



BILL NO. 10

Government Bill

*1st Session, 63rd General Assembly
Nova Scotia
66 Elizabeth II, 2017*

**An Act to Amend Chapter 18
of the Acts of 1998,
the Municipal Government Act,
and Chapter 39 of the Acts of 2008,
the Halifax Regional Municipality Charter**

CHAPTER 13
ACTS OF 2017

**AS ASSENTED TO BY THE ADMINISTRATOR OF THE PROVINCE
OCTOBER 26, 2017**

The Honourable Derek Mombourquette
Minister of Municipal Affairs

*Halifax, Nova Scotia
Printed by Authority of the Speaker of the House of Assembly*

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**An Act to Amend Chapter 18
of the Acts of 1998,
the Municipal Government Act,
and Chapter 39 of the Acts of 2008,
the Halifax Regional Municipality Charter**

Be it enacted by the Governor and Assembly as follows:

MUNICIPAL GOVERNMENT ACT

1 Section 3 of Chapter 18 of the Acts of 1998, the *Municipal Government Act*, as amended by Chapter 9 of the Acts of 2000, Chapters 6 and 35 of the Acts 2001, Chapter 9 of the Acts of 2003, Chapter 40 of the Acts of 2006, Chapter 36 of the Acts of 2008, Chapter 64 of the Acts of 2010, Chapter 4 of the Acts of 2011, Chapter 63 of the Acts of 2012 and Chapter 21 of the Acts of 2014, is further amended by

(a) adding immediately after clause (a) the following clause:

(aa) “annual summary report” means a summary of all the expense reports and hospitality expense reports of a municipality or village for a fiscal year;

(b) adding immediately after clause (j) the following clause:

(ja) “code of conduct” means a code of conduct established under Section 23A or 408AB;

(c) adding immediately after clause (ad) the following clause:

(ada) “expense report” means a report on all amounts reimbursed for a reportable municipal expense to a reportable individual during a fiscal quarter;

(d) adding immediately after clause (ak) the following clause:

(aka) “hospitality expense report” means a report on all hospitality expenses incurred by a municipality or village during a fiscal quarter, including purchases of alcohol;

(e) adding immediately after clause (bh) the following clauses:

(bha) “reportable individual” means, with respect to a municipality or village, an individual who holds one of the following positions:

(i) in respect of a municipality,

(A) mayor or warden,

(B) councillor,

(C) chief administrative officer, including an employee of the municipality delegated any of the responsibilities or powers of the chief administrative officer pursuant to clause 29(b),

(D) a position prescribed by the regulations,

- (ii) in respect of a village,
 - (A) village commissioner,
 - (B) village clerk,
 - (C) a position prescribed by the regulations;

(bhb) “reportable municipal expense” means an expense for which reimbursement was provided by a municipality or village and includes the following expense categories:

- (i) travel and travel-related expenses, including accommodation, incidentals and transportation,
- (ii) meals,
- (iii) professional development and training,
- (iv) expense categories prescribed by the regulations;

2 Subsection 23(3) of Chapter 18 is repealed and the following subsections substituted:

- (3) Each municipality shall adopt an expense policy and a hospitality policy.
- (4) An expense policy must
 - (a) prohibit the municipality from reimbursing expense claims for alcohol purchases by an individual;
 - (b) identify the persons who have signing authority to authorize the reimbursement of an expense;
 - (c) where applicable, set out rules respecting the use of corporate credit cards;
 - (d) apply to every reportable individual in the municipality; and
 - (e) comply with the regulations.
- (5) A hospitality policy must
 - (a) establish the expenditures, including an alcohol purchase, that may be a hospitality expense;
 - (b) establish the approval process for authorizing hospitality expenses;
 - (c) establish the scope and applicability of the policy; and
 - (d) comply with the regulations.
- (6) An expense may only be reimbursed if that expense is authorized pursuant to the expense policy or the hospitality policy.
- (7) By the January 31st immediately following a regular election held under the *Municipal Elections Act*, the council shall review the expense and hospitality policies and, following a motion by the council, either re-adopt the policies or amend one or both of the policies and adopt the policies as amended.

3 Chapter 18 is further amended by adding immediately after Section 23 the following Sections:

- 23A (1) Each municipality shall adopt a code of conduct.
- (2) A code of conduct must
- (a) include a requirement for compliance with the expense policy and the hospitality policy for the municipality;
 - (b) apply to the mayor or warden, councillors and positions prescribed by the regulations; and
 - (c) comply with the regulations.

23B Every person to whom a code of conduct for a municipality applies shall comply with the code of conduct.

4 Section 42 of Chapter 18, as amended by Chapter 63 of the Acts of 2012, is further amended by adding immediately after subsection (6) the following subsection:

(6A) The auditor shall certify reports to the council and to the Minister if required by the regulations.

5 Section 44 of Chapter 18 is amended by adding immediately after subsection (2) the following subsections:

- (3) An audit committee shall meet at least twice in each fiscal year.
- (4) Subject to subsection (5), an audit committee must include a minimum of one person who is not a member of council or an employee of the municipality.
- (5) Where an audit committee does not include the person referred to in subsection (4),
- (a) the audit committee shall continue to meet and perform its duties and may exercise its powers; and
 - (b) the municipality shall advertise to recruit a person who is not a member of council or an employee of the municipality at least once every six months until the requirement is met.

6 Chapter 18 is further amended by adding immediately after Section 65 the following Section:

65A (1) A municipality shall prepare an expense report for each reportable individual within 90 days of the end of each fiscal quarter.

- (2) An expense report must
- (a) be posted on a publicly available website for the municipality; and
 - (b) comply with the regulations.

(3) A municipality shall prepare a hospitality expense report within 90 days of the end of each fiscal quarter.

- (4) A hospitality expense report must
 - (a) comply with the hospitality policy of the municipality;
 - (b) be posted on a publicly available website for the municipality; and
 - (c) comply with the regulations.
- (5) A municipality shall prepare an annual summary report that complies with any requirements prescribed by the Minister.
- (6) A municipality shall file the annual summary report with the Minister by September 30th of each year.

7 Chapter 18 is further amended by adding immediately after Section 408A the following Sections:

- 408AA (1) Each village shall adopt an expense policy and a hospitality policy.
- (2) An expense policy must
 - (a) prohibit the village from reimbursing expense claims for alcohol purchases by an individual;
 - (b) identify the persons who have signing authority to authorize the reimbursement of an expense;
 - (c) where applicable, set out rules respecting the use of corporate credit cards;
 - (d) apply to every reportable individual in the village; and
 - (e) comply with the regulations.
 - (3) A hospitality policy must
 - (a) establish the expenditures, including an alcohol purchase, that may be a hospitality expense;
 - (b) establish the approval process for authorizing hospitality expenses;
 - (c) establish the scope and applicability of the policy; and
 - (d) comply with the regulations.
 - (4) An expense may only be reimbursed if that expense is authorized pursuant to the expense policy or the hospitality policy.
 - (5) The village commission shall review the expense and hospitality policies at each annual meeting, and following a motion by the village commission, either re-adopt the policies or amend one or both of the policies and adopt the policies as amended.
- 408AB (1) Each village shall adopt a code of conduct.
- (2) A code of conduct shall
 - (a) include a requirement for compliance with the expense policy and the hospitality policy for the village;

(b) apply to village commissioners and positions prescribed by the regulations; and

(c) comply with the regulations.

408AC Every person to whom a code of conduct for a village applies shall comply with the code of conduct.

8 Chapter 18 is further amended by adding immediately after Section 423 the following Section:

423A (1) A village shall prepare an expense report for each reportable individual within 90 days of the end of each fiscal quarter.

(2) An expense report must

(a) be posted on a publicly available website for the village; and

(b) comply with the regulations.

(3) A village shall prepare a hospitality expense report within 90 days of the end of each fiscal quarter.

(4) A hospitality expense report must

(a) comply with the hospitality policy of the village;

(b) be posted on a publicly available website for the village; and

(c) comply with the regulations.

(5) A village shall prepare an annual summary report that complies with any requirements prescribed by the Minister.

(6) A village shall file the annual summary report with the Minister by September 30th of each year.

9 Subsection 451(1) of Chapter 18 is amended by

(a) striking out the period at the end of clause (c) and substituting a semi-colon; and

(b) adding immediately after clause (c) the following clauses:

(d) circumstances and manner in which a report or submission to the Minister is to be certified by an auditor;

(e) minimum information to be included in a management letter;

(f) form to be used for a type of report or submission to the Minister.

10 Section 465 of Chapter 18, as amended by Chapter 9 of the Acts of 2003, is further amended by adding immediately after subsection (2B) the following subsection:

(2C) For the purpose of this Part, an expense report, hospitality report or annual summary report is a matter of public record.

11 Subsection 520(1) of Chapter 18 is amended by adding immediately after clause (c) the following clauses:

- (ca) prescribing positions in respect of which the holder is a reportable individual;
- (cb) respecting additional positions to which a code of conduct applies;
- (cc) prescribing expense categories to be a reportable municipal expense;
- (cd) respecting expense policies, hospitality policies and codes of conduct, including requirements in respect of
 - (i) scope,
 - (ii) application,
 - (iii) content,
 - (iv) record-keeping,
 - (v) submission,
 - (vi) publication, and
 - (vii) frequency of posting or reporting;

HALIFAX REGIONAL MUNICIPALITY CHARTER

12 Section 3 of Chapter 39 of the Acts of 2008, the *Halifax Regional Municipality Charter*, as amended by Chapters 16 and 64 of the Acts of 2010, Chapter 4 of the Acts of 2011 and Chapter 63 of the Acts of 2012, is further amended by

(a) adding immediately after clause (a) the following clause:

(aa) “annual summary report” means a summary of all the expense reports and hospitality expense reports of the Municipality for a fiscal year;

(b) adding immediately after clause (j) the following clause:

(ja) “code of conduct” means the code of conduct established under Section 20A;

(c) adding immediately after clause (ac) the following clause:

(aca) “expense report” means a report on all amounts reimbursed for a reportable municipal expense to a reportable individual during a fiscal quarter;

(d) adding immediately after clause (aj) the following clause:

(aja) “hospitality expense report” means a report on all hospitality expenses incurred by the Municipality during a fiscal quarter, including purchases of alcohol;

(e) adding immediately after clause (be) the following clauses:

(bea) “reportable individual” means an individual who holds one of the following positions:

- (i) Mayor,

- (ii) councillor,
 - (iii) Chief Administrative Officer, including an employee of the municipality appointed to act in place of the Chief Administrative Officer pursuant to subsection 35(5),
 - (iv) a position prescribed by the regulations;
- (beb) “reportable municipal expense” means an expense for which reimbursement was provided by the Municipality and includes the following expense categories:
- (i) travel and travel-related expenses, including accommodation, incidentals and transportation,
 - (ii) meals,
 - (iii) professional development and training,
 - (iv) expense categories prescribed by the regulations;

13 Subsection 20(3) of Chapter 39 is repealed and the following subsections substituted:

- (3) The Municipality shall adopt an expense policy and a hospitality policy.
- (4) The expense policy must
 - (a) prohibit the Municipality from reimbursing expense claims for alcohol purchases by an individual;
 - (b) identify the persons who have signing authority to authorize the reimbursement of an expense;
 - (c) set out rules respecting the use of corporate credit cards;
 - (d) apply to every reportable individual; and
 - (e) comply with the regulations.
- (5) The hospitality policy must
 - (a) establish the expenditures, including an alcohol purchase, that may be a hospitality expense;
 - (b) establish the approval process for authorizing hospitality expenses;
 - (c) establish the scope and applicability of the policy; and
 - (d) comply with the regulations.
- (6) An expense may only be reimbursed if that expense is authorized pursuant to the expense policy or the hospitality policy.
- (7) By the January 31st immediately following a regular election held under the *Municipal Elections Act*, the Council shall review the expense and hospitality policies and, following a motion by the Council, either re-adopt the policies or amend one or both of the policies and adopt the policies as amended.

14 Chapter 39 is further amended by adding immediately after Section 20 the following Sections:

- 20A (1) The Municipality shall adopt a code of conduct.
- (2) The code of conduct must
- (a) include a requirement for compliance with the expense policy and the hospitality policy;
 - (b) apply to the Mayor, councillors and positions prescribed by the regulations; and
 - (c) comply with the regulations.

20B Every person to whom the code of conduct applies shall comply with the code of conduct.

15 Section 46 of Chapter 39, as amended by Chapter 63 of the Acts of 2012, is further amended by adding immediately after subsection (6) the following subsection:

(6A) The auditor shall certify reports to the Council and to the Minister if required by the regulations.

16 Section 48 of Chapter 39 is further amended by adding immediately after subsection (2) the following subsections:

- (3) The audit committee shall meet at least twice in each fiscal year.
- (4) Subject to subsection (5), the audit committee must include a minimum of one independent member who is not a member of council or an employee of the Municipality.
- (5) Where the audit committee does not include the person referred to in subsection (4),
- (a) the audit committee shall continue to meet and perform its duties and may exercise its powers; and
 - (b) the Municipality shall advertise to recruit a person who is not a member of Council or an employee of the Municipality at least once every six months until the requirement is met.

17 Chapter 39 is further amended by adding immediately after Section 79 the following Section:

- 79A (1) The Municipality shall prepare an expense report for each reportable individual within 90 days of the end of each fiscal quarter.
- (2) An expense report must
- (a) be posted on a publicly available website for the Municipality; and
 - (b) comply with the regulations.

(3) The Municipality shall prepare a hospitality expense report within 90 days of the end of each fiscal quarter.

(4) A hospitality expense report must

- (a) comply with the hospitality policy;
- (b) be posted on a publicly available website for the Municipality; and
- (c) comply with the regulations.

(5) The Municipality shall prepare an annual summary report that complies with any requirements prescribed by the Minister.

(6) The Municipality shall file the annual summary report with the Minister by September 30th of each year.

18 Subsection 383(1) of Chapter 39 is amended by adding immediately after clause (c) the following clauses:

(ca) establishing minimum requirements for the code of conduct established under Section 20A;

(cb) respecting additional positions to which the code of conduct applies;

(cc) prescribing expense categories to be a reportable municipal expense;

(cd) respecting expense policies, hospitality policies and codes of conduct, including requirements in respect of

- (i) scope,
- (ii) application,
- (iii) content,
- (iv) record-keeping,
- (v) submission,
- (vi) publication, and
- (vii) frequency of posting or reporting;

EFFECTIVE DATE

19 Sections 2, 3, 6 to 8, 11, 13, 14, 17 and 18 come into force on such day as the Governor in Council orders and declares by proclamation.
