

# Bill 10 - An Act to Enable Clean Energy Improvements

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*Bill 10 consisted of some slight changes to four sections in the Municipal Government Acts plus the insertion of a new division along with 9 new sections in that division. The four clauses that were changed along with the words that were added are shown below, highlighted in red. In the actual Bill 10, only the highlighted words were included which made it difficult to read. We hope that by including this section with the words in context will make the read of Bill 10 easier to understand. The actual verbatim text of Bill 10 starts on page 3 of this document.*

## Section 1(1)(aa) is amended by adding the following after subclause (v):

- v.1) a clean energy improvement tax,

### Interpretation

- 1 (1)** In this Act,  
(aa) “tax” means
- (i) a property tax,
  - (ii) a business tax,
  - (iii) a business improvement area tax,
  - (iii.1) a community revitalization levy,
  - (iv) a special tax,
  - (v) a well drilling equipment tax,
  - (v.1) a clean energy improvement tax**
  - (vi) a local improvement tax, and
  - (vii) a community aggregate payment levy;

## 3 Section 243(2) is amended by adding the following after clause (e):

- (e.1) clean energy improvement tax;

### Contents of operating budget

- 243 (1)** An operating budget must include the estimated amount of each of the following expenditures and transfers:
- (2)** An operating **budget** must include the estimated amount of each of the following sources of revenue and transfers:
- (a) property tax;
  - (b) business tax;
  - (c) business improvement area tax;
  - (c.1) community revitalization levy;
  - (d) special tax;
  - (e) well drilling equipment tax;
  - (e.1) clean energy improvement tax**
  - (f) local improvement tax;
  - (f.1) community aggregate payment levy;
  - (g) grants;
  - (h) transfers from the municipality’s accumulated surplus funds or reserves;
  - (i) any other source.

**4 Section 252 is amended**

- (a) by renumbering it as section 252(1);
- (b) by adding the following after subsection (1):

(2) For the purposes of subsection (1), a borrowing made by a municipality to pay for costs associated with clean energy improvements as defined in Part 10, Division 6.1 **does not count against the debt limit** or debt service limit of the municipality.

**Debt limit**

**252 (1)** No municipality may make a borrowing if the borrowing will cause the municipality to exceed its debt limit, unless the borrowing is approved by the Minister.

**(2)** For the purposes of subsection (1), a borrowing made by a municipality to pay for costs associated with clean energy improvements as defined in Part 10, Division 6.1 **does not count against the debt limit** or debt service limit of the municipality.

1994 cM-26.1 s252

**5 Section 348(d)(i) is amended by adding “a clean energy improvement tax,” after “special tax,”.**

**Tax becomes debt to municipality**

**348** Taxes due to a municipality

- (a) are an amount owing to the municipality,
- (b) are recoverable as a debt due to the municipality,
- (c) take priority over the claims of every person except the Crown, and
- (d) are a special lien
  - (i) on land and any improvements to the land, if the tax is a property tax, a community revitalization levy, a special tax, **a clean energy improvement tax**, a local improvement tax or a community aggregate payment levy, or
  - (ii) on goods, if the tax is a business tax, a community revitalization levy, a well drilling equipment tax, a community aggregate payment levy or a property tax imposed in respect of a designated manufactured home in a manufactured home community.

RSA 2000 cM-26 s348;2005 c14 s12

*The Act starts here*

## Chapter 6

*(Assented to June 11, 2018)*

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

### Amends RSA 2000 cM-26

**1 The Municipal Government Act is amended by this Act.**

**2 Section 1(1)(aa) is amended by adding the following after subclause (v):**

v.1) a clean energy improvement tax,

**3 Section 243(2) is amended by adding the following after clause (e):**

(e.1) clean energy improvement tax;

**4 Section 252 is amended**

**(a) by renumbering it as section 252(1);**

**(b) by adding the following after subsection (1):**

**(2)** For the purposes of subsection (1), a borrowing made by a municipality to pay for costs associated with clean energy improvements as defined in Part 10, Division 6.1 **does not count against the debt limit** or debt service limit of the municipality.

**5 Section 348(d)(i) is amended by adding “a clean energy improvement tax,” after “special tax,”.**

**6 The following is added after section 390:**

### **Division 6.1**

#### **Clean Energy Improvement Tax**

##### **Interpretation**

**390.1 (1)** In this Division, “clean energy improvement” means, subject to the regulations, a renovation, adaptation or installation on eligible private property that

(a) will increase energy efficiency or the use of renewable energy on that property, and

(b) will be paid for in whole or in part by a tax imposed under this Division, but does not include improvements referred to in section 284(1)(j)(iii) and (iv).

**(2)** For the purposes of this Division, the amount required to recover the costs of a clean energy improvement may include;

(a) the capital cost of undertaking the clean energy improvement,

(b) the cost of professional services needed for the clean energy improvement,

(c) a proportionate share of the costs associated with the administration of a clean energy improvement program,

(d) the cost of financing the clean energy improvement, and

- (e) other expenses incidental to the undertaking of the clean energy improvement and to the raising of revenue to pay for it.

**Eligibility of properties for clean energy improvements**

**390.2** Subject to section 390.3(4)(a), property is eligible for a clean energy improvement if the property is

- (a) located in a municipality that has passed a clean energy improvement tax bylaw,
- (b) one of the following types of private property:
  - (i) residential;
  - (ii) non-residential;
  - (iii) farm land, and
- (c) not designated industrial property.

**Clean energy improvement tax bylaw**

**390.3 (1)** Each council may pass a clean energy improvement tax bylaw

- (a) to establish a clean energy improvement program,
- (b) notwithstanding section 251, to authorize the municipality to make a borrowing for the purpose of financing clean energy improvements, and
- (c) to enable clean energy improvements to be made to eligible properties.
- (2)** Before a clean energy improvement is made to any property, a council must pass a clean energy improvement tax bylaw.
- (3)** A clean energy improvement tax bylaw authorizes the council to impose a clean energy improvement tax in respect of each clean energy improvement made to a property to raise revenue to pay the amount required to recover the costs of those clean energy improvements.
- (4)** A clean energy improvement tax bylaw must, subject to the regulations,
  - (a) set out
    - (i) the types of private property that are eligible for a clean energy improvement, and
    - (ii) eligible clean energy improvements,
  - (b) set out
    - (i) the amount of money to be borrowed for the purpose of financing clean energy improvements,
    - (ii) the maximum rate of interest, the term and the terms of repayment of the borrowing, and
    - (iii) the source or sources of money to be used to pay the principal and interest owing under the borrowing,
  - (c) indicate that, where a municipality has entered into a clean energy improvement agreement with the owner of a property, a clean energy improvement tax will be charged based on the clean energy improvement agreement,
  - (d) identify the period over which the cost of each eligible clean energy improvement will be spread, which period may vary from improvement to improvement, but the period shall not exceed the probable lifetime of the improvement,

- (e) indicate the process by which the owner of a property can apply to the municipality for a clean energy improvement,
  - (f) include any other information the council considers necessary or advisable,  
and
  - (g) include any requirements imposed by the regulations.
- (5)** Before giving second reading to a proposed clean energy improvement tax bylaw, the council must hold a public hearing with respect to the proposed bylaw in accordance with section 230 after giving notice of it in accordance with section 606.

### **Clean energy improvement agreement**

- 390.4 (1)** A municipality and the owner of a property shall enter into a clean energy improvement agreement before a clean energy improvement is made to that property.
- (2)** A clean energy improvement agreement must, subject to the regulations,
- (a) describe the proposed clean energy improvement,
  - (b) identify the property in respect of which the clean energy improvement tax will be imposed,
  - (c) indicate that the owner of the property will be liable to pay the clean energy improvement tax,
  - (d) include the amount required to recover the costs of the clean energy improvement and the method of calculation used to determine that amount,
  - (e) state the period over which the amount required to recover the costs of the clean energy improvement will be paid,
  - (f) state the portion of the amount required to recover the costs of the clean energy improvement to be paid
    - (i) by the municipality,
    - (ii) from revenue raised by the clean energy improvement tax, and
    - (iii) from other sources of revenue,
  - (g) describe how the clean energy improvement tax will be revised in the event of a subdivision of the property or a consolidation of the property with any other property, and
  - (h) include any other information the municipality considers necessary or advisable.

### **Person liable to pay clean energy improvement tax**

- 390.5 (1)** The person liable to pay a tax imposed in accordance with a clean energy improvement tax bylaw is the owner of the property in respect of which the tax is imposed.
- (2)** A complaint about a tax imposed in accordance with a clean energy improvement tax bylaw must be made within one year after the tax is first imposed.

### **Paying off a clean energy improvement tax**

- 390.6** The owner of a property in respect of which a clean energy improvement tax is imposed may pay the tax at any time.

### **Refinancing of debt by council**

- 390.7** If, after a clean energy improvement agreement has been made, the council refinances the debt created to pay for the clean energy improvement that is the subject of that agreement at an interest rate other than the rate estimated when the clean energy improvement agreement was made, the council, with respect to

future years, may revise the amount required to recover the costs of the clean energy improvement included in that agreement to reflect the change in the interest rate.

### **Petitions**

- 390.8 (1)** Notwithstanding section 232(2), electors of a municipality may petition the municipality to
- (a) pass a clean energy improvement tax bylaw, or
  - (b) amend or repeal a clean energy improvement tax bylaw.
- (2)** For greater certainty, the amendment or repeal of a clean energy improvement tax bylaw does not affect clean energy improvement agreements entered into prior to the passage of that bylaw or the imposition of a clean energy improvement tax in relation to a property where a clean energy improvement has been made.

### **Regulations**

- 390.9** The Minister may make regulations respecting clean energy improvements, including, without limitation, regulations
- (a) respecting eligibility requirements for clean energy improvements;
  - (b) respecting clean energy improvement agreements;
  - (c) respecting clean energy improvement tax bylaws;
  - (d) respecting types of renovations, adaptations or installations for which clean energy improvement agreements may be made and types of renovations, adaptations or installations for which clean energy improvement agreements may not be made;
  - (e) respecting the disclosure of clean energy improvement agreements to prospective purchasers of property;
  - (f) respecting limits on the number of improvements to a single property or a type of eligible property for which a tax may be imposed under this Division;
  - (g) respecting limits on the capital costs of undertaking clean energy improvements on a single property or a type of eligible property under this Division;
  - (h) respecting clean energy improvement programs, including the administration of clean energy improvement programs.

**7 Section 410(e) is amended by adding “a clean energy improvement tax,” after “special tax,”.**

**8 This Act comes into force on Proclamation**

***The Act ends here***