

CITY OF GRANDE PRAIRIE

BYLAW C-1439

A Bylaw for the purpose of a Clean Energy Improvement Tax

WHEREAS a Clean Energy Improvement Program (“CEIP”) is a financing program that facilitates the construction and installation of qualified clean energy improvements to residential and/or commercial properties, through the use of a local taxation mechanism, to provide security for repayment for the financing;

WHEREAS pursuant to section 390.3 of the Municipal Government Act, RSA 2000, Chapter M-26 a Council of a municipality must pass a Clean Energy Improvement Tax Bylaw;

WHEREAS a Clean Energy Improvement Tax Bylaw authorizes a municipality to pass a borrowing bylaw, if required, for the purpose of financing clean energy improvements and authorizes Council to impose, with respect to each qualified clean energy improvement, a clean energy improvement tax to raise revenue to pay the amount borrowed by the municipality to fund the improvements;

WHEREAS the Minister of Municipal Affairs has designated Alberta Municipal Services Corporation (“AMSC”) as the Program Administrator;

WHEREAS AMSC has developed a CEIP to support municipalities in Alberta finance clean energy improvements;

AND WHEREAS the City of Grande Prairie wishes to enable financing for clean energy improvements for eligible residential and/or commercial properties within the City by using AMSC’s CEIP.

NOW THEREFORE, THE MUNICIPAL COUNCIL OF THE CITY OF GRANDE PRAIRIE, IN THE PROVINCE OF ALBERTA, DULY ASSEMBLED, ENACTS AS FOLLOWS:

TITLE

1. This Bylaw shall be known as the “Clean Energy Improvement Tax” Bylaw.

DEFINITIONS

2. The following words and phrases mean:

“**Act**” means the Municipal Government Act, RSA 2000, Chapter M-26 as amended.

“**Agreement**” means, in accordance with section 390.4 of the Act, a Clean Energy Improvement Agreement executed between the City and the Owner(s) whereby the Owner(s) agrees to pay an amount required to cover the costs of financing each Eligible Clean Energy Improvement approved by the Program Administrator.

“**City**” means the municipal corporation of the City of Grande Prairie having jurisdiction under the Act and other applicable legislation.

“City Manager” means the person appointed by Council to the position of Chief Administrative Officer or their designate.

“Clean Energy Improvement Tax” means a tax levied against an Eligible Property pursuant to an Agreement.

“Council” means the duly elected municipal Council of the City.

“Eligible Clean Energy Improvement” means an improvement that the Program Administrator qualifies as such and includes in a publication required under the Regulation.

“Eligible Property” means a property, situated within the City, that qualifies as eligible under section 390.2 of the Act and is:

- a) designated as residential, commercial, non-profit, or multi-unit residential (>5 units), but does not include designated industrial or government-owned properties.

“Owner(s)” means, collectively, the registered Owners of an Eligible Property.

“Program” means a Clean Energy Improvement Program (CEIP) as described in the Act and Regulation.

“Program Administrator” means the Alberta Municipal Services Corporation.

“Regulation” means the *Clean Energy Improvements Regulation* A.R. 212/2018.

APPLICATION

3. Pursuant to the Program, an Owner(s) of Eligible Property may apply to the Program Administrator to finance an Eligible Clean Energy Improvement. The Program Administrator may charge a fee in relation to any such application, pursuant to the Regulation.
4. Participation in the Program is limited to eligible properties, defined as a property located within the City that is designated as residential, commercial, non-profit, or multi-unit residential (>5 units), but does not include designated industrial property or government-owned properties.
5. An applicant of a non-profit property that is tax-exempt would be responsible to pay any and all principal and interest of the CEIP costs, as per the Clean Energy Improvement Agreement.
6. The City Manager is hereby authorized to impose a Clean Energy Improvement Tax, in respect of each clean energy improvement made to a property, where the City has entered into a Clean Energy Improvement Agreement with the Owner(s) of that property.

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7. The Clean Energy Improvement Tax will be voluntarily levied against a property when there is an 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 City and the property Owner(s).
 8. The property Owner(s) must meet the criteria defined by the Program Administrator and City to be eligible to participate in the CEIP.
 9. For a clean energy improvement to be eligible, it must be an installation that is affixed to the eligible property which:
 - a. will result in improved energy efficiency or the production of renewable energy;
 - b. must be listed as an eligible upgrade on the Program Administrator's website, and be agreed to in writing by the City within the Agreement;
 - c. is not less than \$3,000.00 in project value; and
 - d. does not exceed \$50,000.00 for residential, \$500,000.00 for commercial, \$50,000.00 for non-profit, and \$100,000.00 for multi-unit residential (>5 units), in project value.
 10. The most recent amount of the tax authorized by a bylaw under Section 353 (property tax) of the Act and imposed on the property, must be greater than, or equal to, the annual CEIP 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 of all incidental costs.
 - D is the probable lifetime, calculated in years, of the improvement.
 11. The Agreement will be as set out as under Section 390.4 of the Act.
 12. The period over which the cost of each Eligible Clean Energy Improvement will be spread, to a maximum, over the probable lifetime of the improvement. The repayment amount will not exceed the taxation amount for the property in question. For multiple upgrades on one (1) property, a weighted average of the probable lifetimes of each upgrade, will be utilized.
 13. The property Owner(s) may submit one (1) application per year.
 14. The property Owner(s) can apply for the Program by:
 - a. submitting an application to AMSC for the CEIP, including any required supporting documentation, and following all Program requirements as outlined by AMSC; and
 - b. paying any required application and/or administration fees.

- 15. That for the purpose of the CEIP, the sum of project amounts, as they are approved, could be borrowed through a financial institution or other sources to be set out in a borrowing bylaw.
- 16. The annual maximum amount to be allocated by the City towards the CEIP is \$1,300,000.00 for residential and \$750,000.00 for non-residential.
- 17. When borrowed, the principal and interest owing under the borrowing bylaw will be paid using the proceeds from the Clean Energy Improvement Tax payments, made by the approved project recipients annually to the City on the annual improvement levy.
- 18. A Clean Energy Improvement Tax will be imposed on the property that is subject to an Agreement, directly after the signing of the Agreement.
- 19. In the event that a property Owner(s) wishes to make early, full repayment of an amount financed by a Clean Energy Improvement Tax, the amount owing will be calculated at the time of the request, based on the principle and interest remaining and the terms of the financing.
- 20. Any project(s) approved under the CEIP must be completed within the time limit as set out under the Agreement.

EFFECTIVE DATE

21. This Bylaw shall take effect on the date it is passed.

READ a first time this 23 day of August , 2021.

READ a second time this 23 day of August , 2021.

READ a third time and finally passed this 23 day of August , 2021.

“J. Clayton” (signed)
Mayor

“A. Karbasheski” (signed)
City Clerk