

Topic: Country Residential Road Levy Bylaw - Repeal Overview

Introduction:

Administration recommends that the Governance and Priorities Committee (the “Committee”) accept the report on the Country Residential Levy Bylaw Repeal for information.

Facts (Background Information):Legislative Background

Municipalities are authorized to impose and collect off-site levies through the Municipal Government Act (MGA):

- MGA section 648 and the Off-Site Levy Regulation provide general guidance on the implementation of levies for municipalities
- Off-site levies can only be collected once for each type of off-site infrastructure
- Collected levies can only be used towards the type of infrastructure it was collected for
 - o E.g. Road Levies can only be allocated towards road projects
- Collected levies are not a revenue source for municipalities
- Funds cannot be allocated towards maintaining infrastructure

Off-Site Levy Background

On-site and off-site infrastructure is required to serve new development. On-site infrastructure is funded by the developer (or property owner) while off-site infrastructure costs are distributed based on proportional benefit and then recovered through off-site levies. The basic methodology for determining off-site levy rates is dividing the infrastructure costs by the net benefitting area to calculate a dollar per hectare value. Parkland County Council approved Country Residential Road Levy Bylaw 01-2007 on February 27, 2007, to allow the municipality to collect levies for the purpose of constructing/expanding arterial and collector roads in un-serviced country residential areas.

Analysis:Cost Recovery Tools Comparison

The guiding principle behind off-site levies is “Development pays for Development”. This ensures taxpayers within Parkland County are not bearing the costs of growth triggered by private development. There are other cost recovery tools that employ the same principle and are better suited for un-serviced country residential areas.

There are two primary cost recovery tools:

Criteria for Off-Site Levies	Criteria for Boundary Recoveries
<ul style="list-style-type: none"> • Practical in areas with projected growth since the infrastructure will benefit current and planned future developments • The pace of development ensures infrastructure costs are recovered in a timely manner • Implemented in areas that have master servicing plans in place. Master servicing plans establish a servicing framework that ensures infrastructure is constructed to facilitate growth • Requires a robust program administered by a municipality to ensure: <ul style="list-style-type: none"> - Infrastructure costs are distributed equitably amongst lands within a high growth area - A transparent methodology is utilized to calculate levy rates and allocate benefit - Levy rates are reviewed and updated periodically in conjunction with internal and external stakeholder consultation - OSL Bylaws align with the MGA and OSL Regulation 	<ul style="list-style-type: none"> • Effective for recovering infrastructure costs for various scales of developments outside of priority growth areas (i.e. ad hoc developments outside of Acheson/Big Lake) • The infrastructure involved in a boundary recovery typically addresses the current infrastructure required to serve a specific development • The infrastructure is not tied to master servicing plans or planned future development • What lands benefit from the infrastructure, and provisions related to the recovery of costs, are outlined in Development Agreements

The following are characteristics of un-serviced country residential areas:

- Outside of Priority Growth Areas
- Uncertainty in the pattern of development
- Infrastructure is not tied to a master servicing plan or planned future development

Conclusion: Considering the characteristics of country residential areas, **Bylaw 01-2007 should be repealed, and boundary recoveries should be implemented** since it is the most effective cost recovery tool for country residential areas. Using boundary recoveries ensures that when development occurs in country residential areas:

- Road infrastructure is constructed to serve ad-hoc development
- Mechanism in place to recover costs
- The municipality aligns with the principle of “Development pays for Development”
 - I.e. Taxpayers are not burdened with the costs of development

Conclusion/Summary:

That the Governance and Priorities Committee (the "Committee") accept the report related to CR Levy Bylaw Repeal overview for information.

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