

Bill No. 95 of 1951.

A BILL TO PROVIDE FOR ASSISTANCE TO  
MUNICIPALITIES.

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NOTE.

This Bill enacts a new Act to be known as "*The Municipal Assistance Act*".

The intention of the Act is to benefit taxpayers by enabling a reduction in their municipal taxes and to benefit municipalities by providing them with additional revenue.

The Bill provides for the establishment of a municipal assistance fund by the Provincial Treasurer. In each year the Provincial Treasurer pays into the fund a proportion of the fuel oil tax equivalent to four cents per gallon for each gallon of fuel oil on which tax was collected under *The Fuel Oil Tax Act* during the immediate preceding calendar year.

The Provincial Treasurer is authorized to make two different types of payments from the fund to municipalities, namely, unconditional municipal revenue grants and tax reduction subsidies.

For the purpose of calculating tax reduction subsidies, the actual assessment for taxation purposes of each municipality as at the thirty-first day of December of the preceding year is used subject to certain limitations. In the case of land, one hundred per cent of its value for assessment purposes is taken. The actual assessment of buildings and improvements is used in the case of cities up to sixty per cent of the 1942 value for assessment purposes, and in the case of all municipalities other than cities up to one hundred per cent of the 1942 value for assessment purposes.

The basic mill rate of a municipality is the highest mill rate it has levied in any year after 1949 where its basis of assessment is unchanged. In the case of counties, municipal districts, improvement districts or special areas, where the aggregate mill rate for municipal, school, municipal hospital and hospital agreement purposes may differ in different portions of the county, municipal district, improvement district or special area, the basic mill rate for any portion is the highest mill rate levied in that portion in any year after 1949.

Where the basis of assessment is changed a comparable change is made in the basic mill rate. For each mill of tax reduction below the basic mill rate the municipality will receive a subsidy equivalent to the revenue from that mill of taxation up to a maximum of three mills of subsidy.

After deducting from the fund the amount required for tax reduction subsidies, the balance remaining is to be distributed to municipalities as unconditional municipal revenue grants.

The Bill sets out how the assessment of the municipality for grant purposes will be computed. Land is to be computed at one hundred per cent of its value for assessment purposes. Buildings and improvements are to be computed, in the case of cities at sixty per cent of the 1942 value for assessment purposes, in the case of towns, municipal districts, improvement districts and special areas at one hundred per cent of the 1942 value for assessment purposes and, in the case of villages at one hundred and ten per cent of the 1942 value for assessment purposes.

Each municipality receives the same percentage of the total of all municipal revenue grants as its assessment bears to the total assessment of all municipalities.

Provision is made in the Bill for the procedure to be followed in certain special cases. These special cases include municipalities where there is an emergency or disaster or where the municipality commences to provide standard ward hospitalization at a direct cost to the patient of one dollar per day, or where other extraordinary circumstances or reasons exist which may be approved by the Lieutenant Governor in Council, either generally or in any particular case. If, in any of these special cases, the council is unable to reduce the mill rate sufficiently to qualify for the tax reduction subsidy, the council may submit particulars to the Provincial Treasurer. The Provincial Treasurer then has a discretionary power to pay all or part of the tax reduction subsidy where the municipality would have qualified for the grant except for the expenses, circumstances or reasons arising in these special cases. If the Provincial Treasurer has any question as to the portion of the mill rate that is directly attributable to the expenses, circumstances or reasons covered by these special cases he may refer it to the Board of Public Utility Commissioners for a finding.

The Lieutenant Governor in Council is empowered to make regulations relating to the administration of the Act or to facilitate the carrying out of its provisions.

Any grant made pursuant to this Act is unconditional as to its use and the council of the municipality may expend it in its discretion for any purpose within the powers of the municipality.

It will be necessary for the cities of the Province to adjust their assessment rolls to conform with the provisions of *The City Act* which is before the Legislature. These uniform adjustments which already have been made in all other municipalities will not be effective for taxation purposes in the cities until 1952. Accordingly, it is provided for the year 1951 only that no tax reduction subsidies will be paid to the cities but that a corresponding upward adjustment in their unconditional municipal revenue grants will be made of such amount as the Lieutenant Governor in Council, in his discretion, may designate for each city.

This Bill comes into force upon assent.

KENNETH A. MCKENZIE,  
*Legislative Counsel.*

*(This note does not form any part of the Bill but is offered in explanation of its provisions.)*

# BILL

No. 95 of 1951.

An Act to Provide for Assistance to Municipalities.

(Assented to \_\_\_\_\_, 1951.)

**H**IS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

## Short Title.

1. This Act may be cited as "*The Municipal Assistance Act*". Short title

## Interpretation.

2. In this Act, unless the context otherwise requires,— Interpretation
- (a) "basic mill rate" means,— "basic mill rate"
    - (i) in the case of a city, town or village, the aggregate of all mill rates for municipal, school, municipal hospital and hospital agreement purposes levied in that city, town or village; and
    - (ii) in the case of any portion of a county, municipal district, improvement district or special area, the aggregate of all mill rates for such purposes levied in that portion of the county, municipal district, improvement district or special area;
  - (b) "council" means, in respect of an improvement district or special area, the Minister of Municipal Affairs; "council"
  - (c) "fund" means the municipal assistance fund established under this Act; "fund"
  - (d) "municipality" means any city, town, village, county, municipal district, improvement district or special area. "municipality"

## Intention of Act.

3. The intention of this Act is,— Intention of Act
- (a) to benefit taxpayers by enabling a reduction in their municipal taxes; and
  - (b) to benefit municipalities by providing them with additional revenue.

### Municipal Assistance Fund.

Municipal  
assistance  
fund

4. (1) The Provincial Treasurer shall establish a fund to be known as the municipal assistance fund.

(2) In each year the Provincial Treasurer shall pay into the fund a portion of the fuel oil tax imposed under *The Fuel Oil Tax Act* equivalent to the net receipts from four cents per gallon for each gallon of fuel oil on which tax was collected during the immediately preceding calendar year.

Payment  
of  
assistance

5. The Provincial Treasurer, in each year, may pay from the fund to each municipality,—

- (a) a tax reduction subsidy; and
- (b) an unconditional municipal revenue grant.

### Tax Reduction Subsidy.

Method of  
calculating  
tax  
reduction  
subsidies

6. (1) For the purpose of calculating tax reduction subsidies, the actual assessment for taxation purposes of each municipality as at the thirty-first day of December of the preceding year shall be used subject to the limitations set out in subsections (2) and (3).

(2) The actual assessment of lands shall be used up to one hundred per cent of its 1942 value for assessment purposes.

(3) The actual assessment of buildings and improvements shall be used,—

- (a) in the case of cities, up to sixty per cent of the 1942 value for assessment purposes;
- (b) in the case of all municipalities other than cities, up to one hundred per cent of the 1942 value for assessment purposes.

Basic mill  
rate

7. (1) The basic mill rate,—

- (a) of a city, town or village, is the highest mill rate it has levied in any year after 1949; and
- (b) of any portion of a county, municipal district, improvement district or special area, is the highest mill rate that has been levied in that portion in any year after 1949;

where its basis of assessment is unchanged.

(2) Where the basis of assessment of a municipality is changed,—

- (a) the Provincial Treasurer shall calculate what the mill rate would have been in order to produce the same amount of revenue in the year in which the basic mill rate was levied if the changed basis of assessment had been in effect in that year;
- (b) the mill rate calculated by the Provincial Treasurer under clause (a) shall be deemed to be the basic mill rate of the municipality, until a higher mill rate is levied.

**8.** In each year the Provincial Treasurer shall pay a tax reduction subsidy from the fund to each municipality where the council fixes the mill rate of that municipality, or of a portion of that municipality, below the basic mill rate of the municipality or of the portion of the municipality.

Payment of tax reduction subsidy

**9.** The tax reduction subsidy shall be an amount which, in the opinion of the Provincial Treasurer, is equal to the reduction in revenue of the municipality resulting from any reduction in mill rate below the basic mill rate up to a maximum of three mills.

Amount of tax reduction subsidy

**Municipal Revenue Grants.**

**10.** (1) For the purpose of calculating municipal revenue grants, the total assessment for grant purposes of each municipality shall be computed on the basis of the land, buildings and improvements on the assessment roll as at the thirty-first day of December of the preceding year.

Method of calculating municipal revenue grants

(2) Land shall be computed,—

- (a) in the case of all municipalities other than villages, at one hundred per cent of its value for assessment purposes;
- (b) in the case of villages, at one hundred and ten per cent of its value for assessment purposes.

(3) Buildings and improvements shall be computed,—

- (a) in the case of cities, at sixty per cent of the 1942 value for assessment purposes;
- (b) in the case of towns, counties, municipal districts, improvement districts and special areas, at one hundred per cent of the 1942 value for assessment purposes;
- (c) in the case of villages, at one hundred and ten per cent of the 1942 value for assessment purposes.

**11.** In each year the balance remaining in the fund after making provision for the payment of the tax reduction subsidies payable in that year, shall be distributed to municipalities as unconditional municipal revenue grants.

Disposition of surplus

**12.** The municipal revenue grant to a municipality in any year shall be the same percentage of the total of all municipal revenue grants in that year as the percentage that its assessment is of the total of all municipal assessments.

Amount of municipal grant

**Procedure in Special Cases.**

**13.** In any year, if the council is unable to reduce the mill rate sufficiently to qualify for all or part of the tax reduction subsidy by reason of,—

Procedure where council unable to reduce mill rate sufficiently to qualify for tax reduction subsidy

- (a) expenses arising from an emergency or disaster; or
- (b) expenses incurred in commencing to provide standard ward hospitalization at a direct cost to the patient of one dollar per day; or

(c) such other extraordinary circumstances or reasons as may be approved by the Lieutenant Governor in Council, either generally or in any particular case; the council may submit particulars to the Provincial Treasurer.

Payment of tax reduction subsidy in compliance with section 13

**14.** The Provincial Treasurer, in his discretion, may pay all or part of the tax reduction subsidy to a municipality that would have qualified therefor except for the expenses, circumstances or reasons set out in section 13.

Reference of question to Board of Public Utility Commissioners

**15.** The Provincial Treasurer may refer to the Board of Public Utility Commissioners for its finding,—

- (a) any question as to the portion of the mill rate that is directly attributable to or made necessary by the expenses, circumstances or reasons set out in section 13;
- (b) any question as to whether the whole expense estimated or the entire number of mills levied for any purpose is reasonably necessary for that purpose;
- (c) any other question, matter or thing arising in the administration of this Act.

#### General Provisions.

Regulations

**16.** The Lieutenant Governor in Council may make regulations,—

- (a) governing matters relating to the administration of the Act;
- (b) providing for any matter or thing deemed necessary or advisable to facilitate the carrying out of the provisions of this Act according to their true intent.

Submission to Provincial Treasurer of statements, etc.

**17.** (1) Each municipality shall submit to the Provincial Treasurer not later than the thirtieth day of April in any year,—

- (a) a certified copy of each by-law by which a mill rate has been established for that year and for the immediately preceding year;
- (b) a certified statement showing the total assessment of that municipality as at the preceding thirty-first day of December.

(2) In the case of a county, municipal district, improvement district or special area, the municipality shall also submit a certified statement of the total assessment of each portion of the county, municipal district, improvement district or special area for which a different aggregate mill rate is or may be levied.

Use of grants unconditional

**18.** Any grant made pursuant to this Act is unconditional as to its use and the council of the municipality, in its discretion, may expend it for any purpose within the powers of the municipality.

**19.** Notwithstanding anything contained in this Act, no tax reduction subsidy shall be paid to any city for the year 1951, but in lieu thereof the Lieutenant Governor in Council may authorize the Provincial Treasurer to make a comparable increase in the municipal revenue grant to each city of such amount as the Lieutenant Governor in Council, in his discretion, may designate for that city.

No tax  
reduction  
subsidy  
payable in  
1951

**20.** This Act shall come into force on the day upon which it is assented to.

Coming  
into force

No. 95.

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FOURTH SESSION  
ELEVENTH LEGISLATURE  
15 GEORGE VI  
1951

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**BILL**

An Act to Provide for Assistance  
to Municipalities.

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Received and read the

First time .....

Second time .....

Third time .....

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HON. MR. MANNING.

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