

BYLAW 34-2022
CLEAN ENERGY IMPROVEMENT PROGRAM BYLAW

Section 3(a.1) of the Municipal Government Act states that one of the purposes of a municipality is to foster the well-being of the environment;

The Clean Energy Improvement Program is a financing program to assist owners in upgrading their properties with clean energy improvements, which is then repaid through taxes on the upgraded property;

Council believes there is value in participating in the Clean Energy Improvement Program, in order to assist owners with the purchase, construction, and installation of clean energy improvements;

Therefore Council enacts:

PART I – DEFINITIONS AND INTERPRETATION

Definitions

1 In this bylaw:

- (a) "Chief Commissioner" means the chief administrative officer of the County, or delegate;
- (b) "clean energy improvement" has the same meaning as in Part 10, Division 6.1, of the Municipal Government Act;
- (c) "clean energy improvement program" means the program, described in Part 10, Division 6.1, of the Municipal Government Act, to encourage property owners to install clean energy improvements to properties;
- (d) "clean energy improvement tax" means a tax imposed by the County pursuant to a program agreement;
- (e) "County" means the municipal corporation of Strathcona County, a specialized municipality established under the authority of the *Municipal Government Act*, RSA 2000, c M-26 and Order in Council 761/95;
- (f) "Land Use Bylaw" means the County's *Land Use Bylaw*, Bylaw 6-2015;
- (g) "Municipal Government Act" means the *Municipal Government Act*, RSA 2000, c M-26;
- (h) "program administrator" has the same meaning as in the Regulation;
- (i) "program agreement" means an agreement between the County and a property owner, as described in the Municipal Government Act, where the property owner agrees to pay the costs associated with a clean energy improvement through municipal taxes;

(j) "property owner" means a person that is the owner of an estate in fee simple pursuant to the *Land Titles Act*, RSA 2000, c L-4; and

(k) "Regulation" means the *Clean Energy Improvements Regulation*, Alta Reg 212/2018.

Interpretation

- 2 The following rules apply to interpretation of this bylaw:
- (a) headings, titles, and margin notes in this bylaw are for ease of reference only;
 - (b) gender-specific words, phrases, and references are intended to include all genders, and the singular includes the plural as the context requires;
 - (c) every provision of this bylaw is independent of all other provisions and if any provision of this bylaw is declared invalid by a Court, all other provisions of this bylaw remain valid and enforceable; and
 - (d) references to bylaws and enactments in this bylaw include amendments and replacement bylaws and enactments, and regulations and orders thereunder.

PART II – CLEAN ENERGY IMPROVEMENT PROGRAM

Clean Energy Improvement Program

3 The County will establish a clean energy improvement program.

Purpose

- 4 The purpose of this bylaw is to:
- (a) encourage property owners in the County to upgrade properties with clean energy improvements;
 - (b) assist property owners with paying for clean energy improvements by assisting with financing, and adding the repayments to the tax roll in respect of the improved property;
 - (c) authorize the collection of a clean energy improvement tax in respect of properties where a clean energy improvement has been made; and
 - (d) raise revenue to pay the amount required to recover the costs of clean energy improvements.

PART III – APPROVED PROPERTIES

- Eligible Properties
- 5 (1) The following types of properties are eligible to participate in the clean energy improvement program:
- (a) a property that is low-rise residential, including detached and semi-detached homes, row houses, town houses, and multi-unit residential buildings having four stories or fewer, and that is being used for residential purposes.
 - (2) A property where the main structure has been constructed within the last year is not eligible to participate in the clean energy improvement program.
- Eligible Improvements
- 6 The improvements that are eligible for participation in the clean energy improvement program must result in improved energy efficiency or the production of renewable energy, and include:
- (a) heating, ventilation, and air conditioning improvements;
 - (b) renewable energy, solar photovoltaic panels, and thermal energy production improvements;
 - (c) lighting fixture and lighting control improvements;
 - (d) water and wastewater heat production and heat recovery improvements;
 - (e) door, window, insulation, and air leak sealing and improvements; and
 - (f) any other clean energy improvement that is agreed to in writing between the County and the property owner.

PART IV – PROGRAM AGREEMENTS

- Applying to the Program
- 7 A property owner may apply to the program administrator for clean energy improvement tax financing to install a clean energy improvement.
- 8 If the program administrator recommends that an application for a clean energy improvement be approved, the property owner may apply to the Chief Commissioner to enter into a program agreement with the County.
- 9 The Chief Commissioner is authorized to create the forms and determine the process for applying to enter into a program agreement.
- 10 The Chief Commissioner may not enter into a program agreement if the application has not been approved by the program administrator.

Limitation of Approvals

- 11 The Chief Commissioner shall not enter into a program agreement when:
- (a) in the past six years, the property owner has been in tax arrears on the property, or any other property in the County;
 - (b) there is an existing program agreement in place for the property;
 - (c) the costs under a proposed program agreement will cause the County to exceed the amount of borrowing authorized under this bylaw;
 - (d) the property or property owner are subject to a bankruptcy, receivership, or foreclosure proceeding;
 - (e) there are outstanding development compliance orders or safety code orders associated with the property; or
 - (f) the property owner does not otherwise meet any of the requirements under this bylaw, the Municipal Government Act, or the Regulation.

Chief Commissioner Discretion

- 12 The Chief Commissioner has the discretion to refuse to enter into a clean energy improvement agreement when:
- (a) the property owner, or an entity related to the property owner, has an interest in another property that is subject to a bankruptcy, receivership, tax arrears, or foreclosure proceeding;
 - (b) there appears to be limited equity in the property;
 - (c) the property is the subject of litigation;
 - (d) the property owner is involved in litigation with the County;
 - (e) there is a dispute with the property owner about whether the property owner is abiding by the terms of any financial assistance that the property owner has received from any level of government;
 - (f) the clean energy improvement program would be better served by approving a different program agreement on a different property;
 - (g) the Chief Commissioner, in the Chief Commissioner's sole discretion, feels that there is any reason to refuse to enter into a clean energy improvement agreement; or
 - (h) the property owner has not owned the property for at least six years and has owned another property which in the last six years has gone into tax arrears.

- Chief Commissioner Authorization 13 If a property owner applicant meets the criteria in this bylaw, the Municipal Government Act, and the Regulation, the Chief Commissioner is authorized to enter into a program agreement with the property owner.
- 14 (1) The Chief Commissioner is authorized to enter into agreements with the program administrator as required in the Municipal Government Act and the Regulations.
- (2) The program administrator is the Alberta Municipal Services Corporation.

PART V – CLEAN ENERGY IMPROVEMENT TAXES

- Authorization to Apply Tax 15 (1) Where the County has entered into a program agreement with a property owner, a clean energy improvement tax will be charged based on the program agreement.
- (2) The clean energy improvement tax may be imposed on a property that is subject to a program agreement at any time following the signing of the program agreement.
- Duration of Tax 16 (1) A clean energy improvement tax will be charged over the period of time set out in the program agreement.
- (2) The period of time must not exceed the estimated useful lifetime of the clean energy improvement.
- Approved Charges for Tax 17 The clean energy improvement tax will include the following, as set out in the program agreement:
- (a) the outstanding capital cost of undertaking the clean energy improvements;
 - (b) the cost of professional services needed for the clean energy improvements, as set out in the Regulation;
 - (c) the permitted administration fee, as set out in the Regulation;
 - (d) the cost of financing the clean energy improvements; and
 - (e) any other incidental costs associated with the clean energy improvements and raising the revenue to pay for them.

PART VI – BORROWING

- Authorization to Borrow Money 18 For the purposes of the clean energy improvement program the County may borrow money, from a Canadian bank or other similar Canadian financial institution or from any other available borrowing sources, to meet the financial needs of the clean energy improvement program.

- 19 (1) The maximum amount of money that may be borrowed under this bylaw must not exceed six and a half million dollars (\$6,500,000.00) Canadian, exclusive of interest, at any time.
- (2) The County may borrow in one lump sum, or in one or more smaller sums, so long as the principal limit is not exceeded at any one time.
- Maximum Interest Rate 20 The maximum interest rate must not exceed the prime lending rate of the bank or financial institution that the County uses for the borrowing, but in any case must not exceed nine percent (9%) per annum.
- Term of Borrowing 21 All sums borrowed under this bylaw, including principal and interest, must be repaid over a period not to exceed twenty-five years.
- Source of Repayment Funds 22 The County will repay the borrowed sums, including principal and interest, from revenue generated from the clean energy improvement tax.

FIRST READING: July 5, 2022

SECOND READING: July 5, 2022

THIRD READING: July 5, 2022

SIGNED THIS 5th day of July, 2022

Rod Frank

MAYOR

Mavis Nathoo

DIRECTOR, LEGISLATIVE AND LEGAL SERVICES