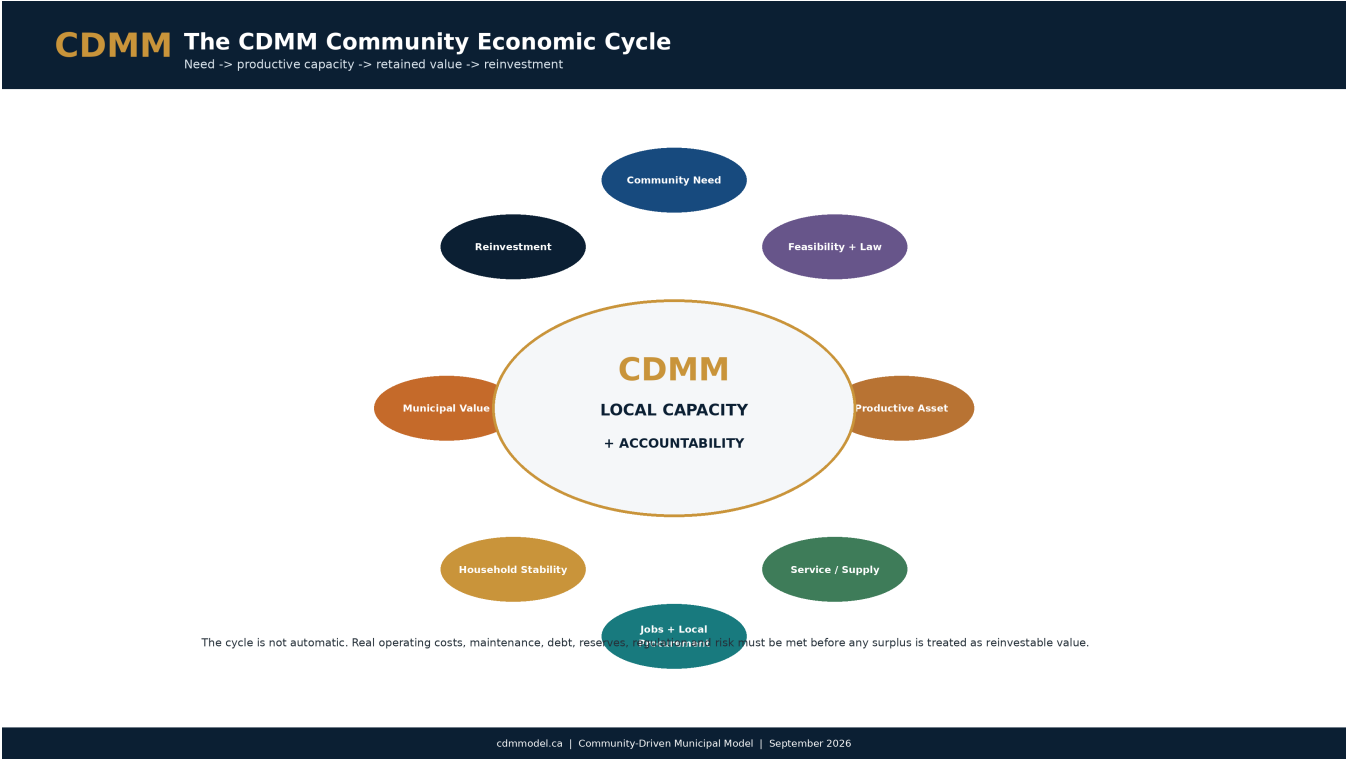


CDMM Legislative Advocacy Framework

What legal authority provinces should review if municipalities are to own, finance and govern productive public enterprises responsibly.



September 2026 | Analytical proposal framework. Forward-looking outcomes are scenarios, not demonstrated results.

1. Advocacy objective

The legal objective is not unrestricted municipal commercial power. It is a clear, accountable enabling framework allowing municipalities to own or participate in selected productive assets and enterprises, finance them lawfully, retain/reinvest sustainable value, partner with private and Indigenous entities, and remain subject to sector regulation, audit, procurement and competition safeguards.

2. Provincial-law categories to examine

Area	Advocacy question
Municipal corporations / controlled entities	Can a municipality create or control a corporation, including one earning profit? What approvals, business cases, public notice and reporting apply?
Anti-bonusing / economic-development restrictions	Can public funds, guarantees, land or credit support an enterprise without unlawful preferential assistance?
Borrowing / guarantees / investment	May debt be raised for enterprises? Are guarantees or equity investments permitted? What debt limits or approvals apply?
Revenue retention / reinvestment	Can net enterprise value be retained, transferred to reserves, reinvested or used for general municipal purposes?
Procurement / competitive neutrality	How are private suppliers protected from undisclosed preference? When must procurement be competitive?
Sector licensing	Fuel, energy, financial services, liquor, healthcare, transportation, resources, water and telecom each require separate authority/approval.
Utility accounting	Water/wastewater and other rate-regulated or dedicated utilities may require ring-fenced accounting.
Governance / audit	Independent boards, conflicts, public reporting, performance metrics and separation of regulatory vs ownership roles.
Indigenous rights / Crown duties	Municipal activity cannot replace the Crown's consultation/accommodation obligations or override section 35 rights/treaties.
Property / expropriation / land use	Housing and infrastructure powers must respect lawful process, compensation rules and private property interests.

3. Model provincial enabling concept

A province could create a Municipal Productive Enterprise Corporation (MPEC) framework. An MPEC would be authorized only after a published business case, legal review, risk assessment, public reporting plan and council approval. It could own or participate in assets within enumerated municipal purposes; borrow or receive municipal capital within debt rules; contract with private operators; retain earnings after lifecycle obligations; and be subject to audit, conflict, procurement and transparency standards.

4. Priority amendment concepts

Priorit y	Concept	Purpose
1	General enabling authority	Permit municipalities to establish/control qualifying productive enterprises for municipal purposes instead of relying on one-off statutory exceptions.

Priority	Concept	Purpose
2	Ring-fenced risk rules	Require project-level accounting, reserve policies, debt/risk limits and published taxpayer exposure.
3	Reinvestment authority	Explicitly permit sustainable net value to be reinvested in approved municipal assets/services.
4	Competitive neutrality	Require transparent pricing/subsidy disclosure where a municipal enterprise competes with private firms.
5	Intermunicipal enterprises	Enable multiple municipalities to jointly own procurement, logistics, energy, broadband or production assets.
6	Sector-specific pathways	Create clear approval routes for healthcare operations, clean energy, resource participation, regulated beverage retail and financial-service concepts.
7	Public accountability	Mandate annual financial/outcome reporting, independent audit and periodic continuation review.

5. New Brunswick priority

Existing CDMM legal research identified New Brunswick as a particularly important advocacy case because the Local Governance Act contains restrictions on profit-oriented municipal corporations while recent clean-energy legislation demonstrates that targeted exceptions can be created. Any New Brunswick proposal should be verified against the current consolidated statute immediately before publication and should distinguish general municipal purposes from sector-specific enabling authority.

6. Legislative drafting rule

Advocate for permission with safeguards - not blanket exemption from environmental, professional, banking, competition, labour, privacy, health, utility or Indigenous-rights law.