



Legislative Assembly of Alberta

The 31st Legislature  
First Session

Standing Committee  
on  
Public Accounts

Municipal Affairs

Tuesday, April 15, 2025  
8 a.m.

Transcript No. 31-1-21

**Legislative Assembly of Alberta  
The 31st Legislature  
First Session**

**Standing Committee on Public Accounts**

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Rowswell, Garth, Vermilion-Lloydminster-Wainwright (UC), Deputy Chair  
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## **Standing Committee on Public Accounts**

### **Participants**

#### Ministry of Municipal Affairs

Ethan Bayne, Assistant Deputy Minister, Municipal Assessment and Grants

Brandy Cox, Deputy Minister

Shawn Ewasiuk, Assistant Deputy Minister, Technical and Corporate Services

Mike Hartfield, Executive Director, Operations, Land and Property Rights Tribunal

Gary Sandberg, Assistant Deputy Minister, Municipal Services

Shakeeb Siddiqui, Assistant Deputy Minister and Senior Financial Officer, Financial Services



**8 a.m.****Tuesday, April 15, 2025**

[Mr. Sabir in the chair]

**The Chair:** Good morning, everyone. I would like to call this meeting of the Public Accounts Committee to order and welcome everyone in attendance.

My name is Irfan Sabir, MLA for Calgary-Bhullar-McCall and chair of the committee. As we begin this morning, I would like to invite members, guests, and LAO staff at the table to introduce themselves. We will begin to my right.

**Ms Armstrong-Homeniuk:** My name is Jackie Armstrong-Homeniuk, MLA for Fort Saskatchewan-Vegreville. Good morning, everybody.

**Mr. Rowswell:** Garth Rowswell, MLA, Vermilion-Lloydminster-Wainwright.

**Mrs. Johnson:** Good morning. Jennifer Johnson, MLA for Lacombe-Ponoka.

**Mr. Lundy:** Good morning, everyone. Brandon Lundy, MLA for Leduc-Beaumont.

**Mr. Sandberg:** Good morning. Gary Sandberg, assistant deputy minister for municipal services.

**Mr. Bayne:** Good morning. Ethan Bayne. I'm the assistant deputy minister for assessment and grants.

**Ms Cox:** Good morning, everyone. Brandy Cox, Deputy Minister of Municipal Affairs.

**Mr. Siddiqui:** Good morning, everyone. Shakeeb Siddiqui, ADM, financial services.

**Mr. Ewasiuk:** Good morning, everyone. I'm Shawn Ewasiuk, assistant deputy minister for the technical and corporate services division.

**Mr. Wylie:** Good morning. Doug Wylie, Auditor General.

**Ms Hayes:** Good morning. Patty Hayes, Assistant Auditor General.

**Mr. Ellingson:** Good morning. Court Ellingson, MLA, Calgary-Foothills.

**Ms Renaud:** Marie Renaud, St. Albert.

**Ms Robert:** Good morning. Nancy Robert, clerk of *Journals* and committees.

**Mr. Huffman:** Good morning. Warren Huffman, committee clerk.

**The Chair:** Thank you.

We will now go to those joining us online. Please introduce yourself as I call your name. Hon. Marlin Schmidt.

**Mr. Schmidt:** Marlin Schmidt, Edmonton-Gold Bar.

**The Chair:** Ms Chantelle de Jonge.

**Ms de Jonge:** Chantelle de Jonge, MLA for Chestermere-Strathmore.

**The Chair:** Thank you.

A few housekeeping items. Please note that the microphones are operated by *Hansard* staff. Committee proceedings are live streamed on the Internet and broadcast on Alberta Assembly TV.

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We are joined by MLA McDougall. He can introduce himself for the record.

**Mr. McDougall:** Myles McDougall, MLA, Calgary-Fish Creek.

**The Chair:** Thank you.

Moving on, members, are there any changes or additions to the agenda? If not, would a member like to move that the Standing Committee on Public Accounts approve the proposed agenda as distributed for its Tuesday, April 15, 2025, meeting? Moved by MLA Rowswell. Any discussion on the motion? All in favour? Any opposed? All in favour online? Any opposed online? Seeing none, thank you; the motion is carried.

We also have minutes from our last two meetings, on March 25, 2025, and April 8, 2025, for review. Do members have any errors or omissions to note for either of them? If not, would a member like to move that the Standing Committee on Public Accounts approve the minutes as distributed of its meeting held on Tuesday, March 25, 2025? MLA Ellingson. Any discussion on the motion? All in favour present here? Any opposed? All in favour online? Any opposed? The motion is carried.

I will now look for a member to move that the Standing Committee on Public Accounts approve the minutes as distributed of its meeting held on Tuesday, April 8, 2025. MLA Ellingson. Any discussion on the motion? All in favour in the room? Any opposed? All in favour online? Any opposed? Thank you. The motion is carried.

I would like to now welcome our guests from the Ministry of Municipal Affairs, who are here to address the ministry's annual report 2023-24, responsibilities under their purview during that reporting period, and any relevant reports of the Auditor General. I invite officials from the ministry to provide opening remarks not exceeding 10 minutes.

**Ms Cox:** Thank you, Mr. Chair, and good morning. I'm pleased to present highlights from the Municipal Affairs annual report for 2023-2024 and to provide an update on the one outstanding recommendation from the office of the Auditor General. You've already introduced my colleagues who are joining me at the table today.

In '23-24 the ministry delivered on commitments in its 2023-26 business plan. Municipal Affairs provides support for municipalities, guidance and training for local governments, property assessment and taxation supports, and investments in local infrastructure and public library services. We strengthen public safety through building codes and safety standards and protections for buyers of new homes through warranty requirements and licensing for homebuilders. We work with our municipal partners to support Albertans and the communities that they call home. This is all reflected in our latest annual report.

As a ministry we carried out significant business plan activities that advance long-term goals. I'd now like to highlight some of our major initiatives and achievements from 2023 to 2024 and how those connected to our business plan outcomes.

Outcome 1, from our 2023-26 business plan, was for municipalities to be strong partners in supporting and enabling economic prosperity in their communities. A key support to achieving this outcome was the funding that we provided for local infrastructure through the municipal sustainability initiative, or MSI. In 2023-24 we committed \$486.8 million in new MSI capital funding to support local infrastructure priorities. In that same year local governments received approval for 688 projects, using their latest allocations and funding carried forward from prior fiscal years. The 2023 funding level was the result of some front-loading of MSI funds into previous budgets to assist Alberta communities with more infrastructure dollars as they recovered from the COVID-19 pandemic in 2021 and 2022. On average municipal governments received \$722 million in MSI funding each year in 2021, 2022, and 2023. These were the final three years of the MSI program as we prepared to transition to the local government fiscal framework, or LGFF.

For many years local governments asked Municipal Affairs for a more predictable, sustainable funding program so that they could plan more effectively for their future. They didn't want the volatility of annual budget decisions to continue creating uncertainty for their capital infrastructure projects. In 2021 Municipal Affairs introduced the Local Government Fiscal Framework Act, and over the next three years we worked with our partners to finalize the LGFF and all of its elements, including the revenue index factor, which ties infrastructure funding for municipalities to provincial revenues from three years prior. We also established a benchmark capital funding level of \$722 million for all municipalities to remain consistent with the funding that they had been receiving on average over the previous three years.

In November 2023 we announced the details of the LGFF capital program, and we also announced the formula that allocates funding between all municipalities, apart from Calgary and Edmonton, and Métis settlements. This ensured that they could start planning their projects well in advance of the launch of the program in April of 2024.

The ministry also administered funding support from the federal government through the Canada community building fund and the investing in Canada infrastructure program. This included initiating discussions with the federal government to extend the Canada community building fund agreement from 2024 to 2034. All of these programs helped to fund local infrastructure projects across the province such as roads, bridges, parks and recreation facilities, transit, waste-water facilities, and more.

During the '23-24 fiscal year the government also signed a memorandum of understanding with the city of Calgary committing up to \$330 million to the development of the Calgary event centre. This agreement included a grant from Municipal Affairs of up to \$30 million over three years to contribute to the construction of a community ice rink that will provide important downtown arena and event spaces that are not presently available.

Through these various funding programs and partnerships Municipal Affairs delivered on its commitment to support and enable economic prosperity in Alberta.

#### 8:10

Outcome 2 of the business plan committed the government to supporting Albertans living in viable municipalities and communities with fiscally responsible, collaborative, and accountable local governments. For example, the annual report details our delivery of the Alberta community partnership, or ACP. The ministry budgeted \$15.4 million to advancing provincial and regional priorities through the ACP program through five program streams: intermunicipal collaboration, municipal restructuring,

municipal internship, mediation and co-operative processes, and strategic initiatives. The ACP program continued to be in high demand during the '23-24 year, and due to an abundance of high-quality projects almost \$1 million in extra funding available within the ministry was reallocated to support additional ACP programming.

Another way in which Municipal Affairs supported viable municipalities and communities was through our work with Alberta's public libraries. We increased funding for libraries, providing an additional \$3 million in operating grants to library boards, which amounted to a 10 per cent increase over the previous year. The added funds enabled the addition of a base grant for every library board and ensured an increase of at least 5 per cent for all local boards. We also provided significant funding to the library boards of two First Nations, one Métis settlement, and other library systems to serve neighbouring Indigenous populations outside municipal boundaries. Municipal Affairs' support for Alberta public libraries also included support for SuperNet access, interlibrary loan management, and expanded access to e-resources.

Turning now to outcome 3, which is about ensuring that Albertans are protected with safe buildings, homes, and communities, I'll note that keeping Albertans safe requires oversight of the province's safety code system together with the ministry's regulatory partners and municipalities and industry. Municipal Affairs worked with the Safety Codes Council on its plan for a revised accreditation framework, which focused on facilitating efficient, evidence-based approaches to safety initiatives such as risk-based inspections. The council completed the second phase of its engagement in support of the accreditation program review in '23-24.

We also committed to protecting Albertans with safe homes and buildings, which meant ensuring new homes in the province were safe and built to high standards. Municipal Affairs continued its review of the homebuyer protection program provided through warranty requirements and builder licensing. Our evaluation of the related policies and programs are meeting intended outcomes, including robust engagement with builders, construction regulators, warranty providers, and homebuyers.

Another aspect of our work to protect Albertans has been our support for local fire services across the province. As a strong provincial municipal partnership has always been key to strengthening local services, we appreciated the valuable feedback that we received over the past few years as we completed a comprehensive review of issues faced by local fire services. Our work on strengthening our support for those services is ongoing, and the success we've achieved to date is a result of input and collaboration with key stakeholders from industry groups and our municipal partners.

The final outcome of our business plan is for Albertans to receive fair, timely, and well-reasoned decisions from the Land and Property Rights Tribunal. The tribunal continued to serve Albertans, municipalities, and industry with efficient decisions and recommendations that were fair, unbiased, well reasoned, and timely on a variety of matters. From annexation hearings to land development appeals to surface rights compensation and other matters, the LPRT carried out its work diligently throughout the '23-24 fiscal year, issuing more than 6,000 decisions and orders. The tribunal conducted itself with its trademark professionalism and dedication to upholding the rights of Albertans.

I'd now like to turn to one recommendation from the Auditor General that we have outstanding from several years ago. The recommendation in question was about flood mitigation measures that were identified in the AG's report that was released in March 2015. In that report the Auditor General recommended that

Municipal Affairs establish processes for controlling, regulating, and prohibiting future land use or development to control risk in designated flood hazard areas and to put in place processes to enforce the regulatory requirements. At that time and at present the Alberta government is well aware of the public safety and financial risks of floods. The government has a crossministry corporate understanding that flood mitigation is a complex issue involving a delicate balance between public safety and the rights of property owners.

Based on government initiatives already under way the government decided not to proceed with its floodway development regulation and its associated risks and costs. Instead, the Alberta government has a robust plan for flood mitigation that includes measures from other ministries such as adding new berms along waterways, planned dams and water storage, supporting mitigation projects through the drought and flood protection program, and removing from the disaster recovery program any incentives to rebuild in flood hazard areas. The Auditor General has been advised of the government's decision and that Municipal Affairs is no longer working towards a floodway development regulation based on changed circumstances.

In conclusion, although I've only been able to touch on some of what we accomplished in the '23-24 fiscal year, I'm confident that Municipal Affairs succeeded in achieving the outcomes of our business plan. Of course, the work of the ministry is ongoing, and I wouldn't say that we consider any of the outcomes of past business plans complete, but in the '23-24 fiscal year we did make progress towards completing them. In a corporate environment committed to continuous improvement, progress is the achievable goal that we set for ourselves every day.

**The Chair:** Thank you, Deputy Minister.

I will now turn it over to the Auditor General for his comments. Mr. Wylie, you have five minutes.

**Mr. Wylie:** Thank you, Chair and committee members. As the deputy indicated, we completed the audit in March of 2015, and it did relate to the flood mitigation systems that were in place. I want to just state and set the context, I think. This audit is all about processes to manage risk. At the time we originally did the audit, there were plans in place that we supported and agreed with and felt would manage and mitigate the risk.

Again to set context, in the report we refer to the term "hazard" a fair bit, and we refer to the term "risk." There we define – and it's recognized within the system – that hazard is an event that can harm society, and the risk is the function of both the hazard as well as the consequences. With respect to floods the consequences of this flood hazard at that time we indicated could include lives lost, injuries, property damage, business interruption, environment degradation, population displacement, and the disruption of social services.

In fact, on page 74 of our report we report the consequences of that flood of June of 2023. Sadly, five people lost their lives. The rebuilding costs were estimated to be \$6 billion; 100,000 people were displaced within 30 communities within the province; about 14,500 homes were damaged; more than 1,500 businesses were disrupted; and several schools, health facilities, and bridges were also damaged.

The deputy indicated the recommendation, and I just want to repeat it and focus on the word "processes." The Department of Municipal Affairs should establish processes for controlling, regulating, or prohibiting future land use or the development to control risk in designated flood hazards and put in place processes to enforce the regulatory requirements. At the time we did the audit, there were plans in place. We received a response to our recommendation, which

normal process for is through an action plan that the department has put in place, and we agreed with that at the time.

Just to take you through the timeline. In 2015 we made the recommendation. It was accepted by Municipal Affairs, indicating a development for flood waters regulation. We certainly supported that. Again, our point is to put in place processes, and this was determined to be the process.

The plan was updated in 2020. There was still a plan to complete the floodway regulation. In 2022 we stated that we're going to be doing a follow-up audit given the passage of time. In March of 2022 there was still indication that the floodway regulation was being developed. In April 2022 we learned – actually, I believe it was at this committee – that options were being developed and a proposed plan was being submitted through to cabinet.

Now, when we do our follow-up work, you all know that we complete an assessment of implementation plan, and we discuss that with management. That outlines the follow-up work that we'll be doing and the expectations that would be put in place. At the time Municipal Affairs indicated that the regulation would likely not be put in place but that we would be receiving updated actions, analysis of how actions mitigate public safety and financial risks from floods.

It's within that context, Chair, that our follow-up work will be done, be completed, and we'll be reporting on that very issue with respect to the processes that are put in place to mitigate the risks. We are at the final stage of that. We will be publicly reporting it soon, and the committee will have a copy of that report.

That concludes my opening comments. Thank you.

**The Chair:** Thank you, Mr. Wylie.

We will now proceed to questions from committee members. We will begin with the Official Opposition. You have 15 minutes. MLA Renaud.

**8:20**

**Ms Renaud:** Thank you, Mr. Chair. The Local Authorities Election Act. My questions will be based on page 25. I note the ministry states, "A number of concerns were raised by municipalities and by electors in letters to the Minister during the October 2021 local election period." According to the ministry concerns raised included privacy of elector information, candidate eligibility, financial disclosure of issue-based third-party advertising, and election recounts. So four concerns are listed there. The concerns raised represent approximately how many voters or Albertans?

**Ms Cox:** I don't actually know that we – let me just talk a little bit, if I could, about sort of the process that we undertake, which is that after every municipal general election, the last of which occurred in October of 2021, we undertake a review. We work with municipalities who would have heard from their electors as well as the clerks association of Alberta, so folks that are actually running the vote as returning officers and so forth. And those were some of the concerns that we raised. Some of them that were mentioned, through the chair, were reported quite extensively in the media. For example, the issue with respect to electric information: there was a very well-published report in the city of Calgary where a candidate who was running had requested an electors list to be able to go out and do door-knocking, things like that. At least that was the assertion made. Truly what that was being used for were quite nefarious purposes.

**Ms Renaud:** I understand that, you know, like, reporting around that time or issues that have been raised by the municipality or by voters certainly could make it in. Where I'm going with this is that I'm very curious because a lot of changes have been made to the Local Authorities Election Act. I'm curious about what makes it

into the report. I see the issues that were raised, but there's really no background information like: how many stakeholders does this represent? How many voters does this represent? We're reading the report; I think we want to understand what percentage of the population thinks these are big issues.

**Ms Cox:** I don't know that I could tell you this percentage of the population. What I can tell you is that the ministry has a very collaborative relationship with Alberta's municipalities, and for all of the issues that were raised here, those were things that we collaborated on extensively with Alberta Municipalities, the Rural Municipalities of Alberta, cities of Edmonton and Calgary, both on the elected side as well as the administrative side. As I mentioned, the Alberta Municipal Clerks Association is a key stakeholder, so really trying to understand the issues that they would have heard. They are responsible for administering local elections, so . . .

**Ms Renaud:** Primarily stakeholders, then, would be driving . . .

**Ms Cox:** There was public research that was also done. I'd ask Assistant Deputy Minister Sandberg to talk a bit about some of the consultation that was done more broadly.

**Mr. Sandberg:** Thanks, Deputy. As the deputy mentioned, after every local general election we do a fairly robust review of the LAEA. Most of it is focused on stakeholders. As you've said, we meet particularly with the Alberta Municipal Clerks Association because they represent the returning officers in municipalities. I would say that the large majority of amendments we bring forward are based on sort of real-world results that happened in an election, and every election there are things that happen and new things that are identified, but we also do a public engagement. We did a public survey, an online survey. I don't at my fingertips have the number of people who responded to it, but it was something in the range of 3,000 to 5,000 people. That's fairly standard for the kind of surveys we do.

**Ms Renaud:** Well, maybe you can correct my numbers, because there are a few sets of numbers in the report. You know, on page 25 the ministry states that sessions were held in 2022 to routinely review the legislation – I'm assuming that's what you're talking about – that forms our election framework. Then the ministry stated that, in addition to the sessions, they held consulting with five stakeholder groups, as identified, and captured feedback from 910 Albertans via an online public survey. So 910 Albertans. Okay. Next the ministry hosted a monthlong public survey in '23 with 7,689 respondents, and the results seem to align perfectly with the UCP ideology such as enhancing the ability of money transfers and making third-party advertising a little less restrictive. So I guess my question is: with the two online surveys and then the stakeholder feedback, do you feel it's representative of Alberta voters?

**Ms Cox:** I would say that we do feel it is representative of Alberta voters.

If I may, I would correct the perspective on third-party advertising. The Local Authorities Election Act changes that were tabled in Bill 20 did in fact add additional regulation with respect to issues-based third-party advertising. Again, widely reported in the media was the fluoridation campaign in Calgary. That was a question put to electors at the same time as the election. There was reporting of significant . . .

**Ms Renaud:** Let me ask you this: does the ministry put out, like, a what-we-heard document or anything to share just based on all of the feedback collected after the election?

**Ms Cox:** Often, yes.

**Ms Renaud:** Often?

**Ms Cox:** Yes. Part of, again, the approach that we take with our stakeholders is to talk to them about what it is that we heard.

**Ms Renaud:** So there is often a report. Was there one after the last election?

**Ms Cox:** I don't know that there was.

**Ms Renaud:** No? Okay. That's too bad.

In either of the online surveys did you get any feedback from respondents asking around or raising concerns around vote tabulators?

**Ms Cox:** I think that the member referenced a poll that was done in May 2024, so certainly outside the scope of . . .

**Ms Renaud:** No. Actually, I'm talking about after the last election. I think that you were quite clear about doing the work that you do: follow-up, getting information. Were any concerns raised about vote tabulators in that work?

**Ms Cox:** Through correspondence with the ministry we do receive concerns from Albertans. That was followed up by a poll that was done in May 2024 by Leger.

**Ms Renaud:** But that's not relevant for this meeting. Yeah. We can talk about . . .

**Ms Cox:** But the member is asking . . .

**Ms Renaud:** Well, that's not relevant, so I get ruled out of order, too.

What I'm trying to get at is that after the last election it sounds like the ministry is quite comfortable with the work that you do with stakeholders and then multiple online surveys finding out: were there any problems, what can we fix? Were there concerns raised after the last election by any stakeholders or individual people about vote tabulators?

**Ms Cox:** There are concerns in the media . . .

**Ms Renaud:** In the media?

**Ms Cox:** . . . and, again, through correspondence that we would have received through the ministry that there are folks that do not trust the electronic tabulation of votes.

**Ms Renaud:** How many folks would you say that is?

**Ms Cox:** I cannot tell you.

**Ms Renaud:** Okay. You can't.

This is a major change. I think we've got examples of even, like, the city of Red Deer saying that the change with vote tabulators will cost them about a million and a half dollars. So I would hope that the ministry has some information about saying, you know, that the vast majority or a lot of Albertans are raising this concern about vote tabulators; it's not just based on an American conspiracy theory. I'm just looking for some information about how to substantiate this change that will cost people money. Taxes will go up because they're going to have to cover their cost. I'm just looking for some information.



**Ms Cox:** Again, that change was tabled in Bill 20. If I'm permitted to talk about a result in the fiscal year '24-25, I'll also refer to the poll that was undertaken in May of 2024 that told us, the ministry, that with 36 per cent of folks that were polled – and this was by a very reputable polling firm – there were concerns about the legitimacy of tabulators. Minister McIver was given a mandate from the Premier to restore trust and integrity in local elections, and this was one of the ways that we were looking to achieve that.

**Ms Renaud:** Okay. You were tasked with, you know, making sure that Albertans have faith in their elections, which is perfect. That's what we all want. I guess what I'm getting at is that these changes are going to require that people spend a lot of money. Taxes will go up as a result. So I'm just looking for some information to support this change other than: we saw an article in the paper. I'd like to know which stakeholders raised these concerns to – like, we're making these huge changes about the way we handle elections.

**Ms Cox:** Albertans, again, were polled and indicated that, and of course . . .

**Ms Renaud:** That poll is not relevant. That poll happened after the change, so I don't think it's really fair to bring that up. I mean, we're looking at a report that's backwards. This is what I'm talking about right now. I'm not talking about polling that was done after, which is quite odd, because usually I get called out of order for bringing up stuff that's not relevant. But anyway, let's just move on. We're not going to get anywhere.

8:30

A little further down page 25 I note that there was a strong opposition, over 70 per cent among respondents, to establishing a more prominent role for municipal political parties. At the bottom of page 25 I note the ministry explaining that they will continue to bring in changes to the act regarding public trust in local elections. Further, the ministry states that changes will be implemented prior to the next election in '25. Now, Bill 20, which was prepared and passed in '24, paved the way for municipal political parties and gave cabinet the ability to interfere further in municipal politics by removing people, the removal of vote tabulators, the introduction of large corporate donations, and the introduction of far less transparency in elections with the addition of internal nomination processes.

It is public record that Alberta Municipalities, one of the five stakeholders you rely on, is opposed to the proposed changes via Bill 20. Again, I raised some of the concerns. Where in the annual report may we find support for the significant changes that we saw in Bill 20?

**Ms Cox:** With respect to the establishment of local political parties: important to clarify. Local political parties were always allowed in Alberta. In fact, what Bill 20 has done is restricted local political parties from forming in any municipality other than Edmonton and Calgary. In Edmonton and Calgary now there will be transparency, including with respect to potential financial contributions to those parties, and that is something that has gone a ways in terms of trying to reflect the accountability back to the electors.

**Ms Renaud:** Okay. Does the ministry have any proof that electronic tabulators pose risks to the election integrity?

**Ms Cox:** I would suggest that it doesn't actually matter if there is proof with respect to the elector view of whether or not they pose a risk. Doesn't matter. People believe it; 36 per cent of people believe that electronic tabulation of votes is a challenge to democracy.

**Ms Renaud:** So 36 per cent of Albertans believe vote tabulators are a problem. So the ministry is going ahead in introducing this massive expense to municipalities based on 36 per cent of the Alberta public?

**Ms Cox:** I would suggest that we don't have validation around the cost to Alberta's municipalities. I'll also suggest that Alberta's municipalities will be running elections just like the federal government does, which does not rely on electronic tabulators.

**Ms Renaud:** To be clear, \$1.5 million, an increase for them getting rid of their vote tabulators, that was also reported: \$1.5 million would be the expense they projected.

**Ms Cox:** Projected.

**Ms Renaud:** Right. Well, that's what we work with, right? Projections.

**Ms Cox:** Projected. And, again, I think that this is a policy decision. The minister has been very clear that you cannot put a price on people's trust in their local democratic processes.

**Ms Renaud:** That's true. That's very true.

**Ms Cox:** You cannot put a price on that.

**Ms Renaud:** All right. We don't have a lot of time here. Let's move on to the Municipal Government Act. Actually, no. I don't have enough time to go there.

I just wanted to ask a little bit – a number of times, I note, there's a lot of information about the safety councils and safety standards and building codes and all of those things that are done regularly and updated, whether provincially or federally. I think that there's been some confusion, maybe from the minister, about the difference between safety standards and safety codes and accessibility legislation. I'm wondering if the ministry has done any work around accessibility legislation.

**Ms Cox:** That is, in this current fiscal year, a priority for us. Absolutely. If the chair permits, I would be very proud to talk about the work we're doing with our crossministry partners. We know that other provinces do have comprehensive accessibility legislation. In Alberta it is sort of in many different places and in many different ministries, and so we are working to understand what gaps there are, if any, and then to be able to potentially investigate whether that is something that we'd want to do. It's work that we're collaborating on with the Canadian Standards Association. I think that we'll look forward to being able to talk about the outcomes of that work in future years.

**Ms Renaud:** So what the ministry is looking at is accessibility legislation that encompasses all areas.

**Ms Cox:** We are currently looking at the comprehensive legislation that other provinces have, to understand if there is a gap amongst all of our pieces of legislation.

**Ms Renaud:** Has the ministry had access to the disability advocate's report on the need for access?

**The Chair:** Thank you. Deputy Minister, you can answer that in the next round.

Now we will move to government members for 15 minutes of questions. MLA Lundy.

**Mr. Lundy:** Well, thank you, Mr. Chair. Thank you to the deputy and her officials for joining us this morning. I certainly appreciate this opportunity to get to ask a few questions about the important work that you guys are doing and make sure that we are continuing to have great relationships with our municipalities.

Through the chair, I'd like to start on page 37 of the annual report in relation to the municipality viability review process. This process is enabled through the Municipal Government Act and "provides a framework to evaluate the viability of a municipality encountering significant challenges." So municipalities that are facing viability concerns have the option, of course, to dissolve themselves in order to become a part of a neighbouring municipality to help ensure long-term viability going forward. Again, through the chair, I'd like to ask the deputy minister: could you please explain to this committee how many municipalities chose the option to dissolve during the '23-24 reporting period?

**Ms Cox:** Absolutely. In '23-24 no municipalities were dissolved. However, during that fiscal year we did have several viability processes initiated. In '23-24 there was a viability process initiated for the village of Delia that wrapped up, and then two more viability reviews were initiated: the village of Bittern Lake, which was initiated by elector petition, and then the summer village of Ma-Me-O Beach, which was initiated by the minister due to significant concerns with the municipality's financial position due to capital and legal costs from a failed infrastructure project. These reviews are still ongoing. I think that, in fact, the Bittern Lake vote has concluded and that they voted not to dissolve. So that is a decision that our legislation indicates that will mean that the minister would not recommend to cabinet that they dissolve.

I will also note, though, that we did do a couple of restructurings late in 2024. The village of Halkirk was dissolved into the county of Paintearth after village electors voted 100 per cent in favour of dissolution, and the village of Caroline and Clearwater county were amalgamated into a new municipality as Clearwater county.

**Mr. Lundy:** Well, thanks for that information. I grew up half an hour away from Halkirk, so familiar.

Through the chair again, could you maybe talk a little bit about how your ministry would support a municipality who is facing viability challenges? What actions might you be looking at or were you looking at for municipalities who face challenges in the '23-24 reporting period?

**Ms Cox:** Absolutely. The ministry does provide several services to municipalities, including those facing some of those viability challenges. This includes things like advisory supports, capacity-building initiatives such as training on roles and responsibilities. We also support municipal administrators in areas where small communities can be a challenge and making sure that we're supporting them with information on things like financial planning and reporting. We also assist by identifying grant funding opportunities that they may wish to explore, including potential regionalization of governance. The Municipal Government Act also includes a specific process for amalgamation based on local negotiations, public consultation, and submission of a report to the minister.

These processes under our legislation are voluntary, respecting of course municipal autonomy. But we absolutely believe that there's value in municipalities exploring opportunities to achieve some cost savings and efficiencies. Funding that we do provide for things like regional municipal governance studies supports municipalities in exploring those opportunities.

Studies around regional governance could include, you know, different approaches to delivering services on a regional basis even

if they don't lead necessarily to amalgamation. Certainly, I would suggest that they lead to outcomes that support really positive intermunicipal co-operation and cost savings through partnerships.

8:40

**Mr. Lundy:** Great. Well, thank you. I think it's related, but I'd like to ask about municipal indicators. This is on page 32 of the annual report. They're described as measures to determine the continued health and longevity of municipalities across Alberta. I see there's mention of some noncritical indicators such as tax collection rate and interest in municipal office, but I want to touch on some of the more critical indicators a municipality could put forward. Through the chair to the deputy, could you please provide just a little breakdown for our committee of critical indicators which were flagged during the '23-24 reporting period?

**Ms Cox:** Absolutely. The audit outcome indicator was flagged by the village of Myrnam, as there was a note through their audit regarding a going concern in its audited financial statements. Ministerial intervention was flagged for the city of Chestermere as well as the villages of Champion and Halkirk. The ministry interventions, for a bit more reference, included four ministerial orders that were issued for the city of Chestermere regarding an inspection, appointment of an official administrator and a corresponding extension of the official administrator appointment, removing councillors and CAOs and appointing a CAO as well as conducting a by-election. A ministerial order was also issued for the village of Champion to extend two directives from the result of previous intervention and for the village of Halkirk to extend a directive, again, coming out of their viability review process.

**Mr. Lundy:** Well, thank you very much for that information. I'd like to continue on on page 32. Page 32 of the annual report outlines the municipal measurement index. This is an online dashboard which allows Albertans to access information about their community's financial and business indicators. Through this tool Albertans can learn more about their municipalities and stay updated on information which is pertinent to them. I think this is obviously a really important way that municipalities can stay connected to their citizens and make sure that people are engaged and understand what is happening in their own communities, and it gives them a little better sense quantitatively of what is going on in their community. I'd like to ask, through the chair to the deputy minister: could you please explain how Albertans can access the municipal measurement index and how it can be used for the benefit of Albertans across the province?

**Ms Cox:** Absolutely. In fact, this is an initiative that we're very proud of at the ministry, not just because it provides important information to Albertans but because our staff in our information services team have just initiated such tremendous leadership at making this a user-friendly portal for folks. If I may, the dashboard can be found online at [alberta.ca/municipal-measurement-index.aspx](http://alberta.ca/municipal-measurement-index.aspx), and I'd encourage everyone to go and see the great work of this team.

The municipal index allows Albertans to compare selected fiscal indicators for different municipalities and provides insight into the similarity of municipalities when comparing results. The municipal index value is based on the relationship between population, equalized assessment, and the geographical area of the municipality. The closer an index value between municipalities, the better results for the comparison will be.

I'm happy to provide a bit of an example in terms of how Albertans can benefit from this index. So an individual that's considering moving to the Edmonton metro region could compare residential tax rates for municipalities within the region when

considering things like cost of living. Likewise, a business that's looking at operating in the region could compare nonresidential tax rates in different municipalities when determining where they'd like to establish their operations. Albertans can also explore things like average timelines for decisions for building and development permits, subdivision applications, business licences when making decisions about where they'd want to undertake development.

Again, really proud that this does support informed decision-making for Albertans and contributes to transparency of local government by allowing folks to be able to make meaningful comparison of key fiscal information available to empower Albertans to engage with their local government and hold them accountable for the decisions that they make.

**Mr. Lundy:** Thank you for that information. Yeah. Certainly exciting. A great tool for folks who are looking at different communities or just want to see what their own community is up to, you know, especially even for businesses who are looking at some of their investment or operating decisions. I think it's really important that they get a chance to see some of that. I know timelines for permit approvals and such is often a hot topic, so if we have municipalities who are performing well in that area, it's certainly important to highlight that. I know the city of Leduc, of course, in my riding often receives kudos for their short approval times. Happy to see they get a chance through that initiative to maybe highlight that a little bit.

I would like to switch gears here. If we look at page 48 of the annual report, during this reporting period Municipal Affairs embarked on an accessible document creation training project to help make government documents readable to people who use assistive technology. I want to thank the ministry and the staff who helped put this project together. It is of great importance to all Albertans to be able to access these documents, regardless of their circumstances. I do think that anything we can do to make documents more accessible is an important initiative, and I think it's important that you get a chance to highlight some pieces of this initiative to our committee. I will ask through the chair to the deputy: could you please explain to this committee how the accessible document creation project came to be and the work involved in making this project a reality?

**Ms Cox:** Absolutely. Again, we just have an outstanding team at Municipal Affairs, so this is another opportunity to be able to talk about some of the great work that staff on the team initiated. The accessible document creation training project really does aim to make government documents readable for people that require assistive technology. This is all part of the Alberta government's efforts to increase accessibility for Albertans.

The first step that we took on this was to hire a staff member, which was done through the employing Albertans with disabilities program. We quickly did realize that demand for this work outweighed the resources that had been allocated to this project, so we have since 2021 built a team of four permanent staff, including two individuals who are blind, to ensure that our results are user friendly.

The team remediates existing documents to be readable and facilitates the accessible document training project to teach other ministries to do the same for their own documents. Our accessibility team began by training ministry staff and is now training – that is offered to all government departments across the government of Alberta.

**Mr. Lundy:** Well, thank you. Sounds like that's certainly an exciting initiative.

I just have a quick follow-up on that, again through the chair. Do you know, like, how many Alberta public service staff were given

this accessibility training? And if you can maybe talk a little bit on the background as to some of the committees which were included as part of this project.

**Ms Cox:** The accessible document training is something that we regularly offer to staff from across the Alberta public service. We do that through both virtual and in-person sessions. I would also just note that our accessibility team also works with public library boards, library staff, trustees, and staff at regional library systems by request. In fact, we just finished up some training with the Southern Alberta Library Conference in Lethbridge.

Accessibility training has also been delivered to municipal councillors and chief administrative officers through the regional annual training sessions that the ministry provides. In this last year we delivered training to over 350 Alberta public service staff. Since the program began, to get directly to your question, 1,600 Alberta public service staff members have been trained along with 150 staff from library boards across the province.

The team has remediated nearly 100 documents so far, including some really complex and lengthy documents such as appeal program information for the assured income for the severely handicapped and vital emergency information such as the be prepared program, which is offered through the Alberta Emergency Management Agency. These are all documents now that are able to be read to folks with visual impairments through screen readers that weren't available in that format before.

**8:50**

I'd also note that remediation is just one part of it, and part of the training is about how to make sure your documents are accessible from the get-go. That's a really important piece of the work, to have documents that we are creating as the Alberta government in service of Albertans to be accessible from the start.

**Mr. Lundy:** Okay. I appreciate that, Deputy. Once again thank you and your officials for providing us with that great information today.

**The Chair:** Thank you, Member Lundy.

We will now move back to the Official Opposition for a 10-minute block of questions.

**Mr. Ellingson:** Thank you, Mr. Chair. Yes. Thanks for coming and spending some time with us today and responding to some of our questions about the annual report. Through the chair, I'm going to ask some questions about oil and gas property tax incentives and the assessment model. On page 24 of the report we can see that it discusses – I believe it's outcome 1.2: "Work with industry and municipal stakeholders to co-design and begin implementation of an engagement approach to modernize the assessment models for regulated property." The ministry reports that they did review the regulated assessment models in 2020 but chose not to implement any recommendations "as a result of feedback received from both municipalities and industry partners." I'm curious. My question is: did the review not include municipal and industry partners?

**Ms Cox:** Certainly, we did initiate a review of assessment models, which is a challenging process. The initial review is one where we had industry, we had municipalities not necessarily talking together, so one of the things that we wanted to do this time . . .

**Mr. Ellingson:** Okay. I'll get to that in a second. Sorry for cutting you off. I have a few more questions, and I can come back to what you were about to say.

That initial review: was it made public?

**Ms Cox:** The results of the initial . . .

**Mr. Ellingson:** Yeah.

**Ms Cox:** Sorry. Through the chair.

**Mr. Ellingson:** Yeah. Through the chair. The initial review. Were the results of that initial review made public?

**Ms Cox:** I actually don't know the answer to that question because the review did not proceed. The review was not seen as successful. Stakeholders were unhappy with the process, which is why – and I understand you'll ask the question again – we decided to launch the process in a different way. Coming out of that review . . .

**Mr. Ellingson:** Could you tell us today maybe a little bit about, like, what they were unhappy about, like, some of their expressions of discontent?

**Ms Cox:** My understanding was that a lot of it was that the models weren't as transparent as they would like.

I'd ask Ethan Bayne, assistant deputy minister of municipal assessment and grants, to supplement.

**Mr. Bayne:** Sure. I think, going back to the 2020 review, from a municipal perspective, they looked at the four different scenarios that were the outcome of that review, and they were certainly concerned about the degree of assessment shifts that would occur, particularly for municipalities that had a lot of mature oil and gas assets in their jurisdiction and would have seen the value of those decline potentially. From an industry perspective, you have to remember in 2020 this was sort of a very volatile time economically post-COVID. Industry was facing sort of oil price declines. There was a lot of uncertainty among a number of different industrial sectors, so that was really the root of their concern.

So on the municipal side I think it was the assessment shifts that could potentially have resulted, and on the industry side just the overall economic climate. They didn't have a lot of support for moving forward with changes.

**Mr. Ellingson:** Okay. Thank you.

Through the chair, rather than proceed with some of the things that you had learned through that review, the ministry implemented measures to support economic recovery and provide certainty to industry investors, municipalities, and other property taxpayers. I guess I'm curious. You did a review process, there was discontent around the review, and then you came up with these other measures. Can you tell us a little bit about how you came up with those other measures?

**Ms Cox:** As Assistant Deputy Minister Bayne mentioned, this was a time of significant volatility.

**Mr. Ellingson:** Understood.

**Ms Cox:** You know, I think that, just to be clear, we all benefit from a strong oil and gas industry in this province that creates jobs . . .

**Mr. Ellingson:** I will never deny that.

**Ms Cox:** . . . and supports economic activity in our communities. The measures: I'd be happy to kind of outline them. The three-year tax holiday on new wells . . .

**Mr. Ellingson:** Oh, no. I know what the measures are. I'm just curious how you came to those measures.

**Ms Cox:** Again, understanding the economic challenges that we were facing, one of the things that Assistant Deputy Minister Bayne mentioned was the challenge particularly around things like shallow oil and gas wells. That is a measure that actually continues today, a reduction that is offered for additional depreciation on lower producing wells because they are lower producing, so looking at . . .

**Mr. Ellingson:** Thank you.

Through the chair, the measures implemented, it's estimated, provided approximately \$122 million in property tax benefits to oil and gas companies. Just to be clear to the committee, I also will never deny the benefits of oil and gas to this province and our communities. I grew up in Valleyview, Alberta, which is pretty fixed to oil and gas, and every member of my family worked in the patch.

I'm just wondering, though. Could you provide us some documentation about – like, it talked about providing certainty to these different stakeholders. Could you tell us about how these tax measures that were implemented provided certainty to the municipalities?

**Ms Cox:** I think that one of the things that we hear, even through the assessment model review process that we're undertaking right now, is the predictability of measures like depreciation and wanting to be able to provide a climate where, again, understanding economic volatility, wanting to encourage and incentivize the development of new oil and gas activity, we did see the opportunity for new drilling to be undertaken and new wells and pipelines to be built. There was a three-year tax holiday, which ended in 2024. Municipalities understood that it was three years – it was time fixed – and that they would benefit from that significant activity that may not have occurred otherwise.

**Mr. Ellingson:** Thank you for that. That cleanly segues into two other questions that I have.

One other question that I have is – I fully appreciate the volatility that was happening in 2020. We all know what happened to the price of oil. I'm curious, though. I'm also curious of the choice of a three-year time fix rather than a choice around the price of oil. The concern was the volatility of the price of oil. At the time the price of oil was – the oil price plunged in 2020. I think in one moment it was negative, which certainly is not going to incentivize new drilling. However, the price recovered in 2022. Indeed, in December of 2021 the price of WTI had already recovered to \$66. That's about \$10 higher than it was on Friday. I'm just curious. Those measures expired in December, but the price two years before that was higher than it was on Friday. Just explain to me why it wasn't a price-fixed measure instead of a time-fixed measure.

**Ms Cox:** Again, looking at creating investor certainty and a climate that would incentivize development, you know, the idea was that new wells and pipelines could be put in place, hopefully, on the front end of that three-year tax holiday. They could benefit during that time, when there were commodity challenges, as you've mentioned.

**Mr. Ellingson:** Thank you for that.

Now, you've clarified what you were hoping would happen from these measures. Can you provide us with data of new wells that were drilled?

**Ms Cox:** What I can tell you is that we know that there's over \$33 million in tax that can be now collected on those new wells and

pipelines. That is a significant amount of funding for municipal governments.

**Mr. Ellingson:** This is \$33 million net new purely because the new well was drilled.

**Ms Cox:** That's right.

**Mr. Ellingson:** No other factor.

**Ms Cox:** That's right. The amount of tax – again, not just for municipalities. I should just clarify as well that Albertans benefit through the education property tax from this type of activity as well. That's the amount that came as a result of . . .

**Mr. Ellingson:** This is another segue into that property tax that would accrue to municipalities. These tax incentives, as you've indicated – I think you said \$33 million new dollars in taxes that would be collected from those drills. But we also have a problem with oil and gas companies not paying their property taxes. At a time where tax incentives were put in place to incentivize new drilling, you're indicating that new drilling has taken place, that new taxes could be collected from that new drilling, yet in December 2023 there was \$122 million of unpaid property taxes to municipalities.

9:00

**Ms Cox:** That's correct and something that our ministry, in collaboration with Energy and Minerals, has been very focused on.

**The Chair:** Thank you, Deputy.

We will now move back to the government for 10 minutes of questions. MLA Armstrong-Homeniuk.

**Ms Armstrong-Homeniuk:** Thank you. Chair, through you to the deputy minister, first of all, I want to thank you for coming in this morning and answering our important questions and for all the good work you do. Chair, through you again to the deputy minister, the local government fiscal framework, LGFF, is a funding mechanism that supports local governments with capital infrastructure and operating grant support. I'm interested in exploring the consultation process with varying types of municipalities in this program. The first question, Deputy Minister, is: what does this engagement process look like for municipalities who are seeking funding?

**Ms Cox:** Thank you to the member for the question. As I've already mentioned, something that we pride ourselves on at Municipal Affairs is the collaborative approach that we take with our municipal partners. Prior to implementing the LGFF, we did engage with municipalities, Métis settlements, and their associations on the design of the new program. This included a survey that was sent to all local governments as well as collaborative administrative-level working group meetings with municipal associations, the Metis Settlements General Council, as well as the cities of Edmonton and Calgary. This involved many meetings to discuss in detail proposed aspects of the program to ensure that they were designed to reflect municipal priorities. In addition, we worked closely with Alberta Municipalities and the Rural Municipalities of Alberta to gather their perspectives on the LGFF capital allocation formula, and we're intending to seek their input on the development of a new operating allocation formula under the LGFF.

For the launch of LGFF we have initiated regular communication with local government. We did many webinars, direct outreach to ensure that there was awareness of the application process and project eligibility. On an ongoing basis we provide tailored advisory services with local governments to provide additional

support – understanding program requirements, application reporting assistance, and general project selection – to help local governments make effective use of their LGFF funding. I will just say that one of the most popular groups of people at the municipal conventions are our grant advisers, who have a meeting room that is available for municipalities to touch base with them on any questions they have and to be able to provide some support navigating the processes. Lots of opportunities for local governments to test and provide feedback on the initial design of the application portal were also provided to strengthen project quality before the overall launch. We're really proud of the efforts that we made to collaborate on this.

**Ms Armstrong-Homeniuk:** Thank you, Deputy Minister.

Chair, through you again to the deputy minister: how is funding under the local government fiscal framework, or LGFF, allocated? What did the government do to help municipalities adapt to the impacts of this new formula?

**Ms Cox:** Of course, when you adopt any new formula, there will be changes to local governments on how much they would have received from prior years. In terms of the allocation I'll just note that 53 per cent of the funding is allocated to the charter cities of Edmonton and Calgary. That is something that is established through the Local Government Fiscal Framework Act, which also sets out the allocation formula for Edmonton and Calgary. That formula is 48 per cent of the funding being allocated based on population, 48 per cent based on education property tax requisitions, and 4 per cent based on the length of local roads.

LGFF funding for all other municipalities in Alberta is based on a couple of different components. The first is fiscal capacity, providing needs-based funding. We set aside 3 per cent of funding for municipalities that have the lower ability to invest in capital projects relative to other municipalities. Then 60 per cent of that funding is allocated to urban municipalities with fewer than 10,000 people and less than 80 per cent of the average equalized assessment per capita. Then 40 per cent of that funding goes to rural municipalities with fewer than 10,000 people and less than 80 per cent of the average equalized assessment per kilometre of local roads. We really tried to tailor it in terms of the needs of those municipalities.

The formula also includes a base amount for each local government; \$150,000 is set aside as a base for most communities, and \$60,000 is set aside for summer villages as a base. After the base amount and needs-based funding is calculated, the remaining funding is allocated based on 65 per cent for population, 15 per cent for tangible capital assets, 10 per cent based on kilometres of local roads, and then 10 per cent around a five-year average for annual tangible capital asset amortization. Government certainly, as I mentioned at the outset, recognized that the formula would have an impact, so Budget 2024 did include \$2.2 million in top-up funding for nine municipalities whose LGFF funding in 2024 would have been less than their 2023 allocation under the municipal sustainability initiative just to give time for people to adjust.

I would also note that in 2024 we did also provide funding through the local growth and sustainability grant to support, in particular, mid-sized cities with targeted infrastructure projects' needs to address things like growth and tourism pressures.

**Ms Armstrong-Homeniuk:** Thank you, Deputy Minister.

Chair, through you again to the deputy minister, the municipal sustainability initiative outlined on page 4 of the annual report is being replaced by the local government fiscal framework. The municipal sustainability initiative has provided a significant amount

of funding to municipalities and Métis settlements since 2007, which has had far-reaching impacts for residents and communities over the years. Deputy Minister, can you share some of the significant benefits and achievements for the program?

**Ms Cox:** Absolutely. The municipal sustainability initiative objectives were to work in partnership with municipalities to manage growth pressures, to provide municipalities with sustainable funding, and to support core infrastructure needs. There were two components under MSI, MSI capital and MSI operating, and local governments were allocated more than \$15.2 billion while the program was in place between 2007 and 2023.

MSI capital supported the construction of extensive new infrastructure, directly enhancing municipal capacity to meet growing community needs. Key outcomes included over 204,512 kilometres of new roads that were built, vastly improving connectivity and transportation efficiency. The program contributed 102.54 kilometres of new rail and LRT tracks, supporting sustainable urban mobility. Construction of 2.8 million metres of waterlines and 719,000 metres of waste-water lines enhanced access to clean water and sanitation. Over 537,654 metres of stormwater conduits were installed, mitigating flood risk. Municipalities also benefited from 5.2 million square metres of new buildings, including civic centres, recreational facilities, and administrative offices. Acquisition of 918 transit buses and LRT cars improved urban transportation services.

The MSI capital program also focused on rehabilitation, ensuring the longevity and efficiency of aging infrastructure. Some of the key outcomes related to rehabilitation included 186,011 kilometres of existing roads that were rehabilitated to improve safety and improve driving conditions; 57,432 metres of existing waterlines and 133,543 metres of waste-water lines were rehabilitated, improving service reliability; and over 2.8 million square metres of buildings underwent rehabilitation, ensuring continued usability of municipal structures.

In terms of municipal operations MSI facilitated the procurement of essential equipment: 2,355 vehicles were purchased to support service delivery, including emergency response and operational fleets, and there was an expansion of 921,606 cubic metres per day in treatment capacity for improved water and waste-water processing efficiency.

In addition to these capital investments, MSI operating funding was used to maintain and rehabilitate existing infrastructure, extending the life of municipal assets. This really proactive approach reduced the need for costly emergency repairs and ensured long-term sustainability.

Municipalities leveraged operating funds under the MSI to enhance governance, planning, and asset management. This included investments in things like staff training, technology upgrades, and planning initiatives, all of which improved the overall administrative efficiency and service delivery of Alberta's municipalities.

9:10

**Ms Armstrong-Homeniuk:** Well, thank you very much.

With 26 seconds left on the clock I think I'll just pass over my time.

**The Chair:** Thank you, Member. If you want, you can still . . .

**Ms Armstrong-Homeniuk:** Still talk?

**The Chair:** . . . choose to use your 26 seconds. If not, we can move back to the Official Opposition.

**Ms Armstrong-Homeniuk:** Well, thank you, actually, for what you do. You know, there is a noticeable difference to some of the more remote communities in my riding, and I would . . .

**The Chair:** Thank you.

We will move back to the Official Opposition for a block of 10 minutes of questions.

**Mr. Schmidt:** Thank you, Mr. Chair.

**The Chair:** Member Schmidt, if you want to start.

**Mr. Schmidt:** Yeah. I do. Thank you, Mr. Chair. My questions are related to the Land and Property Rights Tribunal. The report says that the tribunal received 4,687 surface rights compensation applications under section 36 of the Surface Rights Act in '23-24. Can the ministry say how many or what percentage of those complaints resulted in payments to landowners in the '23-24 fiscal year?

**Ms Cox:** Thank you for the question. I'm just going to look for my statistics on this. I will note that because some compensation disputes came in from previous fiscal years, the tribunal actually issued more decisions than it, I think, received in that fiscal year. I believe that in '23-24 for unpaid surface leases the tribunal directed the Minister of Environment and Protected Areas to pay approximately \$29.4 million to landowners that fiscal year, and that was up from \$17.2 million in the previous fiscal year. So the answer is \$29.4 million.

**Mr. Schmidt:** That wasn't the question, though. I guess my question was: how many of the 4,687 surface rights applications resulted in payments?

**Ms Cox:** I would look to if I could have – we've got Mike Hartfield here from the Land and Property Rights Tribunal. I'm not sure if he knows the exact statistic. I do know that generally it's, I think, over 90 per cent are directed for payment. I'm happy to defer to him if that's all right.

**Mr. Hartfield:** Good morning. It's Mike Hartfield, executive director with the Land and Property Rights Tribunal. I don't have the exact statistic for '23-24, but I can tell you that currently it's approximately over 98 per cent of applications that are received, the landowners receive a payout.

**Mr. Schmidt:** Thank you very much.

Now, the deputy minister said that over \$29 million was paid in surface rights compensation applications. How much of that was paid by operators, and how much of that was paid out of the general revenue fund in '23-24?

**Ms Cox:** I'd be happy to talk a bit about the process, which is that the Land and Property Rights Tribunal, as I mentioned . . .

**Mr. Schmidt:** No. I . . .

**Ms Cox:** I'm going to answer your question.

. . . directs the Minister of Environment and Protected Areas to make the payment. That payment then does come from the government of Alberta and then through Treasury Board and Finance's Crown debt collections. That work is then undertaken because that debt is a debt oweable to the Crown to find payment. You'd have to ask the Minister of Treasury Board and Finance about the rate of collection through Crown debt.

**Mr. Schmidt:** Okay. So the answer is, then, that you don't know how much of that was actually paid on behalf of operators. Right now ...

**Ms Cox:** The answer is that I'm not responsible for that. Treasury Board and Finance is responsible through Crown debt collections.

**Mr. Schmidt:** That is one of the favourite answers of deputy ministers who appear before this committee: it's not my responsibility. Cross that off your bingo card.

What is the cumulative amount that has been paid out of the general revenue fund on behalf of operators that have failed to make their lease payments?

**Ms Cox:** Again, sorry; you would need to ask Treasury Board and Finance the amount that they're able to collect through Crown debt collections.

**Mr. Schmidt:** No, no, no. Like, I get that you guys track it and you report it on your annual report. Like, how much has been paid out? What's the cumulative amount that's been paid out from the Land and Property Rights Tribunal to people who have applied for surface rights compensation?

**Ms Cox:** Can I understand the time frame? In terms of when you say cumulative, starting in which year? I don't know that we'll have the answer for you, but it would be helpful.

**Mr. Schmidt:** Starting at the very beginning, I guess. I don't know how long this process has been in place, but from the very first application for surface rights compensation that has been made to the end of the '23-24 fiscal year, what is the total compensation that has been paid out?

**Ms Cox:** I do not know the answer to that question.

**Mr. Schmidt:** Can you undertake to respond in writing to the committee, to find that out?

**Ms Cox:** I can undertake to do that. I would note that the Land and Property Rights Tribunal amalgamation of the Surface Rights Board only took place in 2021, I believe. Yes. In 2021 is when the Surface Rights Board was amalgamated into the Land and Property Rights Tribunal, so I think that any answer that we're able to provide would be as of that starting point.

**Mr. Schmidt:** Okay.

Now, of the 4,687 compensation applications that were received, how many total decisions were issued?

**Ms Cox:** I'm sorry; I'm just looking to see if I have an answer for you on that.

Again I'm just going to refer you to Mr. Hartfield in the event that he has the answer more easily than I do.

**Mr. Hartfield:** Good morning. In '23-24 we received 4,687 recovery of compensation applications, and we issued 5,612 decisions, or orders as we call them.

**Mr. Schmidt:** Okay. I guess it's hard to figure out how many of the ones received in '23-24 actually received decisions. You don't track it by fiscal year?

**Mr. Hartfield:** Well, we have a rolling inventory of applications just due to the volume. From time to time we do incur a backlog.

**Mr. Schmidt:** Okay.

I'm just curious. The report mentions a couple of targets for issuing decisions. What percentage of the complex cases had decisions issued in the 210-day target timeline?

**Mr. Hartfield:** I do not have that statistic handy.

**Mr. Schmidt:** Can you respond in writing?

**Mr. Hartfield:** Absolutely.

**Mr. Schmidt:** Thank you.

My second question is: what percentage of routine cases had decisions issued in the 90-day target timeline? I assume you don't have that, but if you could respond to the committee in writing as well.

**Mr. Hartfield:** Certainly.

**Mr. Schmidt:** Thank you.

And then of the 4,687 applications ...

**Ms Cox:** Member, through the chair, can I answer?

**The Chair:** Member, I think that the deputy minister has that answer.

**Ms Cox:** I think I do. Routine – oh, maybe I don't. I'm sorry. I'm looking at the wrong ...

**Mr. Schmidt:** Ah, get my hopes up.

**Ms Cox:** I apologize.

**Mr. Schmidt:** How many of the 4,687 applications that were received in '23-24 hadn't had a decision issued by the end of the fiscal year?

**Mr. Hartfield:** We can endeavour to find that information. However, I can't guarantee that we do have those statistics.

**Mr. Schmidt:** Okay.

Now, the report mentions that the government streamlined the process of dealing with compensation applications by combining orders for sections 36(4) and 36(6) payments; 36(4) is an issue to pay to the operator, and then 36(6) is an order to the government to pay. Why did the ministry combine those two orders to so-called streamline the process?

**Mr. Hartfield:** It was essentially a streamlining matter. That's why we did that, just to shorten the timelines for issuing these decisions.

**Mr. Schmidt:** Yes, thank you. I said in my question that I know that it's streamlining, so when you tell me that it's to streamline it, you're repeating back to me what I said. Why would you combine those two things when one is a payment from the operator and the other is a payment from general revenue fund? I understand the desire to make sure that landowners get compensated, but are you short-circuiting the ability of operators to pick? Like, are you just putting the government's hand up to pay on behalf of operators and putting more financial risk on Alberta taxpayers by doing that?

**Mr. Hartfield:** I would have to consult with legal on that and provide you a more robust answer.

9:20

**Mr. Schmidt:** Okay. Thank you very much.

I'm just wondering. You know, the report is quite clear that the amount of money that's paid out in surface compensation from the

general revenue fund has been climbing steadily over the last number of years. What work is this ministry doing to prevent future liabilities from falling on the general revenue fund?

**Ms Cox:** Well, the work of the Land and Property Rights Tribunal comes on the back end. Certainly there is work in other ministries like Environment and Protected Areas, Energy and Minerals on things like a liability management framework to get at the proactive issues that are causing some of these challenges. What we're responsible for is the back end, when there are issues around compensation.

**Mr. Schmidt:** Okay. Does the Land and Property Rights Tribunal – like, how many of those ongoing compensation payments are made by companies that have been delinquent year over year?

**The Chair:** Thank you, Member.

Now we will move back to the government for a 10-minute block of questions. MLA McDougall.

**Mr. McDougall:** Thank you. Thank you very much for coming here today. In your annual report on page 64 there is reference to the review of new-home buyer protections. I see that the ministry originally completed two phases of engagement under the residential protection program to better understand the issues and to gather input on possible solutions. Through the chair: can the deputy minister please share the status of that review with the committee?

**Ms Cox:** Absolutely. The first phase of the new-home buyer protections review did include targeted engagement sessions with technical, compliance, and consumer subject matter experts in order to seek input on issues and options to improve new-home buyer protection policies and programs.

The second phase of the review covered a more generalized audience in order to gather Albertans' perspectives through a public survey on the application of the new-home buyer protection policies and programs.

We also held a third engagement session in 2024, again with a similar group of technical, compliance, and consumer subject matter experts, in order to have some more focused engagement sessions, stakeholder interviews, written submissions to get more insight and inform the proposed improvements to the homebuyer protection policies and programs.

**Mr. McDougall:** Thank you.

What are some of the enhancements that took place during this period of time following this review that would increase the protections for purchasing a new home?

**Ms Cox:** The feedback that was gathered through these three engagement sessions was categorized and then used to guide recommendations for enhancements to the Alberta homebuyer protection web pages, the creation of new educational materials. I think, very importantly, the recommendations led to the proposed legislative changes to the New Home Buyer Protection Act and Safety Codes Act, which are contained in Bill 50, just recently tabled in this session through the Municipal Affairs Statutes Amendment Act, 2025.

The proposed changes, again, that came through this engagement include things like expediting approvals for owner-builders, expanding exemptions for home sales, protecting future homebuyers, restoring appeal rights, and accessing expert-driven guidance. I would just note that in addition to the changes that are proposed in the Municipal Affairs Statutes Amendment Act, we would be looking

to make additional regulatory amendments to strengthen builder licensing as well as improving warranty dispute resolution, that will include further stakeholder engagement sessions.

**Mr. McDougall:** Thank you very much. Well, I certainly know that this program is critical for a lot of homebuyers building new homes, and it's good to see the enhancements in place and improvements from this engagement process.

On to another topic. On page 65 of the annual report it mentions the fire service review, which highlights opportunities to enhance the service delivery of fire service programs. This seems like quite a large undertaking with a lot of moving parts. I see that phase 1 was completed in '23-24 and phase 2 was to be completed in '24-25. Could the deputy minister provide more information on the fire service review and what was completed during this phase 1 period?

**Ms Cox:** Absolutely. Very important work that was initiated through this review. The aim of this, really, was to gather feedback and information on local needs, enabling us to develop some solutions to better support the very important and valued fire service in our province. As part of the review we did conduct formal and expansive engagement with municipalities and the firefighting community to better understand their expectations, identify outstanding issues, and then to inform some potential changes to the fire services program.

During phase 1 of the engagement our assistant fire commissioner in our department did connect with 161 municipal fire service organizations, training officers as well as the Alberta Fire Chiefs Association, and the Alberta Professional Fire Fighters & Paramedics Association. During that phase we heard about challenges that are being faced by the fire service across Alberta. Some of the perspectives were varied based on factors like size, location, demographics, urban versus rural, and budget. Some of the challenges that were brought forward by stakeholders for discussion included topics relating to Municipal Affairs focused programs and services such as fire data collection, improved communications with the fire service, funding, and flexibility for training. That is really the outcome from phase 1 of the engagement.

**Mr. McDougall:** Thank you very much.

The description of the fire service review mentions a committee that develops recommendations for various fire service related management needs and goals. Can the deputy minister provide some further details on this committee and how it functions?

**Ms Cox:** Yes, absolutely. As part of the fire service review Municipal Affairs did provide a \$200,000 grant to the Alberta Fire Chiefs Association to establish a provincial Fire Services Data Committee. That's the committee that the member is referencing. The goal of that committee is to develop recommendations and a framework for the systematic collection and analysis of fire service data essential for decision-making and to make sure that we're aligned with national standards. The scope of this work is focused on fire service data management in Alberta, determining how best to meet fire service data reporting needs and requirements at national, provincial, and municipal levels. Just to note, several other ministries across the government of Alberta were invited to provide data requirements input to our research consultant, and we are expecting the final report through the Alberta Fire Chiefs Association in December of this year.

I will also note that more recently in response to feedback gathered from phase 1 and phase 2 of the fire service review engagement we have also established a Provincial Fire Liaison Committee. This committee is something that stakeholders are very excited to be a part of. It will be composed of stakeholders from



across the province to represent fire service members, fire service leaders, fire service unions, and municipalities. Representatives from some of our partner ministries and technical experts from within Municipal Affairs will also serve on the committee as advisory members to support the work of the committee. The fire services liaison committee will serve as a platform to discuss and prioritize common issues, develop and share information, create sub working groups to tackle complex or emerging issues, build capacities, and allow for municipalities to support one another, and address recruitment and retention challenges.

**Mr. McDougall:** Thank you very much.

A different topic again. On page 63 of the annual report there is some detailed information on housing affordability. Clearly, many Albertans are experiencing housing affordability challenges these days. In fact, I would suggest that it's maybe one of the key and most important generational challenges we have before us as a society here not only in Alberta but in Canada, a big concern of mine personally and especially younger people looking into trying to get into the market for housing. These challenges are especially similar in Calgary and Edmonton, as they tend to be in urban centres where the demand for affordable housing continues to grow. Obviously, housing affordability goes beyond one ministry; however, I'd like to explore this further as it is certainly a priority of this particular government. To the deputy minister: what initiatives has the department undertaken to address these housing challenges?

**Ms Cox:** Thank you for the question. In '23-24 we did work actively to address housing affordability challenges through a number of targeted initiatives. We engaged with the cities of Calgary and Edmonton and confirmed that both municipalities required, you know, no alternative solutions – sorry. We consulted with them to really understand if they were able to leverage alternative solutions within Alberta's building and fire codes to make sure that municipalities were able to establish emergency or temporary shelter space, as an example, more efficiently while maintaining high safety standards, so making sure that they're aware that there are alternative solutions through our outcome-based codes.

We also worked with the Safety Codes Council to undertake stakeholder engagement and to develop a framework for a new accreditation model that will support risk-based approaches. So this should support municipalities to conduct faster inspection processes for construction where there is low risk and for builders that have a credible and safe construction record.

**9:30**

We also began collecting permit information from municipalities in 2023 through the municipal measurement index, which I spoke about earlier. That information is now publicly available and is expected to increase transparency and is intended to encourage municipalities to improve their approval timelines to attract additional growth as well as to inform future engagement relating to municipal permit approval timelines.

**Mr. McDougall:** Thank you.

You talked about some of the things you did over the period. Since we only have a few seconds left, are there any conclusions that you may have reached during this particular period of time that we're in, of the annual report, that perhaps could be pending for future execution or implementation?

**Ms Cox:** Absolutely. Just, you know, very recently, in the fall of 2024, we did establish a construction codes working group with

representatives from the cities of Edmonton, Calgary, and BILD Alberta as well as the Safety Codes Council.

**The Chair:** Thank you.

We will move back to the Official Opposition for 10 minutes of questions.

**Ms Renaud:** Thank you, Mr. Chair. The Auditor General emphasized the importance of implementing regulation to prohibit development on floodways and ensure consistency across the province. His report went on to give examples and talk about the importance of this work. The Auditor General pointed out that allowing floodway development puts public safety and the public purse unnecessarily at risk and that keeping people and infrastructure away from floodways is the most cost-effective approach to managing flood risk. Now, given the ministry states that it will not be proceeding with this recommendation, can the ministry elaborate on the rationale provided for this decision?

**Ms Cox:** Sure. I would start with maybe the assertion that this is the most cost-effective way of managing risk. I'll note that there was the Select Special Committee on Real Property Rights that was struck, looking at how to protect property rights in Alberta and the kind of legal remedies currently in place and whether they are sufficient, and the committee did complete its final report in June of 2022. A key recommendation is about developing a comprehensive compensation structure for property owners if regulatory changes result in the removal of reasonable uses of property. Certainly, restricting development by the provincial government would fall into that category.

I would also maybe just back up a bit and talk a bit about some of the timeline on this. Certainly, since 2013 we have concluded that this is not the appropriate way to proceed because we do have other mitigation measures in place, wanting to just note that, overall, we don't believe that a floodway development regulation really achieves the appropriate balance between public safety and Albertans' property rights. Instead, we've adopted a combination of other approaches and included updated flood hazard mapping.

You would have seen something from Environment and Protected Areas. They have I think undertaken more flood hazard mapping in the last five years – yeah, in the last five years – than in the previous 35 years combined, so a significant effort is under way to make sure that Albertans have information about flood hazards in their communities so that they can make responsible decisions as property owners without government having to do that for them.

As well, there is support for mediation measures.

**Ms Renaud:** I just want to clarify something. Basically, you're saying that the Auditor General's recommendation is incorrect; it's not necessary, that you've found other ways to mitigate risk . . .

**Ms Cox:** Our view is that circumstances have changed.

**Ms Renaud:** . . . that the builder or the property owner need to take on that risk and make the decision based on the information that government is providing them?

**Ms Cox:** Our view is that circumstances have changed because we have a number of mitigations in place to address the risk that this was intended to achieve in terms of an outcome.

**Ms Renaud:** Mitigation, including flood mapping?

**Ms Cox:** Flood mapping. Yeah.

**Ms Renaud:** And what else?

**Ms Cox:** I was happy to keep going on that. Absolutely. There is lots of support for local decision-making around mitigation measures in particularly affected communities. The Alberta Emergency Management Agency is working very hard on a hazard identification risk assessment program that local municipalities are able to use to assess their local risk and to make decisions potentially restricting development if they so choose.

Flood mapping or flood hazard regulation is not the only thing that municipalities do. They manage all land use within their jurisdiction. That is their responsibility. This is one of the ways they could undertake to do this. In fact, we know that there are municipalities that do have bylaws that restrict floodway development.

**Ms Renaud:** Now, can you tell me if I'm correct? Just based on what you're saying and the examples that you're giving, this sounds a lot like the government of Alberta is downloading responsibility and downloading risk to municipalities and other bodies.

**Ms Cox:** Municipalities have always had the risk associated with land-use planning. The Planning Act of 1970, before the Municipal Government Act consolidation, provided municipalities with significant autonomy with respect to planning, and that continues to be the case. They are responsible for their planning decisions, and we respect local governments in making those decisions.

**Ms Renaud:** Right, except not for tabulators.

Without a floodway development regulation in place, how does the ministry plan to mitigate the risk to public safety and to the public's purse? More importantly, the public's purse.

**Ms Cox:** Absolutely, changes were made to the disaster recovery program outside my ministry, so with the Alberta Emergency Management Agency and Public Safety. I would just note a few things because I think it's germane to this. Really looked to take out any incentive for redevelopment through the disaster recovery program, so there are things in place now. Since 2021 a single property is only eligible once for that disaster recovery assistance. There's a registry so that folks are aware of that. There is a cap at \$500,000 for uninsurable losses, and there is also the opportunity for folks that do receive disaster recovery program assistance as a result of flood to relocate to areas where there will not be the same risk of flooding. That is financial support available to do that relocation, again, so that we stem the flow of potential need for disaster recovery programs on the same property in the future.

**Ms Renaud:** In your opinion, this is the best way to mitigate risk for Albertans and for the public purse? It's just the things, the activities that you've listed instead of a regulation managing the floodway?

**Ms Cox:** Again, recognizing that any restriction on reasonable use of property would likely come with some expectation of compensation because land has been sterilized, people aren't able to use their property in the same way, and there is a cost to that. So there are mitigation measures in place, including significant infrastructure mitigation, including the Springbank reservoir, that structural mitigation that will protect properties. The federal government is continuing its work on a national flood insurance program that would be low cost to consumers to purchase.

**Ms Renaud:** I will turn my time over to my colleague.

**Mr. Ellingson:** Thank you.

Through the chair, I'll go back to the path that I was on earlier. The tax holidays put in place back in 2021: it's estimated that those

cost municipalities approximately \$122 million in taxes. We heard earlier, Deputy Minister, that you believe that those measures have incentivized development that will generate an additional \$30 million in taxes, so we're generating \$30 million, but we lost \$122 million.

**Ms Cox:** The three-year tax holiday, the cumulative tax lost, again, to be recovered through the new activity in this coming tax year, was \$33.35 million, not \$120 million. I'm sorry. I don't remember the exact number that you referenced.

**Mr. Ellingson:** On page 24: \$39 million in educational property taxes; the well drilling equipment tax, \$44 million; the shallow gas assessment reduction, \$15 million; and the low-productivity assessment reduction, \$24 million.

**Ms Cox:** I'm sorry. I thought your question was specific to the tax holiday.

**Mr. Ellingson:** I think all of these were kind of bundled together. Were they not?

**Ms Cox:** There were four different measures related to property tax incentives that were established, so that may be the correct cumulative impact.

**Mr. Ellingson:** So all four measures together, a cumulative impact of approximately \$122 million if we add up the four numbers on that page. And we think that they generated about \$30 million now in kind of, like, net new taxes that could be paid. So do we consider that to be a success?

**Ms Cox:** I would suggest that there are a couple of measures there that are not. The pieces around the depreciation on lower producing wells, so adding an additional depreciation on the assessment of lower producing wells, a 35 per cent reduction on shallow gas: those are really measures in place because our assessment models have not been updated in over 20 years. Those are likely more accurate reflections of the actual assessment of those particular pieces of property.

9:40

**Mr. Ellingson:** How do we help municipalities kind of plan their way through that? Understanding the need for that, that the assessment is out of date, but the municipalities weren't really preparing for, like, a changed assessment. What did we do to backstop that loss of funds to the municipalities?

**Ms Cox:** Certainly, there were lots of – as we know, these were brought in during economic volatility, the COVID-19 pandemic. There were additional funds that were provided to municipalities, unrelated to these tax incentives, to be able to support municipalities through some of those challenging circumstances. I'd also note that through the assessment model review we have developed a new process for assessment year modifiers, which change the value of...

**The Chair:** Thank you, Deputy Minister.

We will move back to the government for a block of 10 minutes of questions. MLA Johnson.

**Mrs. Johnson:** Thank you, Mr. Chair. Through you to the deputy minister, I read on page 10 of the annual report that the tribunal delivers fair decisions. This is about the Land and Property Rights Tribunal. They deliver fair decisions on property assessments, on appeals, expropriation, and surface rights disputes. They offer a

prehearing dispute resolution process and provide certification training for municipal assessment and appeal board members in Alberta. First, to the deputy minister: what is the Land and Property Rights Tribunal doing to improve accessibility for rural Albertans who are impacted by surface rights issues?

**Ms Cox:** Thank you for the question. The tribunal has taken several steps to improve communication and accessibility to assist rural landowners with understanding the tribunal's various application processes, procedures, and their rights and obligations under the Surface Rights Act. This does include changes to the hearing process. Parties are offered the option of attending a hearing virtually or in person to address surface rights matters. For parties that maybe have poor Internet connections, the tribunal provides a space in its office if they elect to attend virtually, and when they're there, they are supported by IT specialists. The tribunal also provides parties with an opportunity to test their technology in advance of a hearing. Of course, if folks want to continue to do an in-person hearing, that is absolutely something that is offered to them.

To assist with preparation for hearings, the tribunal does, as the member mentioned, convene a prehearing conference. That is facilitated by a tribunal member. They provide information sheets to support landowners who may be unfamiliar with the process. As parties are working to resolve disputes, the tribunal does offer dispute resolution and mediation services at no cost.

To provide information and reduce the number of incomplete applications that the tribunal was receiving, the tribunal did attend multiple in-person information sessions in rural communities throughout Alberta, looking to be able to support the application process. Certainly, the tribunal has always been available to assist applicants over the phone, but we did also support the implementation of a new telephone system to track all calls and ensure that we're responding to any inquiries that are coming in in a really timely way.

**Mrs. Johnson:** Well, thank you, through you, Mr. Chair, to the deputy minister for that answer.

You did touch on my next question. Perhaps you could expand a little bit more. On page 10 it mentions that prehearing process, and you mentioned that as well. Could you go a little bit more into further detail regarding that process? And then: are there other examples of similar organizations from other jurisdictions?

**Ms Cox:** Sure. Absolutely. That prehearing conference, that is facilitated by a tribunal member, is really intended to assist parties with preparing for the hearing, discuss hearing dates, exchange information, and so forth. To assist parties in resolving their disputes at the prehearing conference, we do offer, as I mentioned, that mediation service at no cost. If we hear that, you know, folks are not interested in formal mediation, there could be the offer through the prehearing conference for more informal dispute resolution, which is referred to as a settlement meeting. Parties can go to a settlement meeting and informally discuss the dispute with the tribunal member. Really, I would say that, overall, that prehearing conference is important to help folks to prepare for the hearing and, hopefully, potentially resolve their dispute rather than having to have the tribunal decide it for them.

With respect to the crossjurisdictional or the, you know, review of whether or not similar organizations offer this, we do know that there are boards and tribunals across Canada that have a similar jurisdiction to the Land and Property Rights Tribunal. However, those that hear and decide surface rights matters are generally unique to the provinces in western Canada with mature oil and gas

industries. Our tribunal is unique in that it deals with a substantially higher volume of surface rights disputes than in most other jurisdictions. This is primarily due to the government of Alberta's approach in ensuring that rural landowners are compensated for unpaid surface lease payments owing from oil and gas operators. Just for context, in 2021 the tribunal received 7,446 surface rights applications compared with only 12 in British Columbia, 14 in Saskatchewan, and 203 in Manitoba.

Another unique aspect of the tribunal and its mandate is that we provide certification training to members and clerks of municipal assessment review boards and subdivision and development appeal boards. So a really broad range that is offered through the Land and Property Rights Tribunal.

**Mrs. Johnson:** Well, excellent. Thank you, through you, Mr. Chair, to the deputy minister for that.

On page 70 of the annual report it discusses the work of the tribunal to strengthen the rights of landowners. I'm particularly interested in this as it would provide some clarity on the relationship between rural landowners and operators. I understand there are a large number of formal hearings involved in this process. Through you, Mr. Chair, to the deputy minister: what is the tribunal doing to ensure landowners are on equal footing with oil and gas operators in terms of having effective legal representation at these hearings?

**Ms Cox:** Thank you again for the question. I would just start by saying that, regardless of whether or not a legal representative is involved, the tribunal does work really hard to ensure that every party has an opportunity to be heard, to ask questions, and to challenge the evidence and arguments of the opposing party. I'd also just say, you know, keep in mind that landowners are successful and sophisticated business owners. They're running really important pieces of, for example, our agricultural industry, which is a backbone of Alberta. They have the advantage of knowing their land better than any expert that they could hire.

However, having said that, landowners who appear before the tribunal can absolutely choose whether or not they want to represent themselves during the hearing or whether they want to retain outside legal counsel or potentially an agent. The Surface Rights Act, in those cases, does provide for reasonable costs to be awarded to the landowners for their expenses and the expenses of legal counsel, agents, and experts. With that in mind, landowners are able to retain a lawyer or an agent to represent them, and when they do that, they have the ability to request that their costs be reimbursed by the oil and gas operator. That is one of the ways that the tribunal works and the Surface Rights Act works to make sure that these landowners have equal footing with oil and gas operators, who may have their own legal counsel.

**Mrs. Johnson:** Well, as an MLA in a rural and heavily agricultural and energy riding as well I really appreciate that. That's really important. Thank you, through you, Mr. Chair, for that answer.

I see that the longest hearing in tribunal history, which lasted 38 days, occurred during this reporting period. Can you please clarify why this process took longer than expected, and could you share some details about this hearing?

**Ms Cox:** Sure. The case that is being referenced here by the member is actually with respect to a designated industrial property complaint involving Fort Hills Energy Corporation versus the provincial assessor. Absolutely, hearings of this length are very complex, and the tribunal assigns its most experienced members to hear and decide these matters. In terms of the decision timeline the hearing ended in November of 2023. The tribunal then issued a preliminary decision approximately four months later, in March

2024, owing to its complexity, and then requested further information from the parties. Following receipt of that requested information, the tribunal did take another three weeks to issue the final decision.

9:50

**Mrs. Johnson:** Thank you.

On page 70 of the annual report I see one of the tribunal's key objectives was to modernize its processes during the '23-24 reporting period. Through you, Mr. Chair, to the deputy minister: how does this translate into improved service for Albertans?

**Ms Cox:** The tribunal has undertaken a lot of effort to modernize its systems and processes to accommodate the high volume of applications and appeals that it continues to receive. This includes things like implementing robotic process automation software, which automates the intake of high-volume recovery of compensation applications. That was a process that was previously done manually by tribunal staff. The tribunal also launched an online surface rights e-filing portal that allows rural landowners or their representatives to submit recovery of compensation applications online and then to be able to monitor in real time the status of their application.

In '24-25 – I know, outside this reporting year – I'm really proud, again, of some of the work that the team itself initiated. The tribunal launched an online instructional video that includes step-by-step instructions to assist rural landowners with completing surface rights applications, something they can watch any time from the comfort of their home to be able to help facilitate the accurate and complete application process. Finally, to improve accessibility and convenience, unless an in-person hearing is requested . . .

**The Chair:** Thank you.

For this final round members may read questions into the record for a written response for three minutes.

**Ms Renaud:** Thank you. Alberta municipalities note that the changes to the starting point of the pot in funding is so low that it'll take 20 to 30 years simply to get to a level of 10 years ago, so what plans does the ministry have to address this massive shortfall?

My next question. The ministry provided almost half a billion to municipalities through MSI, which is about 49 per cent of the ministry's budget, and there is zero performance reporting for this metric. How does the ministry measure value for money of MSI?

Next question: what plans does the ministry have for implementing a performance metric for its granting program for municipalities?

Finally, we see only small projects funded by MSI outlined in the report such as a boat launch, improving street lights. Will the ministry provide capital project details for the more substantial projects funded by MSI?

**Mr. Ellingson:** Thank you. I will ask an overarching question. What I'm driving at is: what makes the 2023 assessment model review different than the 2020 assessment model review? The report says that the new assessment model review process is to be "deliberate, evidence-based, and stakeholder driven." I'm curious if the 2020 process was not deliberate, evidence based, and stakeholder driven.

The report suggests that the review will be followed by broad consultation with municipalities and industry. The original review

was followed by broad consultation with municipalities and industry and then thrown out, so I'm curious if the new assessment model will just – why wouldn't you just bake it right in there instead of going through a two-step process where you might throw it out like you did the first time? How much was spent on the original process review, and how much is being spent on the current one?

Now I'll ask a couple of questions about unpaid oil and gas property taxes. The report acknowledges that the government is aware of the impact of unpaid property taxes, that a new directive took effect in May 2023 to pay municipal tax arrears in excess of \$20,000, that in December of 2023 the unpaid tax list included approximately \$112 million of unpaid taxes to 56 municipalities. I'm curious if the measures that were taking place are reducing the unpaid taxes owed. The report says that you can't compare to the previous years for various reasons. What we do know is that \$112 million in 2023. The RMA has stated that in 2024 that had risen to \$254 million, so I'm curious if the measures are actually working.

**The Chair:** That's all? Thank you.

We will move to government members for three minutes.

**Mr. Rowswell:** Thank you very much. Were there any significant challenges with the local government fiscal framework replacing the MSI? You know, if there was, if you can just send that to us in a written form.

Then another one. The technical and corporate services division oversees the provincial safety codes and standards system, provides guidance and advice to its system partners, administers a residential protection program, and provides corporate support to the Department of Municipal Affairs. From what I understand, this includes building accessibility. Can the deputy minister provide further details on the efforts that were made regarding barrier-free design and accessibility?

This other question got answered throughout the day, so I won't repeat that.

Page 71 of the annual report references development appeals. Some development appeals are very controversial, which highlights the importance for local input. If you could just tell us: what is the tribunal doing to ensure rural concerns are being heard?

That's all I have.

**The Chair:** Thank you, Member Garth.

I would like to thank the officials from the Ministry of Municipal Affairs and the Auditor General for being here and for responding to the members' questions. We ask that any outstanding questions that need to be responded to in writing be provided to the committee clerk within 30 days.

Other business. Are there any other items for discussion under other business?

Seeing none, the next meeting of the committee will be on April 29, 2025, to review the Auditor General surface water management report.

I will call for a motion to adjourn. Would a member move that the Tuesday, April 15, 2025, meeting of the Standing Committee on Public Accounts be adjourned? So moved. All in favour? Any opposed?

Thank you. The meeting stands adjourned.

[The committee adjourned at 9:56 a.m.]







