Some municipalities have indicated an interest in annexing or amalgamating an Improvement District within their boundaries (e.g. to receive assessed property revenue).

2. Special Areas Legislation

Background

The Special Areas are constituted under the *Special Areas Act* and are included as municipal authorities in the *MGA*.

Stakeholder and Legislative Amendment Requests

- No specific *MGA*-related issues were identified regarding the Special Areas.

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Discussion Questions

1. *What should an Improvement District's purpose(s) be (e.g. for park areas only, for Crown Lands only, etc...)?*
2. *What factors, if any, should be considered to determine whether an Improvement District's structure is still valid and whether it should be maintained?*
3. *In what instances should a new Improvement District be created?*
4. *How should the MGA address Special Areas? Why?*
5. *Would the Special Areas model work elsewhere in the Province? Why or why not? If so, where?*

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