

BYLAW #1022-22
The City of Beaumont
Clean Energy Improvement Tax Bylaw

A Clean Energy Improvement Program is a tax financing tool that that enables the installation of qualified clean energy improvements to be made to eligible private properties;

Pursuant to Section 390.3 of the *Municipal Government Act*, a Council who wishes to establish a Clean Energy Improvement Program must pass a Clean Energy Improvement Tax Bylaw;

A Clean Energy Improvement Tax Bylaw authorizes a municipality to pass a borrowing bylaw for the purpose of financing clean energy improvements and authorizes Council to impose, with respect to each qualified clean energy improvement made on an eligible property, a clean energy improvement tax to raise revenue required to recover the costs of those clean energy improvements;

Alberta Municipal Services Corporation has developed a Clean Energy Improvement Program to support municipalities in Alberta to finance clean energy improvements and act as Program Administrator in accordance with the *Clean Energy Improvements Regulation*, Alta Reg 212/2018; and

The City of Beaumont wishes to enable clean energy improvements to be made to eligible properties and to support implementation of its Environmental Master Plan;

Therefore, Council enacts as follows:

PART I – DEFINITIONS AND INTERPRETATION

Definitions

1. In this bylaw:

- (a) "Act" means the *Municipal Government Act*, RSA 2000, c M-26;
- (b) "Administration Fee" means an administration fee as defined in Section 1(a) of the Regulation.
- (c) "Agreement" or "Clean Energy Improvement Agreement" means an agreement entered into between the City and an Owner in accordance with section 390.4 of the Act, whereby the Owner agrees to pay an amount required to cover the costs of financing each Clean Energy Improvement approved by the Program Administrator, as drafted in accordance with the Act;
- (d) "City" means the City of Beaumont;

- (e) "Chief Administrative Officer" means the chief administrative officer of the City or delegate;
- (f) "Clean Energy Improvement" is a renovation, adaptation, or installation on Property:
 - i. that will increase energy efficiency or the use of renewable energy on that property;
 - ii. for which an Agreement may be made;
 - iii. which is published on a list by the Program Administrator in accordance with the Regulation;
 - iv. that is not less than \$3,000.00 in capital cost of the project value; and
 - v. where the value of the capital cost of the project does not exceed \$50,000.00 for residential property, \$500,000.00 for non-residential property; and \$300,000.00 for farm land.
- (g) "Clean Energy Improvement Tax" means a tax levied against a Property pursuant to an Agreement;
- (h) "Owner" means, collectively, the registered owners of Property in the City;
- (i) "Program" means a clean energy improvement program as described in the Act and Regulation;
- (j) "Program Administrator" means Alberta Municipal Services Corporation (operating as Alberta Municipalities), or its successors or assigns as designated by order in accordance with the Regulation;
- (k) "Property" means a property, situated within the City, that qualifies as eligible under Section 390.2 of the Act and is designated as residential, non-residential, farmland, but does not include designated industrial or government-owned properties, or mobile homes; and
- (l) "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 be gender-neutral, 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 – PROGRAM APPLICATION

Application

3. Pursuant to the Program, an Owner may apply to the Program Administrator to finance a Clean Energy Improvement. The Program Administrator may charge an application fee in relation to any such application pursuant to the Regulation.
4. An Owner may submit one Program application per year.
5. The Program Administrator will review the Owner’s application and may approve it subject to the requirements of the Act, the Regulation, and this bylaw.

Eligible Property

6. Participation in the Program is limited to Property as defined herein.
7. A Property’s tax-exempt status shall have no effect on eligibility to participate in the Program or any obligation under an Agreement to make required principal and interest payments through tax recovery or otherwise.

Owner Eligibility

8. The Owner must meet the criteria defined by the Program Administrator and the City to be eligible to participate in the Program.

Agreement

9. The City may enter into an Agreement with an Owner on a discretionary basis, subject at all times to the requirements, conditions and limitations set out in Section 10(1) of the Regulation including, but not limited to, the Program Administrator's approval of the application referenced in this bylaw.
10. Before the Agreement is signed, the Owner(s) must review the terms and conditions of the Agreement with the Program Administrator and provide a signed acknowledgement that they understand the terms and conditions of the Agreement.
11. Any projects that have been approved under the Program must be completed within the time limit as set out under the Agreement.
12. Pursuant to the Act, a Clean Energy Improvement Agreement shall be signed by all Owners and shall include, but not be limited to:
 - (a) describe the proposed Clean Energy Improvement;
 - (b) the estimated date of completion of the Clean Energy Improvement;
 - (c) the estimated cost of the Clean Energy Improvement;
 - (d) the Administration Fee;
 - (e) a description of the Property in respect of which the Clean Energy Improvement Tax will be imposed;
 - (f) a statement that the Owner of the Property will be liable to pay the Clean Energy Improvement Tax;
 - (g) the amount required to recover the costs of the Clean Energy Improvement and the method of calculation used to determine that amount;
 - (h) the period over which the amount in section 12(g) will be repaid, which shall be based on the expected useful lifetime of the Clean Energy Improvement as determined by the Program Administrator pursuant to the Regulation, to a maximum term of twenty-five (25) years;
 - (i) the portions of the amount in section 12(g) that will be paid by the municipality, from the revenue raised from the Clean Energy Improvement Tax, and from other sources of revenue;
 - (j) a description of 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;

- (k) the manner in which a cost overrun or underrun is to be dealt with if the actual cost of the Clean Energy Improvement differs from the estimated cost;
- (l) a statement that the costs of the Clean Energy Improvement may be revised if Council refinances the debt created to pay for the Clean Energy Improvement at an interest rate other than the rate estimated when the Agreement was made, together with a description of the manner by which the costs would be revised;
- (m) a statement that the Clean Energy Improvement Tax may be imposed at any time following the signing of the Clean Energy Improvement Agreement;
- (n) a statement that the amount that may be expended on incidental costs must not exceed 15% of the total capital cost of undertaking the Clean Energy Improvement;
- (o) a statement that the Agreement may be rescinded during the period of 10 days following the date when the Agreement is signed; and
- (p) a requirement that the Owner must:
 - i. allow the Program Administrator, at a reasonable time and after giving reasonable notice, access to the Property in order to monitor the progress of the Improvement or to verify that the Improvement has been completed;
 - ii. if the Property is offered for sale, disclose the existence and contents of the Agreement to prospective buyers of the Property and to any realtor engaged by the Owner;
 - iii. if the Property is sold, append the Agreement to any contract of sale for the Property; and
 - iv. if the Property is transferred other than by sale, ensure that the Agreement is provided to the person to whom the Property is transferred.

13. For greater certainty, the approval of an Owner's application by the Program Administrator does not require the City to enter into an

Agreement with that Owner. The City may, in its sole discretion, in accordance with the Regulation, refuse to enter into an Agreement for any reason.

Clean Energy Improvement Tax

14. Where the City has entered into an Agreement with an Owner, and at any time following the signing of that Agreement, a Clean Energy Improvement Tax will be imposed on the Property pursuant to that Agreement.
15. For the purposes of imposing a Clean Energy Improvement Tax, the period over which the cost of each Clean Energy Improvement will be spread may vary, but in no case will such period exceed the probable lifetime of the applicable improvement.

Early Repayment

16. If an Owner 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 principal and interest remaining and the terms of the financing.

PART III – BORROWING

Authorization to Borrow Money

17. For the purposes of the Program the City 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 Program.

Borrowing Limit

18. The maximum amount of money that may be borrowed under this bylaw must not exceed four million (\$4,000,000) dollars, exclusive of interest.

Maximum Interest Rate

19. The borrowed amount will have a maximum rate of interest of nine (9%) percent per annum.

Term of Borrowing

20. All sums borrowed under this bylaw, including principal and interest, must be repaid within twenty-five (25) years of the borrowing.

Source of Repayment

21. The City will repay the borrowed sums, including principal and interest, from the Clean Energy Improvement Tax and other payments that may be made by the Owners with respect to the Clean Energy Improvements.

PART IV – POWERS OF CHIEF ADMINISTRATIVE OFFICER

Powers of Chief
Administrative Officer

22. Without restricting any other power, duty or function granted by this bylaw, the Chief Administrative Officer:
- (a) shall have the authority to approve and enter into any agreement necessary to administer the Program;
 - (b) may establish forms or other documents for the purposes of this bylaw;
 - (c) may determine the procedures to be followed when making a decision to refuse an application for a Clean Energy Improvement; and
 - (d) delegate any powers, duties or functions under this bylaw to an employee of the City.

FIRST READING: July 26, 2022

SECOND READING: September 13, 2022

THIRD READING: September 13, 2022

SIGNED THIS 13 day of September, 2022.



MAYOR



CLERK