

APPENDIX 5 CEIP Municipal Bylaw Requirements

Last Updated: July 15, 2020

Municipal Government Act – Division 6.1 (Clean Energy Improvement Tax)		
390.3		Notes
(1)	Each council may pass a clean energy improvement tax bylaw	
a	to establish a clean energy improvement program,	
b	notwithstanding section 251, to authorize the municipality to make a borrowing for the purpose of financing clean energy improvements, and	Section 251 references the borrowing bylaw
c	to enable clean energy improvements to be made to eligible properties.	
(2)	Before a clean energy improvement is made to any property, a council must pass a clean energy improvement tax bylaw.	
(3)	A clean energy improvement tax bylaw authorizes the council to impose a clean energy improvement tax in respect of each clean energy improvement made to a property to raise revenue to pay the amount required to recover the costs of those clean energy improvements.	
(4)	A clean energy improvement tax bylaw must, subject to the regulations,	
a	Set out	
i	the amount of money to be borrowed for the purpose of financing clean energy improvements,	
ii	the maximum rate of interest, the term and the terms of repayment of the borrowing, and	
iii	the source or sources of money to be used to pay the principal and interest owing under the borrowing,	
c	indicate that, where a municipality has entered into a clean energy improvement agreement with the owner of a property, a clean energy improvement tax will be charged based on the clean energy improvement agreement,	
d	identify the period over which the cost of each eligible clean energy improvement will be spread, which period may vary from improvement to improvement, but the period shall not exceed the probable lifetime of the improvement,	
e	indicate the process by which the owner of a property can apply to the municipality for a clean energy improvement,	
f	include any other information the council considers necessary or advisable, and	
g	include any requirements imposed by the regulations.	
(5)	Before giving second reading to a proposed clean energy improvement tax bylaw, the council must hold a public hearing with respect to the proposed bylaw in accordance with section 230 after giving notice of it in accordance with section 606.	Section 230 is the guidance for holding public hearings.

		Section 606 is the guidance and requirements for advertising
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Clean Energy Improvements Regulation		
5	Clean Energy improvement tax bylaws	Notes
(1)	In addition to meeting the requirements referred to in section 390.3 of the Act, a clean energy improvement tax bylaw must	
a	indicate that a clean energy improvement tax may be imposed on a property that is subject to a clean energy improvement agreement at any time following the signing of the clean energy improvement agreement, and	
b	identify the program administrator, if any, designated by the Minister.	
(2)	A municipality must not set out an eligible improvement in a clean energy improvement tax bylaw under section 390.3(4) of the Act unless the eligible improvement is included in the list referred to in section 3(1).	All eligible improvements must be on the Program Administrator website.
(3)	A clean energy improvement tax bylaw may specify amounts for the purposes of section 10(1)(b)(ii) that are lower than the amounts provided in that section.	May indicate lower maximums than \$50K, \$1M, and \$300K.

Important considerations:

- Some municipalities have included language about how they will secure the capital required for the program in their clean energy improvement bylaw (e.g., Leduc), while others have passed a separate borrowing bylaw (e.g., Rocky Mountain House). The capital can come from a variety of sources (combined or not) including a line of credit, loan, grant, or municipal reserves.
 - AMSC suggests considering including all information in one bylaw, to streamline the process.
- Municipalities have included the following in past bylaws with respect to borrowings:
 - The term length over which the borrowed amount will be used
 - The source of the capital (can list the potential sources of capital)
 - The maximum total amount of capital to be borrowed
 - The maximum annual rate of interest
 - The maximum term length of the borrowing
 - Any additional terms and fees or charges associated with the borrowing
 - How the borrowing amount will be repaid
 - Maximum annual financing amounts to be allocated to the Program
- If you are considering pursuing the FCM Community Efficiency Financing Program’s loan and grant opportunity, you will need to have outlined the municipality’s borrowing required for CEIP in a bylaw before submitting the loan and grant application.