

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
BYLAW NO. 1347-23

A BYLAW TO AUTHORIZE THE MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9 TO ESTABLISH A CLEAN ENERGY IMPROVEMENT PROGRAM.

WHEREAS the purpose of a municipality is to foster the well-being of the environment and provide services, facilities, and more that, in the opinion of council are necessary or desirable for all, or as part of the municipality;

WHEREAS the Clean Energy Improvement Program is a financing program that uses municipal financing to facilitate the implementation of clean energy improvements to residential, non-residential and farmland properties through the use of a local assessment mechanism to provide security for repayment of the financing;

WHEREAS Alberta Municipal Services Corporation (operating as Alberta Municipalities) has been designated by the Minister as the Program Administrator responsible for the Clean Energy Improvement Program to support municipalities in Alberta that finance clean energy improvements;

WHEREAS the Council of the Municipal District of Pincher Creek No. 9 wishes to enable a Clean Energy Improvement Tax Bylaw to establish a Clean Energy Improvement Program pursuant to section 390.3 of the Municipal Government Act, R.S.A 200, c. M-26;

WHEREAS the Council of the Municipal District of Pincher Creek No. 9 wishes to enable financing for clean energy improvements for eligible properties in their municipality; and

NOW THEREFORE, under the authority of the Council of the Municipal District of Pincher Creek; duly assembled enacts as follows:

DEFINITIONS:

1. In this Bylaw, unless the context otherwise requires:
 - a. “Act” means the Municipal Government Act, R.S.A. 2000, c. M-26 as amended, and any amendment or substitutions thereof;
 - b. “Bylaw” means this Clean Energy Improvement Tax Bylaw;
 - c. “Chief Administrative Officer (CAO)” means the person appointed to the position of the Chief Administrative Officer for the Municipal District of Pincher Creek, within the meaning of the Municipal Government Act.
 - d. “Clean Energy Improvement Agreement” or “Agreement” means the agreement executed between the Municipality and the Owner of an Eligible Property whereby the Owner agrees to pay an amount required to cover the costs of financing each Eligible Clean Energy Improvement approved by the Program Administrator, as drafted in accordance with section 390.4 of the Act;
 - e. Clean Energy Improvement Tax means a tax levied against an Eligible Property pursuant to an Agreement;
 - f. “Eligible Property” means a property located within the Municipality that is designated as residential, non-residential, farmland or not-designated industrial property but does not include designated industrial property or government-owned properties;
 - g. “Municipality” means the Municipal District of Pincher Creek No. 9;
 - h. “Owner” means, collectively, the registered owners of a property;
 - i. “Program” means the Clean Energy Improvement Program as described in the Act and Regulation and defined henceforth;
 - j. “Program Administrator” means the Alberta Municipal Services Corporation (operating as Alberta Municipalities) or provincially designated Program Administrator as defined in the Clean Energy Improvements Regulation;
 - k. “Regulation” means the Clean Energy Improvements Regulation, A.R. 212/2018 and amendments thereto.

TITLE:

2. This Bylaw be cited as the “**Clean Energy Improvement Tax Bylaw**” of the Municipal District of Pincher Creek No. 9.

GENERAL REQUIREMENTS

3. The property Owner(s) of an Eligible Property within the municipality can apply to the Program Administrator to seek financing for a clean energy improvement to their property.
4. Participation in the Program is limited to eligible properties, defined as a property located within the municipality that is designated as residential, non-residential, or farmland, but does not include designated industrial property, government owned properties, and designated manufactured homes.
5. An applicant of a non-profit property that is tax-exempt would be responsible to pay any principal and interest of the Clean Energy Improvement Program costs as per the Clean Energy Improvement Agreement.
6. The Chief Administrative Officer, or designate, of the municipality is hereby authorized to Impose a Clean Energy Improvement Tax, in respect of each clean energy improvement made to a property, where a municipality has entered into a Clean Energy Improvement Agreement with the property Owner(s) of that property.
7. The Clean Energy Improvement Tax will be voluntarily levied against a property when there is a Clean Energy Improvement Agreement to raise revenue to pay the amount required to recover the costs of those clean energy improvements, including principal and interest, to do so between the municipality and the property Owner.
8. To be eligible to participate in the Clean Energy Improvement Program property Owner(s) must:
 - a. be current on their taxation payment for the property, for a period of five years, prior to the date of the application to the program;
 - b. never have been in collections for a property in the municipality;
 - c. for first time property Owners that have purchased the property within the last five years, may be subject to an enhanced financial eligibility review;
 - d. for property Owners that are new to the municipality and do not have a financial history with the Municipality, submit a record of property tax verification from another municipality, for any property previously owned in a different municipality;
 - e. provide mortgage information. If the mortgage amount exceeds the assessed value of the home, the Municipality reserves the right to deny the applicant;
 - f. be in good standing with the Municipality. The Municipality reserves the right to deny the applicant if the applicant is not in good standing with any Department of the Municipality. The Municipality reserves the right to define what “good standing” entails, and can include but is not limited to any development compliance issues, or any other accounts receivable outstanding or unresolved issues.;
 - g. not be in bankruptcy (or insolvency), the property must not be in foreclosure, and the property Owner(s) will be required to provide a sworn statement confirming this;
 - h. be current on their mortgage payment, current on any other debts secured by the property and have not been late on any such payments. They may be required to submit a letter from their financial institution confirming this; and
 - i. meet any additionally eligibility criteria as identified by the Municipality or the Program Administrator
9. For a clean energy improvement to be eligible, it must be an installation that is permanently affixed to the eligible property which:
 - a. will result in increased energy efficiency or use of renewable energy on that property;
 - b. involves:
 - i. interior and exterior lighting and lighting controls;
 - ii. HVAC (I.e., high efficiency furnace);
 - iii. water heating;
 - iv. Building envelope improvements (i.e., insulation);

- v. Renewable energy upgrades (i.e., photovoltaic solar system);
 - vi. Or such other clean energy improvements as are approved and agreed to in writing by the Municipality within the Agreement, and those improvements provided on the list of eligible upgrades available through the Program Administrator’s website;
 - c. is not less than three thousand (\$3,000) dollars in capital cost; and
 - d. capital costs do not exceed \$50,000 for residential, \$300,000 for farmland or \$500,000 for non-residential
10. The amount of the tax authorized by a bylaw under section 353 (property tax) of the Municipal Government Act most recently, and imposed on the property is greater than or equal to the annual payment calculated in accordance with the following formula:

$$\frac{A + B + C}{D}$$

Where

- A is the capital cost of undertaking the clean energy improvement;
 - B is the total cost of professional services needed for the clean energy improvement;
 - C is the total cost of all incidental costs;
 - D is the lesser of the probable lifetime, calculated in years, of the improvement or the maximum financing term established by the Municipality.
11. The Clean Energy Improvement Agreement will be as set out under section 390.4 of the Municipal Government Act, and as amended.
12. The period over which the cost of each eligible clean energy improvement will be spread will be to a maximum, over the probable lifetime of the improvement, and where the annual repayment amount does not exceed the annual taxation amount for the property in question. For multiple upgrades each improvement will be calculated individually.
13. The property Owner(s) may submit one application per year.
14. The property Owner(s) can apply for the program by:
- a) submitting an application to the Program Administrator for the Clean Energy Improvement Program, including any required supporting documentation, and following all program requirements as outlined by the Program Administrator and the Municipality; and
 - b) paying the required application fee, pursuant to section 8 of the Regulation.
15. That for the purpose of the Clean Energy Improvement Program, the sum of project amounts as they are approved will be borrowed by the Municipality.
16. The annual maximum amount to be borrowed by the Municipality towards the Clean Energy Improvement Program is \$300,000 for residential and \$500,000 for both non-residential and farmland properties.
17. The annual borrowed amount will have a maximum rate of interest of ten percent (10%), and a maximum term of twenty-five (25) years.
18. The amount borrowed by the Owner will have an interest rate calculated at the time of the Agreement, and a maximum term based on the lifespan of the improvement(s).
19. The principal and interest owing under the borrowing will be paid using the proceeds from Clean Energy Improvement Tax and payments made by the approved project recipients through to the Municipality on the annual improvement levy.
20. A Clean Energy Improvement Tax will be imposed on the property that is subject to a Clean Energy Improvement Agreement at any time following the signing of the Clean Energy Improvement Agreement.

21. In the event that a property Owner wishes to repay the Clean Energy Improvement Program financing early, the amount owing will be calculated at the time of the request, based on the principal and interest remaining and the terms of the financing being used for the project(s).
22. Any project(s) that has been approved under the Clean Energy Improvement Program must be completed within the time limit as set out under the Agreement.
23. If any clause in this bylaw is found to be invalid, it shall be severed from the remainder of this bylaw and shall not invalidate the whole bylaw.
24. This bylaw comes into force at the beginning of the day that it is passed unless otherwise provided for in the MGA or another enactment or in the bylaw. This bylaw is passed when it received third reading and it is signed in accordance with s.213 of the MGA,

READ a first time this __ day of _____, 2023.

A PUBLIC HEARING was held this __ day of _____, 2023.

READ a second time this __ day of _____, 2023.

READ a third time and PASSED this __ day of _____, 2023.

Reeve

Chief Administrative Officer