

City of Calgary Alberta Urban Municipalities Association (AUMA) Resolution for 2021 Fall AGM – Advocacy on Financial Measures

Active Clauses: NOW THEREFORE BE IT RESOLVED THAT the Alberta Urban Municipalities Association continues to advocate to the Government of Alberta for municipal finance reform:

- Including the expansion of revenue tools to reduce reliance on property taxes as opportunities allow;
- Including the expansion of property tax flexibility as opportunities allow;
- Including the expansion of revenue tools to non-property related activities as opportunities allow;
- Including the development of non-residential property sub-classes that are efficient and easily administered to allow municipalities a tool for targeted financial relief;

AND FURTHER BE IT RESOLVED THAT to support our advocacy the AUMA, in collaboration with Alberta's municipalities, and if possible the Government of Alberta, undertake research studies and/or collect information on:

- The impact of e-commerce and the new models of goods and services delivery on municipal economies and finances; and
- Identifying a comprehensive list of services and associated costs redirected to municipalities.

Whereas Clauses:

WHEREAS Alberta's municipalities have long advocated for long-term, stable, predictable and appropriate funding in order to remain financially viable and continue to provide the services and infrastructure needed by our citizens;

WHEREAS the AUMA in 2020 passed a resolution, submitted by the City of Edmonton, advocating for the Government of Alberta to reshape municipal finance for a new time and provide municipalities with reasonable measures and tools, and the responsibility that goes with them, to enable cities, towns, and villages to sustainably meet their operating and capital budget needs;

WHEREAS to support Calgary's economic recovery and financial resiliency, Calgary City Council identified the need for a Financial Task Force with a mandate to identify and assess innovative solutions for short-term economic mitigation, long-term economic recovery, and revenue options to improve The City of Calgary's financial resilience;

WHEREAS several of the Financial Task Force's recommendations are of interest to all of Alberta's municipalities in our on-going advocacy with the Government of Alberta on municipal financial reform;

WHEREAS the Financial Task Force recommended working with the Government of Alberta on municipal financial reform such as:

- Expansion of revenue tools – The revenue sources available to municipalities are restricted by provincial legislation and AUMA and Alberta's municipalities have long advocated for the ability to use alternate revenue tools – if municipalities could improve the diversity and reliance on other, non-property tax revenue sources this would help

create long-term, stable, predictable municipal funding and lessen the reliance of municipalities on property tax and the need for sustained property tax increases;

- Property Tax Flexibility – The ability to differentiate taxation for businesses and organizations that make significant contributions to the character and fabric of a municipality including organizations like Business Improvement Areas (BIAs), non-profit organizations and owner-operated small businesses with limited financial means;
- Taxation of non-property related activity – Our economy is ever-changing with the rapidly growing e-commerce activity that is transforming behaviours within society and municipalities need the capacity to adjust and adapt to changing demands and uses on municipal infrastructure and on municipal economies;
- Non-residential sub-classes – Work with the Government of Alberta to expand the tools available for responses when tax circumstances that are unique to certain non-residential taxpayer groups emerge and provide the capacity for targeted property tax relief because the current sub-class definition makes for a blunt tool for property tax relief;

WHEREAS without changes to legislation, there is limited opportunity for change in these areas;

WHEREAS research and analysis are needed that documents the extent of the decline in bricks and mortar retail and the current transition to new models of goods and services delivery to demonstrate that municipalities' traditional real estate tax revenues cannot capture the transition to e-commerce transactions;

WHEREAS research and analysis identifying a comprehensive list of services and associated costs redirected to municipalities is required to support AUMA and Alberta municipalities advocacy and dialogue with the Government of Alberta in determining the fiscal tools necessary to allow effective delivery of those services by the municipality;

WHEREAS incorporating some of the Financial Task Force recommendations can focus and improve AUMA's ongoing advocacy and work.