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Bill 22: Changes to *MGA* provisions governing Regional Services Commissions

By John McDonnell and Jenaye Lewis

On June 11, 2020, the Government of Alberta introduced [Bill 22: Red Tape Reduction Implementation Act, 2020](#) in the Legislative Assembly for first reading. The stated purpose of Bill 22 is to “remove red tape” within government processes, which includes amendments to the *Municipal Government Act* (“MGA”). Of note, Section 11(7) of Bill 22 proposed to repeal and replace Part 15.1 of the *MGA* governing Regional Services Commissions in its entirety.

After receiving royal assent on July 23, 2020, Bill 22’s changes to Part 15.1 of the *MGA* came into force on September 1, 2020. The following provides a brief overview of some of the most prominent changes to Part 15.1 of the *MGA*, and the considerations for municipal authorities arising from same.

What Changes?

I. Establishing New Commissions

Prior to the coming into force of Bill 22, the Lieutenant Governor in Council, on the recommendation of the Minister, could establish a regional services commission by regulation.

Under the new Part 15.1 of the *MGA*, two or more municipal authorities may agree to jointly establish a commission by passing resolutions. No Ministerial approval is necessary any longer.

Before passing the resolutions, they must be advertised in accordance with the general advertising requirements found in the *MGA*. Once these requirements are met and the resolutions are passed, the Minister must be notified of same. A commission will not be considered established until an order listing the commission is issued by the Minister.

Additionally, the new Part 15.1 no longer requires the Minister to appoint the commission’s first board of directors or to designate the chair of the commission. Instead, municipal authorities will be responsible for providing the names of the members, the first board of directors, and the first chair of the commission to the Minister in their resolutions.

Though the Minister is no longer responsible for appointing directors in the first instance, the changes to Part 15.1 do grant the Minister greater power in terms of appointing directors when the Minister deems that the commission provides a service which affects or is also provided by the Government of Alberta. Prior to the coming into force of Bill 22, the Minister could only appoint a maximum of two directors in this context. Under the new Part 15.1, the Minister can appoint as many directors as the Minister sees fit.



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II. Corporate Bylaws for Existing Commissions

One of the most significant changes to Part 15.1 relates to the corporate bylaw requirements for commissions.

Before the amendments, commissions were only required to pass corporate bylaws respecting the appointment of directors and the designation of the chair, as well as bylaws governing the fees to be charged by the commission for services provided to customers or to any class of customers. The previous Part 15.1 provided that commissions could pass bylaws regarding the provision of the commission's services and the administration of the commission, but it was not obligatory to do so.

With the coming into force of Bill 22, commissions will be **required** to pass bylaws regarding all of the aforementioned topics, as well as new ones. Specifically, corporate bylaws must be passed for:

- Appointment of directors and designation of Chair;
- Governing fees to be charged for services provided;
- The process for adding or removing members;
- The process for changing directors or the chair and setting the terms of office for each;
- The process for the disestablishment of the commission, and the treatment of the commission's assets and liabilities upon disestablishment.

Additionally, corporate bylaws **may** be passed for the nature of the services to be provided by the Commission.

Importantly, commissions that were established and existing under the former Part 15.1 provisions and before the new Part 15.1 comes into force are **not** exempt from these bylaw requirements. These continued commissions **must pass** all of the required bylaws within one year of the coming into force of Section 11(7) of Bill 22. Accordingly, commissions must pass all of the required bylaws by **September 1, 2021**.

III. Conclusion

Though the process for establishing a commission has been significantly altered, it is evident that these changes will also significantly affect continued commissions. Notably, continued commissions will need to review and revise current bylaws, as well as pass new bylaws, before the deadline outlined above.



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Questions?

Should you have any questions with respect to this bulletin, if you would like more detailed information on the changes to Part 15.1 of the *MGA* respecting Regional Services Commissions, or if you require assistance with the implementation of any of the requirements under the new Part 15.1, please don't hesitate to contact the following members of the Brownlee LLP Team:



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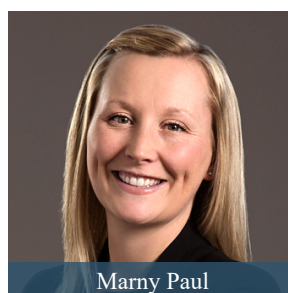
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