

## BYLAW 29-23

### A BYLAW OF THE TOWN OF OKOTOKS IN THE PROVINCE OF ALBERTA REGARDING A CLEAN ENERGY IMPROVEMENT TAX

**WHEREAS** section 390.3 of the *Municipal Government Act (Act)*, RSA 2000, c. M-26 provides that a municipality may pass a Clean Energy Improvement Tax Bylaw to establish a Clean Energy Improvement Program; and

**WHEREAS** the purpose of this Bylaw is to establish a Clean Energy Improvement Program in accordance with Part 10, Division 6.1 of the *Act*, to set the terms and conditions of that Program, and to authorize the levying of a tax on the tax roll for properties taking part in the Program; and

**WHEREAS** Council considers it desirable to create a Clean Energy Improvement Program; and

**WHEREAS** the Clean Energy Improvement Tax Bylaw authorizes Council to impose a Clean Energy Improvement Tax in respect of each qualified Clean Energy Improvement made to an eligible property to raise revenue to pay the amount required to recover the costs of those Clean Energy Improvements; and

**WHEREAS** the Minister of Environment and Parks has designated the Alberta Municipal Services Corporation (operating as Alberta Municipalities) as the Program Administrator for the purposes of the *Clean Energy Improvements Regulation (Regulation)*, A.R. 212/2018 and amendments thereto; and

**WHEREAS** section 390.3 of the *Act* authorizes a municipality to make a borrowing for the purpose of financing Clean Energy Improvements, and may do so within the context of a Clean Energy Improvement Tax Bylaw, notwithstanding the provisions contained in section 251 of the *Act*.

**NOW THEREFORE** the Council of the Town of Okotoks enacts as follows:

#### 1. SHORT TITLE

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

#### 2. DEFINITIONS

In this Bylaw, unless the context otherwise requires:

- 2.1. **Administration Fee** means an administration fee as defined in section 1(a) of the *Regulation*.
- 2.2. **Capital Cost** means the cost to purchase and install the Clean Energy Improvement, but does not include Professional Service costs or Incidental Costs.

- 2.3. **CEIP** or **Clean Energy Improvement Program** or **Program** means a Clean Energy Improvement Program as described in Division 6.1 of the *Act* and in Part 10 of the *Regulation*.
- 2.4. **Chief Administrative Officer (CAO)** means the person appointed to the position of the chief administrative officer for the Town within the meaning of the *Act* and the Town's CAO Bylaw.
- 2.5. **Clean Energy Improvement** or **Improvement** means a permanent Clean Energy Improvement as defined in section 390.1 of the *Act* that is fixed to the Property, and listed by the Program Administrator under section 3(1) of the *Regulation*.
- 2.6. **Clean Energy Improvement Agreement** or **Agreement** means a Clean Energy Improvement Agreement executed between the Town and an Owner in accordance with section 390.4 of the *Act*, and section 10 of the *Regulation*.
- 2.7. **Clean Energy Improvement Tax** means a tax imposed on a property in the Town under Division 6.1 of the *Act* that is intended to repay the cost of a Clean Energy Improvement under an Agreement.
- 2.8. **Council** means the Mayor and Councilors of the Town duly elected pursuant to the provisions of the *Local Authorities Election Act*, as amended, or any legislation in replacement or substitution thereof;
- 2.9. **Eligible Cost** means a cost eligible for financing under the Program and includes the Capital Costs, Incidental Costs, and Professional Service costs for the project.
- 2.10. **Good Standing** means the Owner is current on their taxation payment for the Property, has never been in Tax Arrears for a period of five (5) years prior to the date of the application to the Program with the Town or any other municipality, has all municipal service bills paid, and has no unresolved development compliance or safety code issues;
- 2.11. **Incidental Cost** means an amount expended on Incidental Work.
- 2.12. **Incidental Work** means preparation or upgrading of a property that is incidental to the installation of the Clean Energy Improvement on the Property but required for successful execution and excludes the installation of the Clean Energy Improvement and Professional Services.
- 2.13. **Owner** means collectively the registered owner(s) of a Property on a certificate of title maintained by the Registrar under the *Land Titles Act* RSA 2000, c.L-4.
- 2.14. **Professional Service** means a service provided by a professional with specialized education or training, including engineering studies, EnerGuide Home Evaluations, feasibility studies, or related studies, but exempting installation of the Clean Energy Improvement or Incidental Work.
- 2.15. **Program Administrator** means the provincially designated Program Administrator as defined in section 2 of the *Regulation*.

- 2.16. **Program Terms and Conditions** means the terms and conditions of the Town's Program, to be published on the Program Administrator's website on or before the date the Program opens to applications.
- 2.17. **Property** means the property, located in the Town, on which an Owner is applying to permanently affix a Clean Energy Improvement.
- 2.18. **Tax Arrears** means taxes that remain unpaid after December 31 of the year in which they are imposed pursuant to section 326(1)(c) of the *Act*.
- 2.19. **Town** means the Corporation of the Town of Okotoks in the Province of Alberta, and where the context so requires, means the area of land within the corporate boundaries thereof.

### 3. IMPLEMENTATION OF THE PROGRAM

- 3.1. The Town, through the CAO, shall implement a Clean Energy Improvement Program as outlined in this Bylaw.
- 3.2. The CAO, or designate, is hereby authorized to impose a Clean Energy Improvement Tax, in respect of each Clean Energy Improvement made to a Property, where the Town has entered into a Clean Energy Improvement Agreement with the Owner(s).

### 4. PROGRAM ADMINISTRATION

- 4.1. The Town shall enter into an agreement, pursuant to section 6 of the *Regulation*, with the Program Administrator relating to the administration of the Town's Program.
- 4.2. The CAO shall have the authority to approve and enter into the agreement with the Program Administrator on behalf of the Town.
- 4.3. When exercising duties under the Program, the Program Administrator shall not act as an agent of the Town.

### 5. ELIGIBILITY REQUIREMENTS

- 5.1. To be eligible for the Program, the Property must be located within the Town (including annexed areas), and pursuant to section 297 and section 390.2(b) of the *Act*, be classified as residential.
- 5.2. A Property's tax-exempt status shall have no effect on its eligibility for the Program, or on the Owner's liability to pay the Clean Energy Improvement Tax pursuant to an Agreement, as laid out in the *Regulation* section 10(1)(c) and 10(2).
- 5.3. Clean Energy Improvements eligible to be financed through a Clean Energy Improvement Tax shall be as indicated on the list established by the Program Administrator in accordance with the section 3(1) of the *Regulation*.

- 5.4. For a Clean Energy Improvement to be eligible for participation in the Program, it must be an installation that is affixed to the Property which:
  - 5.4.1. will result in increased energy efficiency or the use of renewable energy on the Property; and
  - 5.4.2. must be listed as an eligible upgrade on the Program Administrator's website, and be agreed to in writing by the Town within the Agreement; and
  - 5.4.3. is not less than three thousand (\$3000) dollars in Capital Costs and does not exceed \$50,000 in Eligible Costs for a residential Property.

## **6. PROGRAM APPLICATION**

- 6.1. Pursuant to the Program, an Owner of a Property may apply to the Program Administrator to finance a Clean Energy Improvement on that Property.
- 6.2. The Program Administrator may charge a fee in relation to any such application, pursuant to section 8 of the *Regulation*.
- 6.3. The Program Administrator will review the Owner's application and may approve it subject to the requirements of the *Act*, *Regulation*, this Bylaw and the Program Terms and Conditions.
- 6.4. An Owner may submit one Program pre-qualification application per year, per Property.

## **7. CLEAN ENERGY IMPROVEMENT AGREEMENT**

- 7.1. Agreement Process
  - 7.1.1. If an Owner meets the criteria in this Bylaw, the *Act*, the *Regulation*, and the Program Terms and Conditions, the Town is authorized to enter into a Clean Energy Improvement Agreement with the Owner.
  - 7.1.2. 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.
  - 7.1.3. Where the Town has entered into an Agreement with an Owner, a Clean Energy Improvement Tax will be charged based on that Agreement.
  - 7.1.4. For greater certainty, the approval of an Owner's application by the Program Administrator does not require the CAO to enter into an Agreement with that Owner, in accordance with section 10(3) of the *Regulation*.
  - 7.1.5. If eligible, an Owner may participate in the Program and sign an Agreement to obtain financing from the Town every 3 years.
- 7.2. The Town shall only enter into a Clean Energy Improvement Agreement when:
  - 7.2.1. the Owner is in Good Standing with the Town. The Town reserves the right

- to deny the Owner if the Owner is not in Good Standing with any department of the Town; and
- 7.2.2. the Owner is current with the mortgage payment, and any other debts secured by the Property; and
  - 7.2.3. the costs under a proposed Clean Energy Improvement Agreement cause the Town to remain within the amount of borrowing authorized under the Clean Energy Improvement Program Borrowing Bylaw; and
  - 7.2.4. the Owner permanently affixes the Clean Energy Improvement to the Property; and
  - 7.2.5. the Owner is not in personal bankruptcy (or insolvency), the Property must not be in foreclosure, and the Owner will be required to provide sworn statements confirming these; and
  - 7.2.6. the Program Administrator has approved the Owner's application for a Clean Energy Improvement; and
  - 7.2.7. the Owner, and the Property, meets the eligibility requirements of the *Act*, the *Regulation*, this Bylaw and the Program Terms and Conditions.

## **8. CLEAN ENERGY IMPROVEMENT TAX**

- 8.1. The Clean Energy Improvement Tax will be levied against a Property whose Owner has entered into a Clean Energy Improvement Agreement with the Town to repay the amount required to recover the costs of those Clean Energy Improvements, including principal and interest.
- 8.2. The Clean Energy Improvement Tax shall be shown as a separate line item on the Property's tax roll and on any tax notices.
- 8.3. 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 terms of the Clean Energy Improvement Agreement.
- 8.4. The period over which the repayment of each Clean Energy Improvement will be spread will be to a maximum of the probable lifetime of the improvement as posted on the Program Administrator's website.

## **9. AUTHORIZED BORROWING**

- 9.1. The sum of project amounts shall be borrowed for the purpose of financing the Clean Energy Improvement Program, as outlined in the Clean Energy Improvement Program Borrowing Bylaw.
- 9.2. The borrowed funds, in the form of a line of credit or other loan, shall have an interest rate not exceeding eight percent (8%) per annum, a maximum term of 25 years, and repayment terms including principal and interest, plus other fees or charges applicable to the borrowing.
- 9.3. The principal and interest owing under the borrowing will be paid using the Clean Energy Improvement Taxes collected from Owners, and other payments that may be made by the Owners with respect to the terms of their individual Agreements.

- 9.4. The 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 Agreement.
- 9.5. The funds borrowed under this Bylaw shall be applied only for the purposes specified in this Bylaw and for no other purpose.

## **10. GENERAL**

- 10.1. It is the intention of Council that each separate provision of this Bylaw shall be deemed independent of all other provisions herein and it is the further intention of Council that if any provision of this Bylaw is declared invalid, all other provisions hereof shall remain valid and enforceable.
- 10.2. Nothing in this Bylaw relieves a person from complying with any provision of any federal or provincial law or regulation, other bylaw or any requirement of any lawful permit, order or license.
- 10.3. Where this Bylaw cites or refers to any act, regulation, code or other bylaw, the citation or reference is to the act, regulation, code or other bylaw as amended, whether amended before or after the commencement of this Bylaw, and includes reference to any act, regulation, code or other bylaw that may be substituted in its place.
- 10.4. All Schedules attached to this Bylaw form part of this Bylaw.

This Bylaw shall come into full force and effect upon third and final reading and Bylaw 11-21 and any amendments thereto is hereby repealed.

READ A FIRST TIME this       day of       2023.

READ A SECOND TIME this       day of       2023.

READ A THIRD TIME AND PASSED this       day of       2023.

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Mayor

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Chief Administrative Officer