



**BYLAW NO. 2021/11/A**

**Name of Bylaw: Clean Energy Improvement Tax Bylaw**

**WHEREAS** a clean energy improvement program is a financing program that facilitates the implementation of qualified clean energy improvements to eligible properties.

**WHEREAS** pursuant to Section 390.3 of the *Municipal Government Act*, being Chapter M-26 of the Revised Statutes of Alberta 2000 and amendments thereto, a municipality may pass a clean energy improvement tax bylaw to establish a clean energy improvement program.

**WHEREAS** a clean energy improvement program bylaw authorizes the municipality to make a borrowing for the purpose of financing clean energy improvements and authorizes Council to impose, with respect of each qualified clean energy improvement, a clean energy improvement tax to raise revenue to pay the amount required to recover the costs of those clean energy improvements.

**WHEREAS** the Minister of Environment and Parks has designated a Program Administrator to support municipalities' efforts to establish clean energy improvement programs.

**AND WHEREAS** the Town of Drayton Valley wishes to enable financing for clean energy improvements for eligible properties in their municipality through the Clean Energy Improvement Program.

**NOW THEREFORE** the Council of the Town of Drayton Valley, duly assembled, hereby enacts as follows:

**TITLE**

1. This Bylaw may be cited as the "Clean Energy Improvement Tax Bylaw" of the Town of Drayton Valley.

**PURPOSE**

2. The purpose of this Bylaw is to establish a Clean Energy Improvement program for the Town of Drayton Valley.

**DEFINITIONS**

3. In this Bylaw, the following definitions apply, unless the context otherwise requires:

- 3.1. Act – means the Municipal Government Act, R.S.A., 2000, c. M-26 and amendments thereto;
- 3.2. Agreement – means a Clean Energy Improvement Agreement executed between the Town of Drayton Valley and the Owner 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;
- 3.3. Clean Energy Improvement Tax – means a tax levied against an Eligible Property pursuant to an Agreement;
- 3.4. Eligible Clean Energy Improvement – means, subject to the regulations, a renovation, adaptation, or installation on eligible private property that will increase energy efficiency or the use of renewable energy on that property, and for which an Agreement may be made;
- 3.5. Eligible Property – means a property that is situated within the Town, that qualifies as eligible under Section 390.2 of the Act;
- 3.6. Owner – means, collectively, the registered owners of a property;
- 3.7. Program – means a clean energy improvement program as described in the Act and Regulation;
- 3.8. Program Administrator – means the Alberta Municipal Services Corporation, or its successors or assigns as designated in accordance with the Regulation;
- 3.9. Regulation – means the Clean Energy Improvement Regulation, A.R.212/2018 and amendments thereto; and
- 3.10. Town – means the municipal corporation of the Town of Drayton Valley or as the context may imply, the physical area within the jurisdictional boundary of the Town of Drayton Valley.

### **PROGRAM APPLICATION**

4. Pursuant to the Program, an Owner 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.
5. An Owner may submit one Program application per year, per Eligible Property.
6. An Owner must meet the following eligibility criteria to participate in the Program:

- 6.1. Be current on their taxation payment for the property, for a period of 5-years, prior to the date of the application to the program;
- 6.2. Has never been in collections for a property in the Town;
- 6.3. Does not have any outstanding municipal service bills or unresolved development compliance issues with the municipality. The Town reserves the right to deny the applicant if the applicant is not in good standing with any department of the Town;
- 6.4. Not be in personal bankruptcy (or insolvency) and the property must not be in foreclosure. The Owner may be required to provide documentation confirming these; and
- 6.5. Be current with mortgage payment, and any other debts secured by the property. The Owner may be required to provide documentation confirming these.

#### **CLEAN ENERGY IMPROVEMENT AGREEMENT**

7. The Town may enter into an Agreement with an Owner on a discretionary basis but 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.
8. Where the Town has entered into an Agreement with an Owner, and at any time following the signing of the Agreement, a Clean Energy Improvement Tax will be imposed on the applicable property pursuant to that Agreement.

#### **CLEAN ENERGY IMPROVEMENT TAX**

9. For the purpose of imposing a Clean Energy Improvement Tax, the annual repayment amount will not exceed the annual taxation amount most recently imposed for the Eligible Property.
10. The period over which the cost of each Eligible Clean Energy Improvement will be spread may vary, to a maximum, over the probable lifetime of the applicable improvement.
11. For the purpose of this Program, the Town may borrow funds totaling up to \$3, 200,000, over the course of a 4-year period, in the form of a line of credit or other loan instruments to finance approved Eligible Clean Energy Improvements. Source of funding may be financial institutions, lending organizations and/or the Green Municipal Fund, a program delivered by the Federation of Canadian Municipalities and funded by the Government of Canada.

12. The annual maximum amount to be allocated by the Town towards the Clean Energy Improvement Program is up to \$400,000 for residential and up to \$500,000 for non-residential.
13. The annual borrowed amount will have a maximum rate of interest of 5%, a maximum term of 25 years, and repayment terms including principal and interest, plus other fees or charges applicable to the borrowing.
14. The principal and interest owing under the borrowing will be paid using the proceeds from the Clean Energy Improvement Tax and other payments that may be made by the Owners with respect to the applicable Eligible Clean Energy Improvements.
15. If the 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.
16. Any project that has been approved under the Program must be completed within the time limit as set out under the Agreement.

**SEVERABILITY**

17. If any provision of this Bylaw is held to be invalid by a court of competent jurisdiction, that decision will not affect the validity of the remaining provisions of the Bylaw.

**AND THAT** this Bylaw shall come into force and have effect from and after the date of third reading thereof.

Read a first time this 18<sup>th</sup> day of August, 2021, A. D.

Read a second time this 15<sup>th</sup> day of September, 2021, A. D.

Read a third and final time this 15<sup>th</sup> day of September, 2021, A. D.

  
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MAYOR

  
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INTERIM CHIEF ADMINISTRATIVE OFFICER