TOWN OF ROCKY MOUNTAIN HOUSE
REVISED CLEAN ENERGY IMPROVEMENT TAX BYLAW 2022/10

A Clean Energy Improvement Tax Bylaw to authorize the Town of Rocky Mountain House to engage in the Clean Energy Improvement Program (CEIP).

WHEREAS the purpose of a municipality is to foster the well-being of the environment and provide services, facilities or other things that, in the opinion of council, are necessary or desirable for all or a part of the municipality;

WHEREAS the Clean Energy Improvement Program is a financing program that uses municipal financing to facilitate the implementation of clean energy improvements to residential, non-residential and farmland properties, through the use of a local assessment mechanism, to provide security for repayment of the financing;

WHEREAS Alberta Municipal Services Corporation, operating as Alberta Municipalities, has been designated by the Minister as the Program Administrator responsible for the Clean Energy Improvement Program, to support municipalities in Alberta that finance clean energy improvements;

WHEREAS the Council of the Town of Rocky Mountain House wishes to enable a Clean Energy Improvement Bylaw, to establish a Clean Energy Improvement Program pursuant to Section 390.3 of the *Municipal Government Act*, R.S.A. 2000, c. M-26 ("the Act");

WHEREAS the Council of the Town of Rocky Mountain House wishes to enable financing for clean energy improvements for eligible properties in their municipality by working with Alberta Municipal Services Corporation to establish a Clean Energy Improvement Program.

NOW THEREFORE, the Council of the Town of Rocky Mountain House; duly assembled, enacts as follows:

TITLE AND PURPOSE:

1. This Bylaw may be cited as the "**Clean Energy Improvement Tax Bylaw**", of the Town of Rocky Mountain House.

2. The purpose of this Bylaw is to establish a Clean Energy Improvement Program (CEIP) in accordance with Part 10, Division 6.1 of the Act, to set the terms and conditions of that Program.

3. This Bylaw works in conjunction with the Town's CEIP Line of Credit (LOC) Borrowing Bylaw.

DEFINITIONS:

4. In this Bylaw:

   a) "**Act**" means the *Municipal Government Act*, RSA 2000, cM-26.
   b) "**Administration Fee**" means an administration fee as defined in Section 1(a) of the Regulations, which shall be 5% of the Capital Costs of the Clean Energy Improvements in a Clean Energy Improvement Agreement.

c) "**Capital Costs**" means the cost of the Clean Energy Improvement including the cost of the improvement, including labour, and any incidental costs.
d) "**Chief Administrative Officer**" or "**CAO**" means the Chief Administrative Officer of the Town, or any authorized delegate.
e) "**Clean Energy Improvement**" means a clean energy improvement as defined in Section 390.1 of the Act.
f) "**Clean Energy Improvement Agreement**" or "**Agreement**" means an agreement entered into between the Town and a Property Owner in accordance with Section 390.4 of the Act.
g) "**Clean Energy Improvement Tax**" means a Tax intended to repay the cost of a Clean Energy Improvement borrowing, in accordance with Division 6.1 of the Act.
h) "**Mayor**" means the Town's chief elected official as defined in Section (1)(1)(d) of the Act.
i) "**Program**" means a Clean Energy Improvement Program established and operating under the terms of Division 6.1 of the Act.
j) "**Program Administrator**" means Alberta Municipal Services Corporation, operating as Alberta Municipalities, as appointed in accordance with the Regulations.
k) "**Property**" means the Property on which a Property Owner is applying to affix a Clean Energy Improvement.
l) "**Property Owner**" means the owner of Property in the Town that is applying to take part in the Program.
m) "**Regulations**" means the *Clean Energy Improvements Regulation*, Alta Reg 212/2018.
n) "**Town**" means the Town of Rocky Mountain House.

GENERAL REQUIREMENTS

5. The Town, through the Chief Administrative Officer, shall implement a Program on the terms and conditions outlined in this Bylaw.

6. The Chief Administrative Officer may delegate any authority under this Bylaw.

7. The Chief Administrative Officer shall have the authority to approve and enter into an agreement with the Program Administrator.

8. When exercising duties under the Program, the Program Administrator shall not act as an agent of the Town.

9. A Property Owner of an eligible Property within the Town can apply to the Program Administrator to seek financing for a Clean Energy Improvement to their Property.

10. The Town shall have the authority to approve and enter into a Clean Energy Improvement Agreement with a Property Owner, in accordance with this bylaw.

11. Participation in the Program is limited to an eligible Property, located within the Town that is classified, pursuant to section 297 of the Act, as

    residential; or
    non-residential; or
    farmland

but does not include designated industrial property, government-owned property and manufactured/mobile homes.

12. If a Property has more than one classification for the purposes of Taxation pursuant to Section 297 of the Act, the class of the Property shall be determined by whichever class of the Property forms the majority of the Property.

13. A Property Owner of a Property that has a non-profit designation, whether having received full or partial Property Tax exemption under the Act, is responsible to pay any and all principal and interest of the Clean Energy Improvement Program costs, as per the Clean Energy Improvement Agreement.

14. The Chief Administrative Officer, or designate, of the Town of Rocky Mountain House 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) of that Property.

15. The Clean Energy Improvement Tax will be voluntarily levied against a Property when there is a Clean Energy Improvement Agreement, to raise revenue to pay the amount required to recover the costs of those Clean Energy Improvements, including principal and interest.

16. The Property Owner(s) must meet the criteria listed below to be eligible to participate in the Clean Energy Improvement Program:

    a) They must be current on their Taxation payment for the Property, for a period of five years, prior to the date of the application to the program;

    b) They must not currently be in, or ever have been in, collections for a Property in the Town of Rocky Mountain House;

    c) They may, for first-time Property Owners that have purchased the home within the last year, be subject to an enhanced financial eligibility review;

    d) They may, for Property Owners that are new to the Town and do not have a financial history with the Town, submit a record of Property Tax verification from another municipality, for any Property previously owned in a different municipality;

    e) They must provide mortgage information and receive approval from their mortgagors to participate in the Program. If the current mortgage amount plus the proposed Clean Energy Improvement borrowing exceeds the assessed value of the home, the Town reserves the right to deny the applicant;

    f) They must be in good standing with the Town. The Town reserves the right to deny the applicant, if the applicant is not in good standing with any Department of the Town. The Town reserves the right to define what "good standing" entails, and can include but is not limited to, any development compliance issue, safety codes issue or anyone in receipt of municipal grant money without following through with the terms of the grant;

g) They must not be in bankruptcy (or insolvency), the Property must not be in foreclosure, and the Property Owner(s) will be required to provide a sworn statement confirming this;

h) They must be current on their mortgage payment, current on any other debts secured by the Property and have not been late on any such payments. They may be required to submit a letter from their financial institution confirming this;

i) They must meet any additional eligibility criteria as identified by the Town or the Program Administrator;

j) Where there is an existing Clean Energy Improvement Agreement registered against the Property, and the loan under this agreement has not been paid out, the Town shall refuse the application.

17. For a Clean Energy Improvement to be eligible, it must be an installation that is permanently affixed to the eligible Property which:

a) will increase the energy efficiency or use of renewable energy on the Property;

b) involves

i. Interior and Exterior Lighting and Lighting Controls;

ii. HVAC (i.e., high efficiency furnace);

iii. Water Heating;

iv. Building Envelope Improvements (i.e., insulation);

v. Renewable Energy Upgrades (i.e., photovoltaic solar system);

or such other Clean Energy Improvements as are approved and agreed to in writing by the Town within the Agreement, and those improvements are provided on the list of eligible upgrades available through the Program Administrator's website;

c) is not less than three thousand ($3,000) dollars in project value;

d) does not exceed a project value of $50,000 for residential, $500,000 for non-residential and $100,000 for farmland.

18. Whereby the amount of the Tax authorized by a bylaw under section 353 (Property Tax) of the *Municipal Government Act* most recently, and imposed on the Property, is greater than or equal to the 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.

19. The Clean Energy Improvement Agreement will be as set out as under Section 390.4 of the *Municipal Government Act*, and as amended.

20. Failure to append a Clean Energy Improvement Agreement to a contract of sale by the Owner does not invalidate the Clean Energy Improvement Agreement and shall not affect the imposition of a Clean Energy Improvement Tax.

21. The period over which the cost of each eligible Clean Energy Improvement will be spread over the probable lifetime of the improvement, to a maximum of 20 years, and where the repayment amount, not including interest or the Administration Fee, does not exceed the Taxation amount for the Property in question. For multiple upgrades on one Property, one Tax line will appear on the Tax certificate.

22. The Property Owner(s) can apply for the program:

    a) by submitting an application to the Program Administrator for the Clean Energy Improvement Program, including any required supporting documentation, and following all program requirements as outlined by the Program Administrator and the Town;

    b) by paying the required Administration Fee, not to exceed $100 for residential, $500 for non-residential, and $200 for farmland.

23. That for the purpose of the Clean Energy Improvement Program, the sum of project amounts, as they are approved, will be borrowed as outlined under the Town's Clean Energy Improvement Program Borrowing Bylaw.

24. The annual maximum amount to be allocated by the Town towards the Clean Energy Improvement Program is $300,000 for residential, $500,000 for non-residential and $100,000 for farmland.

25. The annual borrowed amount will have a maximum rate of interest of eight percent (8%), and a maximum term of twenty (20) years, with the repayment term calculated, based on the total lifespan of each improvement.

26. The principal and interest owing under the borrowing will be paid using the proceeds from Clean Energy Improvement Tax and payments made by the approved project recipients through to the Town on the annual improvement levy.

27. A Clean Energy Improvement Tax will be imposed on the Property that is subject to a Clean Energy Improvement Agreement, in the Tax year proceeding substantial performance of the projects under the Clean Energy Improvement Agreement.

28. In the event that an owner wishes to repay the Clean Energy Improvement Program financing early, the amount owing will be calculated at the time of the request, based on principal and interest remaining and the terms of the financing being used for the project(s).

29. Any project(s) that has been approved under the Clean Energy Improvement Program, must be completed within the time limit as set out under the Agreement.

30. If any clause in this bylaw is found to be invalid, it shall be severed from the remainder of this bylaw and shall not invalidate the whole bylaw.

31. This Bylaw shall comes into force upon third reading and is signed by the Mayor and Chief Administrative Officer or designate.

This Bylaw repeals Clean Energy Improvement Tax Bylaw 2021/03.

Read a first time in Council this 5th day of July, 2022.

Read a second time in Council this 2nd day of August, 2022.

Read a third and final time in Council this 2nd day of August, 2022.

Redacted under Sec 17 of the FOIP Act.

Debbie Baich, Mayor

Redacted under Sec 17 of the FOIP Act.

Dean Krause, CAO

BIBLIOTHÈQUE NATIONALE DU QUÉBEC