

BOMA in Alberta MGA Draft Legislation Summary

The following outlines general changes incorporated, as well as specific changes within in each focus area.

General

Topic/Area	Position	Rationale
Municipal Taxation Powers and Provincial Revenue Sharing	Support (with reservations)	The taxation powers under the MGA remain unchanged in terms of scope, however, given non-residential property tax classes can now be split and offsite levy powers have been enhanced; it remains to be seen whether this is cosmetic or actual.
Title change	Support	Our goal is to support ongoing refreshment of the MGA to meet the needs of our stakeholders. If this begins the ongoing and iterative process of keeping and updating the MMGA in some way, then the title indicating its modernization needs inclusion as it sets the frame for the entire act.
Added and updated preamble	Support	Enhances the tone and direction of the legislation, provides understanding to all stakeholders of the intent of the legislation.
Industrial Exemptions	Support	These tax benefits are an important part of encouraging investment. These exemptions should continue to be enshrined in MMGA legislation and regulation to ensure continued and expanded economic growth across Alberta.
Linear Property Assessment and Taxation	Support (with comment)	Should regional collaboration enable greater equity and access to linear taxation funding, this should lessen pressure on property taxes from all rate payers.

Governance

Topic/Area	Position	Rationale
Accountability and Transparency	Support (with comment)	The accountability and transparency sections of the act as introduced do not go far enough, nor are as comprehensive as we had hoped. While we are encouraged by steps taken, more robust section sections of the act are required.

Municipal Ombudsman and Municipal Inspections	Support	Introducing a third party and process/procedural amendments to the act enable greater accountability for all parties and allow for an enhanced dispute resolution process that is independent of any level of government (Municipal Ombudsman).
Composition on Local Appeal Boards, and Reporting Structure of the Municipal Government Board	Support (with significant concern)	Municipal councillors will be prohibited from forming the majority of any appeal board; they still will have undue influence by their inclusion in the process. Centralization under the minister appears to be implied rather than direct oversight.
Elected Official Training	Support (with comment)	BOMA is encouraged that their recommendation was in part accepted by Government. However, we are concerned that it is not comprehensive enough and does not include the assessment and taxation review panels which would substantially increase the effectiveness and reduce the bias of such panels. We also believe that training should be extended to senior leadership within municipal administration.

Collaboration and Planning

Topic/Area	Position	Rationale
Requiring Regional Decision Making	Support	Making these mandatory for Edmonton and Calgary will enhance the regional and municipal planning process for all stakeholders, increase transparency, ensure outcomes, and is exactly what BOMA has been advocating for.
Inter-Municipal Collaboration	Support	Finds greater efficiency and formalizes existing collaborative work to provide services, planning consistency, and regional best practices which should enhance regional service delivery and support reduced need for funding from rate payers.
Inclusionary Housing	To be announced	Input required from BOMA.
Off-Site Levies	Significant concern	<p>Inconsistent with stated government priority that taxation power and revenue sharing opportunities were not included in the act. MMGA legislation allows for a greater scope of off-site levies beyond transportation and utility infrastructure. Now fire halls, police stations, etc. will follow within the eligibility list but it is unclear how those costs will be born.</p> <p>BOMA is supportive that the existing principles and criteria for off-site levies will be amended in collaboration with key stakeholders. Robust dispute resolution mechanisms and increased transparency are crucial in order for industry to support these amendments.</p>

Environmental Reserve	Support (with comments)	New category called Conservation Reserve which municipalities can establish to protect wildlife corridors, tree stands. While potential exists to “sterilize” parts of site (the reserve itself, and land stranded by location of the reserve), this is likely not terrible as municipalities have to provide compensation (unlike MR/ER). More work to do on the regulations.
Land-Use Policies	Matter of concern	MMGA reinforces the paramountcy of ALSA over MGA, except in areas of local concern within municipal borders with respect to land use planning. Great concern over regulatory overreach is likely, given regulatory authority provided to the minister.
Municipal Development Plan	Support	Making municipal development plans mandatory will provide greater certainty to all stakeholders and allow greater comfort when pursuing development within municipalities.
Planning Policy Documents	Support	In an effort to meet stakeholder concerns as outlined in the BOMA Whitepapers, this is one of the core requests adopted by government in order to reduce red tape and expand openness in planning policy.
Decision-Making Timelines	Support (with reservations)	Compromise between needs of municipalities and development community. Concern as it does not provide detailed guidance to cities and larger specialized municipalities who are still allowed to create own bylaws that may be in contravention or divergence with intent of act.
Brownfields	Support	Moves forward with allowing developers the support to continue environmental and site development remediation.

Funding

Topic/Area	Position	Rationale
Linking Residential and Non-Residential Property Tax Rates	Support (with reservations)	Providing cap on residential and non-residential property tax assessments. The grandfather clause sections of the act raise concern as there is no definitive timeline for transitioning to equitable taxation rates in non-compliant municipalities. There is also no process to ensure in compliant communities (where taxation rates are below the 5 to 1 threshold) will not seek greater revenue from assessments in order to justify non-residential tax under the ratio.

Splitting Non-Residential Property Tax Rates	Reject	Taxation fairness will not be insured by this measure, and industrial and large commercial properties will likely be taxed at a disproportionately higher rate given restrictions under the new ratio.
Centralization of Industrial Property Assessment	Support (with comment)	We are supportive of centralized assessment but believe that it should be extended to all non-residential rate payers. This central body would then eliminate procedural and structural inequity and unfairness for all commercial and industrial rate payers. We also have concern that the municipal government board may not be the appropriate body to hear designated industrial property hearings.
Assessment of Farmland Intended for Development	Matter of concern	Without long-term development planning being mandated as indicated in other areas of the act, this section is overly punitive against industry and developers. It will also create inequity in different types of property and provides no remedy if development is delayed.
Access to Information for Accessors and Property Owners	Support (with comment)	Regulation making and best practices must include a wide and diverse range of industry stakeholders to ensure fairness, completeness, and enhanced administrative efficiency in the complaint process through access to information.
Assessment Complaints	Support (with comment)	Assessment review board appeals having only one stage is a positive change under the MMGA and once advocated for by BOMA stakeholders. Assessment corrections without notification and ratification can lead to administrative and bureaucratic challenges. The composition of CARB and LARBs continue to be a major concern in terms of mandatory training, independence, and procedural transparency. Greater steps need to be taken in regulations to ensure fairness and robustness of policy.