

**TOWN OF BANFF**  
**CLEAN ENERGY IMPROVEMENT TAX BYLAW 469**

**A Bylaw to establish the Clean Energy Improvement Program in the Town of Banff**

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**WHEREAS** the Clean Energy Improvement Program (“CEIP”) allows property owners to access long-term financing for clean energy improvements through their municipality, with repayment facilitated through an added charge to the participant’s regular property tax bill;

**AND WHEREAS** the Council of a municipality must pass a Clean Energy Improvement Tax Bylaw to establish a CEIP pursuant to Section 390.3 of the *Municipal Government Act*, R.S.A. 2000, c. M-26 (“the Act”);

**AND WHEREAS** a Clean Energy Improvement Tax Bylaw authorizes a municipality to make a borrowing for the purpose of financing Clean Energy Improvements and authorizes Council to impose, in respect of each qualified clean energy improvement, a clean energy improvement tax to raise revenue to pay the amount required to recover the costs of those improvements;

**AND WHEREAS** Alberta Municipal Services Corporation (“AMSC”) has developed a CEIP to support municipalities in Alberta finance clean energy improvements;

**AND WHEREAS** AMSC is the Program Administrator as designated by the Minister of Environment and Parks, for the CEIP;

**AND WHEREAS** the Council of the Town of Banff wishes to enable financing for clean energy improvements for eligible properties in the Town by using AMSC's CEIP Program.

**NOW THEREFORE** the Council of the Town of Banff, in the Province of Alberta, duly assembled, ENACTS AS FOLLOWS:

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**1.0 CITATION**

- 1.1 This bylaw may be cited as the “Clean Energy Improvement Tax Bylaw”, of the Town of Banff

**2.0 DEFINITION**

- 2.1 In this bylaw:
  - 2.1.1 “Act” means the *Municipal Government Act*, RSA 2000, Chapter M-26, as amended.

- 2.1.2 “Agreement” means, in accordance with section 390.4 of the Act, a Clean Energy Improvement Agreement executed between the Town and the Owner(s) whereby the Owner(s) agrees to pay an amount required to cover the costs of financing each Eligible Clean Energy Improvement approved by the Program Administrator.
- 2.1.3 “Capital Cost” means the cost to purchase and install the Upgrade, but does not include Professional Service costs or Incidental Costs.
- 2.1.4 “Council” means the Council of the Town of Banff.
- 2.1.5 “Clean Energy Improvement” means a clean energy improvement as defined in Section 390.1 of the Act.
- 2.1.6 “Clean Energy Improvement Agreement” means an agreement entered into between the Town and an Owner in accordance with Section 390.4 of the Act.
- 2.1.7 “Clean Energy Improvement Tax” means a tax levied against an Eligible Property pursuant to an Agreement.
- 2.1.8 “Eligible Clean Energy Improvement” means an improvement that the Program Administrator and Town qualifies as such and includes in a publication required under the Regulation.
- 2.1.9 “Incidental Cost” means an amount expended on preparation or upgrading of the Property that is incidental to the Upgrade but required for successful execution.
- 2.1.10 “Eligible Property” means a property, situated within the Town, that qualifies as eligible under section 390.2 of the Act and is designated as residential, non-residential, or farm land, but does not include designated industrial or government-owned properties.
- 2.1.11 “Mayor” means the Town’s chief elected official as defined in Section (1)(1)(d) of the Act.
- 2.1.12 “Owner” means:
- a) In regard to Crown Land, a Person who is the lessee of Crown Land and that Person’s successors and assigns.
  - b) In respect to land other than Crown Land, the Person who is the registered owner of the fee simple interest in the land; and
  - c) In respect to any property other than land, the actual owner, occupant, operator or Person in lawful possession of the property.

- 2.1.13 “Professional Services” means a service provided by a professional with specialized education or training, including engineering studies, ASHRAE audits, NRCan certified home energy evaluations, feasibility studies, or related studies, but exempting installation of the Upgrade or Incidental Costs.
- 2.1.14 “Program” means a Clean Energy Improvement Program (CEIP) as described in the Act and Regulation.
- 2.1.15 “Program Administrator” means the Alberta Municipal Services Corporation (“AMSC”).
- 2.1.16 “Regulation” means the Clean Energy Improvements Regulation Alta Reg 212/2018.
- 2.1.17 “Town” means the municipal corporation of the Town of Banff having jurisdiction under the Act and other applicable legislation.
- 2.1.18 “Town Manager” means the Chief Administrative Officer of the Town of Banff or a Person appointed as the Town Manager by Town Council, or the Person designated by the Town Manager to carry out a particular duty.

### 3.0 PROVISIONS

- 3.1 Pursuant to the Program, an Owner(s) of Eligible Property may apply to the Program Administrator to finance an Eligible Clean Energy Improvement. The Program Administrator may charge a fee in relation to any such application, pursuant to the Regulation.
- 3.2 An Owner may submit one Program application per year. A property’s tax-exempt status shall have no effect on eligibility to participate in the Program or any obligation under an Agreement to make required principal and interest payments through tax recovery or otherwise.
- 3.3 The Town may enter into an Agreement with an Owner on a discretionary basis but subject at all times to the requirements, conditions and limitations set out in sections 10(1) of the Regulation including, but not limited to, the Program Administrator’s approval of the application referenced in section 3.
- 3.4 Where the Town has entered into an Agreement with an Owner, and at any time following the signing of that Agreement, a Clean Energy Improvement Tax will be imposed on the applicable property pursuant to that Agreement.
- 3.5 Participation in the Program is limited to Eligible Properties, defined as a property located within the Town that is designated as residential, non-residential, or farm land but does not include designated industrial and government owned properties.

- 3.6 An applicant of a non-profit property that is tax-exempt would be responsible to pay any and all principal and interest of the Clean Energy Improvement Tax, as per the Clean Energy Improvement Agreement.
- 3.7 The Town Manager is hereby authorized to impose a Clean Energy Improvement Tax, in respect of each clean energy improvement made to a property, where the Town has entered into a Clean Energy Improvement Agreement with the Owner(s) of that property.
- 3.8 The Clean Energy Improvement Tax will be levied against a property when there is an Agreement, to raise revenue to pay the amount required to recover the costs of those clean energy improvements, including principal and interest, to do so between the Town and the property Owner(s).
- 3.9 The property Owner(s) must meet the criteria below to be eligible to participate in the Clean Energy Improvement Program:
  - 3.9.1 They must be current on their taxation payment for the property, for a period of five years, prior to the date of the application to the program;
  - 3.9.2 They must have never been in collections for a property in the Town of Banff;
  - 3.9.3 They may, for first-time property owners that have purchased the home within the last year, be subject to an enhanced financial eligibility review;
  - 3.9.4 They must, for property owners that are new to the municipality and do not have a financial history with the Town, submit a record of property tax verification from another municipality, for any property previously owned in a different municipality;
  - 3.9.5 They must provide mortgage information. If the mortgage amount exceeds the assessed value of the home, the Town reserves the right to deny the applicant;
  - 3.9.6 They must be in good standing with the Town. The Town reserves the right to deny the applicant, if the applicant is not in good standing with any Department of the Town. The Town reserves the right to define what "good standing" entails, and can include but is not limited to, any development compliance issues;
  - 3.9.7 They must not be in bankruptcy (or insolvency), the property must not be in foreclosure, and the property owner(s) will be required to provide a sworn statement confirming this;

- 3.9.8 They must be current on their mortgage payment and current on any other debts secured by the property. They may be required to submit a letter from their financial institution confirming this;
- 3.9.9 They must meet any additional eligibility criteria as identified by the Town or the Program Administrator.
- 3.10 For a clean energy improvement to be eligible, it must be an installation that is affixed to the Eligible Property which:
- a) will increase energy efficiency or the use of renewable energy on that eligible property;
  - b) must be listed as an Eligible Clean Energy Improvement on the Program Administrator's website, and be agreed to in writing by the Town within the Agreement;
  - c) the value of the capital costs of undertaking all clean energy improvements to the property:
    - I. is not less than \$3,000, and
    - II. does not exceed \$50,000 for residential, and \$1,000,000 for non-residential.
- 3.11 The most recent amount of the tax authorized by a bylaw under Section 353 (property tax) of the Act and imposed on the property, must be greater than, or equal to, the annual CEIP annual payment, calculated in accordance with the following formula:
- $$\frac{A + B + C}{D}$$
- Where A is the capital cost of undertaking the clean energy improvement.  
 B is the total cost of professional services needed for the Clean Energy Improvement.  
 C is the total of all incidental costs.  
 D is the probable lifetime, calculated in years, of the improvement.
- 3.12 The Agreement will be as set out as under Section 390.4 of the Act and Section 10 of the Regulation.
- 3.13 The Agreement shall set out the term of the Clean Energy Improvement Tax for each Clean Energy Improvement, which shall be based on the probable lifetime of each Clean Energy Improvement as determined by the Program Administrator, to a maximum of 25 years.
- 3.14 The property Owner(s) may submit one (1) application per year.

- 3.15 The property Owner(s) can apply for the Program by:
- a. submitting an application to AMSC for the CEIP, including any required supporting documentation, and following all Program requirements as outlined by AMSC; and
  - b. paying any required application and/or administration fees.
- 3.16 That for the purpose of the CEIP, the sum of project amounts, as they are approved, could be borrowed through a financial institution or other sources to be set out in a borrowing bylaw.
- 3.17 The annual maximum amount to be allocated by the Town towards the CEIP is \$500,000 for residential and \$2,000,000 for non-residential.
- 3.18 The annual borrowed amount will have a maximum rate of interest of ten percent (10%), a maximum term of twenty five (25) years, with the repayment term based on the probable life of the Eligible Clean Energy Improvement.
- 3.19 When borrowed, the principal and interest owing under the borrowing bylaw will be paid using the proceeds from the Clean Energy Improvement Tax payments, made by the approved project recipients annually to the Town on the annual improvement levy.
- 3.20 Once the Town has authorized full payment to a contractor for a Clean Energy Improvement, the Clean Energy Improvement Tax shall be imposed for the tax relating to that payment on the tax roll of the Property when annual tax notices are next sent to the Property pursuant to Section 333 of the Act.
- 3.21 If a property Owner(s) wishes to make early, full repayment of an amount financed by a Clean Energy Improvement Tax, the amount owing will be calculated at the time of the request, based on the principal and interest remaining and the terms of the financing.
- 3.22 Any project(s) approved under the CEIP must be completed within the time limit as set out under the Agreement.

#### **4.0 SEVERABILITY**

- 4.1 If any clause in this bylaw is found to be invalid, it shall be severed from the remainder of the bylaw and shall not invalidate the whole bylaw.

## 5.0 ENACTMENT

5.1 This bylaw comes into force when it receives third reading and is signed by the Mayor and the Town Manager or designates.

5.2 The Town Manager is authorized to consolidate Bylaw 469.

READ A FIRST TIME this 14<sup>th</sup> day of November, 2022.

READ A SECOND TIME this 13<sup>th</sup> day of March, 2023.

READ A THIRD TIME this 13<sup>th</sup> day of March, 2023.

SIGNED AND PASSED t this 13<sup>th</sup> day of March, 2023.

On Original

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Barb Pelham  
Acting Mayor

On Original

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Kelly Gibson  
Town Manager