

Regional Services Commissions

Streamlining Approvals

Amendments to Part 15.1 of the *Municipal Government Act (MGA)* related to regional services commissions (RSCs) will come into force on September 1, 2020.

Why are changes being made to RSCs?

As part of the government's efforts to reduce red tape, the changes will reduce the required amount of provincial approvals for RSCs. The changes will ensure RSCs are accountable to their member municipal authorities and will operate in a more streamlined manner.

The operations of Alberta's existing 75 RSCs will continue with minimal impact and, going forward, will govern the services they provide without the need for additional provincial approvals.

What are the key changes?

Provincial approval will no longer be required for:



- changes to RSC services;
- changes to board of director bylaws;
- addition and removal of members or non-member municipal authority customers;
- disposal of assets; and
- RSC disestablishment.

For the establishment of a new RSC, Provincial Cabinet approval, through an Order in Council, is also no longer required. However, the Minister must be notified within 60 days of municipal authorities passing resolutions to establish an RSC. The RSC is established once a Ministerial Order is issued listing the Commission.

To supplement the governance of RSCs, the *MGA* will provide a list of required bylaws RSCs must have.

What is the legislative impact?

The changes will result in amendments to Part 15.1 of the *MGA*; however, much will remain the same in substance.

Eighty individual regulations, including the 75 existing establishing regulations, will be repealed as of September 1, 2020.

All existing RSCs will continue as though they were established under the new framework. This will be accomplished through a ministerial order that will be maintained by Municipal Affairs.

How will the powers and duties of RSCs be affected?

The powers and duties of RSCs will not significantly change.

- RSCs will continue to have the legal status of a corporation.
- RSCs will continue to have natural person powers, except as limited by the *MGA* or an RSC's bylaws.
- RSCs will continue to be eligible for capital borrowing through the Alberta Capital Finance Authority.
- RSCs will continue to have the ability to acquire or expropriate land.
- Changes will have no resulting impact to existing RSC service areas, membership, or non-member customers.

What are the governance implications for RSCs?

The members, board of directors, and chair of all existing commissions will continue according to the RSC's bylaws (or ministerial order in the cases of recently established regional services commissions still in transition).

RSCs will be subject to Sections 197 and 199 of the MGA, which govern meetings held by municipal councils (including electronic meetings). This change will provide greater clarity and consistency for meeting standards.



Existing RSC bylaws and resolutions will continue unless repealed, amended, or replaced by the board of directors. RSCs must ensure adopted bylaws address:

- the services provided;
- administration;
- the process for changing directors of the board and the chair, as well as determining the terms of office;
- the process for adding and removing members;
- the fees to be charged for services provided to its customers or to any class of its customers;
- the disposal of assets; and
- the terms for disestablishment, including the treatment of assets and liabilities.

RSCs should also ensure they obtain a copy of their establishing regulation (or other legislative documents of importance) prior to their repeal on September 1, 2020, to consider transferring important elements to their bylaws. All existing regulations can be found on the [Alberta Queen's Printer website](#) by browsing the catalogue through alphabetical search.

What are the financial implications for RSCs?

There are minimal changes to the financial requirements of RSCs; those made intend to align the financial management of RSCs more closely with municipal financial processes.

Areas of alignment include:

- addressing financial shortfalls;
- requirements for capital budgets; and
- use of borrowed money.

Otherwise, financial provisions will remain generally the same, including, but not limited to, debt limit regulations, audited financial statements, and financial information returns.

RSCs will continue to be expected to operate on a non-profit, full cost-recovery basis. This means RSCs will continue to be prohibited from operating with the intention of making a profit or be able to distribute surplus funds to its members. If such factors exist within a regional service delivery model, other corporate structures, such as municipally controlled corporations, may be more appropriate.

What will RSCs need to do to transition?

RSCs should review and update their bylaws to comply with the requirements within one year of the amendments coming into effect. It is the responsibility of RSCs to ensure compliance with new legislation. The required compliance date is **September 1, 2021**.

RSCs and municipal authorities are encouraged contact Municipal Affairs for advice and support. Training opportunities will be available beginning in fall 2020 (details to be announced).



Additional Information

For questions about regional services commissions, please contact Municipal Services Division at ma.lgsmail@gov.ab.ca or 780-427-2225 or toll-free by first dialing 310-0000.