

2009 Bill 204

Second Session, 27th Legislature, 58 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 204

PROVINCIAL-MUNICIPAL TAX SHARING ACT

MS BLAKEMAN

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 204

2009

PROVINCIAL-MUNICIPAL TAX SHARING ACT

(Assented to _____, 2009)

WHEREAS municipalities play a vital role in delivering services to Albertans;

WHEREAS municipalities in Alberta require a stable and predictable level of funding from the Government to effectively plan and deliver services and programs; and

WHEREAS fluctuations in municipal funding cause uncertainty in the establishment and operation of programs and services relied upon by Albertans;

THEREFORE HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

Definitions

1 In this Act,

- (a) “Account” means the Provincial-Municipal Tax Sharing Account in the General Revenue Fund to be created by the Bill introduced in the Legislative Assembly pursuant to section 2;
- (b) “income tax revenue” means revenue collected by the Government under the *Alberta Corporate Tax Act* and the *Alberta Personal Income Tax Act*;
- (c) “municipality” means a municipality as defined in the *Municipal Government Act*.

Establishing Account

2(1) Not later than 15 days after the commencement of the session of the Legislature immediately following the date on which this Act receives Royal Assent, a member of the Executive Council must beg leave of the Assembly to introduce a Bill establishing an account of the General Revenue Fund to be known as the Provincial-Municipal Tax Sharing Account on the terms outlined in this Act.

(2) The Bill introduced under subsection (1) must require that 2.5 per cent of income tax revenue be apportioned to the Account.

(3) The Minister of Finance and Enterprise must at the time of the Budget Address each year project the amount that is to be in the Account for that fiscal year.

(4) The Government's estimates of expenditure for a fiscal year beginning in the year after the Bill required to be introduced under subsection (1) is passed by the Assembly must include an amount to be provided to municipalities for the purposes outlined in section 3 that is not less than the amount projected to be in the Account.

Uses of Account

3(1) Expenditures made to municipalities pursuant to the Appropriation Acts in any fiscal year following the creation of the Account that meet the requirements of this section may be charged against the Account.

(2) The Account shall only be used to provide unconditional grants to municipalities that are in addition to unconditional grants that existed as of March 31, 2009 and shall not be used as a source for grants with conditions set by a Minister or grants that originate from a Ministry other than Municipal Affairs.

(3) The amount credited to the Account must only be charged to expenditures to municipalities that are consistent with this Act.

(4) The Account must never be credited with having a balance less than zero.

Review by committee

4(1) Following the first fiscal year in which the Account operates, a committee of the Assembly shall review the operation of the Account and recommend whether the percentage of income tax

revenue apportioned to the Account should be changed or remain the same.

(2) The committee shall report to the Assembly no later than 9 months from the date of its first meeting to consider the operation of the Account.

(3) The report of the committee must be the subject of a motion in the Assembly which must be introduced no later than 15 days after the report is laid before the Assembly.

(4) If the Assembly agrees to the amount of revenue to be apportioned to the Account or to changes to the operation of the Account, the Minister of Municipal Affairs must introduce a Bill that reflects the Assembly's decision respecting the recommendations of the Committee.

Consequential amendments

5 The Bill introduced under section 2 shall include all necessary amendments to the *Municipal Government Act*, the *Fiscal Responsibility Act* and any other Act to meet the requirements of this Act.

