

# **CTF Submission to the Government of Alberta on the Incoming City Charters**

Paige MacPherson  
Alberta Director  
Canadian Taxpayers Federation

T: 1-800-661-0187  
E: [pmacpherson@taxpayer.com](mailto:pmacpherson@taxpayer.com)

## About the Canadian Taxpayers Federation

The Canadian Taxpayers Federation (CTF) is a federally incorporated, non-profit and non-partisan advocacy organization dedicated to lower taxes, less waste and accountable government. The CTF was founded in 1990 when the *Association of Saskatchewan Taxpayers* and the *Resolution One Association of Alberta* joined forces to create a national taxpayers organization. Today, the CTF has more than 90,000 supporters from coast-to-coast-to-coast.

The CTF maintains a federal office in Ottawa as well as provincial and regional offices in British Columbia, Alberta, the Prairies, Ontario and Atlantic Canada. Provincial and regional offices conduct research and advocacy activities specific to their provinces in addition to acting as local organizers of nation-wide initiatives.

CTF offices field hundreds of media interviews each month, hold press conferences, utilize social media like twitter, Facebook, YouTube and our own blog, as well as issuing regular news releases, commentaries and publications to advocate on behalf of CTF supporters. The CTF's flagship publication, *The Taxpayer* magazine, is published four times a year. *Action Update* e-mails on current issues are sent to CTF supporters regularly. CTF offices also send out weekly *Let's Talk Taxes* commentaries to more than 800 media outlets and personalities nationwide.

CTF representatives speak at functions, make presentations to government, meet with politicians and organize petition drives, events and campaigns to mobilize citizens to affect public policy change.

All CTF staff and board directors are prohibited from holding a membership in any political party. The CTF is independent of any institutional affiliations. Contributions to the CTF are not tax deductible.

Canadian Taxpayers Federation - Alberta Office  
Suite #406, 1500 – 14<sup>th</sup> St. SW  
Calgary, Alberta T3C 1C9  
Phone: 1-800-661-0187 / Cell: 403-478-7184  
Email: [pmacpherson@taxpayer.com](mailto:pmacpherson@taxpayer.com)  
Website: [www.taxpayer.com](http://www.taxpayer.com)

Paige MacPherson  
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The Canadian Taxpayers Federation (CTF) greatly appreciates the opportunity to partake in the consultation process around city charters. We attended both the Calgary stakeholder session and public information session. As a non-profit, non-partisan citizens advocacy group with over 90,000 supporters across Canada – many of them living in Calgary and Edmonton – we have substantial concerns about what city charters could mean for taxpayers.

The CTF has been pushing for citywide referenda prior to the granting of any new city tax powers for many years, under Premiers Stelmach, Redford, Prentice and Notley. In November 2015, the CTF started a petition on the topic, raising awareness on the need for genuine, binding consultation with city residents on any new city tax powers before they are imposed. The only legitimate means of achieving that is through a referendum. We advocate that Premier Notley and Municipal Affairs Minister Larivee adopt the position taken by the last three premiers of Alberta, rejecting new city tax powers for the province's big cities, or requiring that those cities put those new taxes to referendum. If there is a concern over the tax dollars required for a plebiscite, a referendum question could be rolled into the upcoming 2017 municipal elections in Calgary and Edmonton.

After attending both the stakeholder and public information sessions, we are concerned about the fact that little information was given, and both provincial and city representatives were unable to answer many of the questions posed by the CTF and other stakeholders and members of the public. It is difficult to provide comprehensive, informed input as a stakeholder, without being given any detailed insight into what could be imposed on city taxpayers.

We were informed at the stakeholder session that the 'fiscal framework' portion of the city charter process would be made clearer in early 2017, and there would likely be some form of consultation held. This could potentially include new tax powers for Edmonton and Calgary. However, we were not informed as to what that future consultation process would look like. Once the 'fiscal framework' is made public, will stakeholders and members of the public be given a genuine opportunity to consider the facts at hand and present their views? The only guaranteed method of giving residents a say in the matter would be to give them the opportunity to vote in citywide referenda. If the province will not be requiring a plebiscite on the question of new city tax powers, and the cities will not hold plebiscites themselves, what will the 'consultation' look like? If the consultation sessions look anything like they did at the initial stage – with little information or clarity and no binding, or even thorough way for people to provide feedback – then we do not believe either level of government will be giving residents and taxpayers the ability to truly have their say.

Further, we were informed that draft city charters would be posted online in the spring of 2017. Once they are posted, we were told that there would only be 60 days between that point and the point at which these city charters are formally introduced. The most obvious question is: why the rush? Sixty days may very well not be an adequate amount of time for all interested city residents to review the entire draft city charters, absorb the information and communicate their feedback to the government – then for government to receive and understand that feedback, and incorporate it into the city charters in the form of any changes prior to formally introducing the new regulations. We are concerned that either level of government may be rushing this process in order to impose the new city charters before the upcoming 2017 municipal elections. City charters – and new city tax powers in particular – represent a historic, fundamental change to the authorities of city governments. A change such as this should not be rushed for political reasons.

Outside of a public consultation session in Calgary, we came across one concerned resident who was handing out slips of paper directing people to our CTF petition against new city tax powers without citywide referenda, and thanking people for participating in democracy. We were pleased to see an individual resident – completely independent of the CTF – empowered by CTF resources and using them to mobilize his own grassroots action. But this resident's peaceful action illustrates the need for both the provincial and municipal governments to give residents a genuine, binding say before any new city tax powers are imposed. He did not feel he would adequately have his voice heard through the public information session. Don't all residents of Calgary deserve to have their voices heard?

The provincial and municipal governments have the ability to legitimize the city charter consultation process by giving all city residents a say in citywide referenda before any new tax powers are imposed. This would alleviate any concerns that these consultations are merely a dog and pony show.

The CTF has a short list of additional concerns based on the *City Charters Overview Package*. The information given in this package was notably vague, so we flag these as *potential* concerns, without knowing the details around any of these proposals, as no detail was given.

1. On page 8, under the topic ***Public engagement and communication***, the enabling proposal is to *“Provide councils with the authority to establish their own processes for public communication and engagement, including the authority to establish timing, methods and process for advertising, notifications, and public hearings. As well, give*

*cities authority over their petition process, including documentation requirements, eligibility requirements and the setting of sufficiency requirements or thresholds.*

- Currently under Sections 223(2)(a) and (b) of the Municipal Government Act, a minimum of 10 per cent of the electors in a municipality or summer village are required to constitute a petition as sufficient and can be used to require a vote of the electors on some issues. Enabling city councils to alter sufficiency requirements or thresholds is problematic and could seriously restrict the ability for citizens to directly participate in the democratic process.
2. On page 12, under the topic of **Non-profit tax relief**, the enabling proposal is to *“Provide “tax agreement” authority, expanding on MGA section 333 (1.1). The city council may make a tax agreement with a non-profit organization with property under capital funding agreements with both the municipality and the Government of Alberta. The agreement will facilitate the construction of a municipal infrastructure facility to be operated by the non-profit organization for the benefit of the community.” Tax agreement authority under the Charter must be predicated upon (a) the provincial property tax portion being cancelled to the taxpayer and (b) the provincial property tax portion being waived by the province through the agreement.”* Above this enabling proposal, it is noted that, *“This proposal would enable municipalities to optimize municipal and provincial capital funding for partnered arts, culture, recreation, and sports facility projects.”*
- We have concerns that this proposal could be used to exempt for-profit, professional sports enterprises from paying property taxes. Would a project like the *CalgaryNEXT* proposal, involving a for-profit sports arena complex occupying a space shared with a city facility like a public fieldhouse, be eligible for non-profit status under this proposal? It is our view that taxpayers should not be providing any form of corporate welfare to wealthy businesses, including professional sports franchises.
3. On page 17, under the topic of **Clean energy loans**, the enabling proposal is to *“Enable Property Assessed Clean Energy (PACE) loans to property owners in the cities. Under this program, the cities would be allowed to provide loans to homeowners to fund energy efficiency or renewable energy upgrades in their homes.”*
- The Cities of Calgary and Edmonton are not banks. These city governments should not be in the business of providing loans of any sort, as city taxpayers are forced to bear the associated

financial risk. Providing loans is not a necessary or appropriate function of city government.

4. On page 18, under the topic of ***Environment as it relates to land use***, the enabling proposal is to “*Add ‘the environment as it relates to land use’ as a matter for which the cities may pass bylaws. Council can pass bylaws for other specific environmental matters such as contaminated sites, brownfield redevelopment, climate change, mature trees and biodiversity.*”
  - Enabling council to pass bylaws related to climate change appears to be an extremely vaguely worded authority. We find it difficult to give meaningful feedback on this proposal as it’s wholly unclear as to what it means or what its implications could be.
  
5. On page 22, under the topic of ***Event attraction***, the enabling proposal is to “*Develop a program for major sport and cultural event attraction in Calgary and Edmonton, including planning, designing, and implementing major sport and cultural attractions.*”
  - We have similar concerns that this proposal could further enable city governments to provide tax dollars to for-profit sports enterprises. With so many other important, legitimate uses of tax dollars, handing cash to wealthy sports team owners is an irresponsible use of taxpayer money.

Thank you again for engaging the Canadian Taxpayers Federation in this consultation process. We appreciate the opportunity to share our feedback and the views of our supporters.

We sincerely hope that both the provincial and city governments will give city taxpayers and residents a genuine, binding say in new city tax powers via citywide referenda, prior to imposing any new taxes.