

July 31, 2020

## **Impacts of Assessment Model Changes on the County of Vermilion River**

County of Vermilion River, Kitscoty, AB – The County of Vermilion River was notified this week of changes proposed by the Province of Alberta to reduce the property tax of oil and gas companies through changes to the assessment model for regulated properties in this sector.

***Council and administration are extremely concerned about the serious impacts of this decision because it will mean an increase in residential property tax, reduction of services, or combination of both to make up for this lost revenue.***

While the stated intention of this decision is to increase the competitiveness of oil and gas companies in this difficult economy, these changes will disproportionately benefit multinational oil and gas companies and harm smaller companies and residential ratepayers.

In addition to this, there are no regulations to ensure that this money from the reduction in taxes will be spent in Alberta to improve the struggling oil and gas sector here. For these reasons there seem to be few benefits to outweigh the added costs that county residents will be faced with.

Based on the information provided to the County of Vermilion River from the Province, the impacts to the County of Vermilion River could indicate a loss of up to 9% of tax revenue, which equates to a loss of up to \$3.9 million in overall lost revenue for the County of Vermilion River in the first year.

To compensate for the loss of industry assessment and corresponding tax revenue, the County of Vermilion River will have to adjust operations in one or a combination of the following:

- Increase the Residential Mill Rate up to 109.6% AND/OR
- Increase the Non-Residential Mill Rate up to 25.9% AND/OR
- Cut services by up to 45.2%

If this proposed change is passed YOU WILL BE IMPACTED – financially through property taxes and in a loss of services from the County of Vermilion River. Many services provided by the County would need to be eliminated, County support of other municipalities or organizations will have to be decreased or terminated, and there would be an increase in property taxes for residents and businesses in the County.

### **SNAPSHOT OF COUNTY SERVICES**

- **Protective Services (Fire & Enforcement)**
- **Agricultural Services**
- **Community and Recreation Services**
- **Public Works Services**
- **Planning and Development Services**

With the additional costs to the Police Funding Model, uncertain Municipal Sustainability Initiative funding, on top of historical unpaid taxes from oil and gas, ratepayers will see significant property tax increases in the coming years.

The Province is proposing these changes to the oil and gas industry to reduce their property taxes and education taxes. This loss in municipal revenue has to be derived from other ratepayers (You!) – through a combination of increased taxes and decreased services.

**What are we doing?**

The County is contacting Premier Jason Kenney, Municipal Affairs Minister Kaycee Madu, Energy Minister Sonya Savage and MLA Garth Rowsell to express our concerns over these changes. The County is also supporting neighbouring municipalities and the Rural Municipalities of Alberta.

**What can you do?**

- Please let your government officials know your thoughts on this issue.
  - Premier Jason Kenney  
780.427.2251 [premier@gov.ab.ca](mailto:premier@gov.ab.ca)
  - Minister of Municipal Affairs, Kaycee Madu  
780.427.3744 [minister.municipalaffairs@gov.ab.ca](mailto:minister.municipalaffairs@gov.ab.ca)
  - Minister of Energy, Sonya Savage  
780.427.3740 [minister.energy@gov.ab.ca](mailto:minister.energy@gov.ab.ca)
  - MLA Garth Rowsell  
780.842.6177 [vermilion.lloydminster.wainwright@assembly.ab.ca](mailto:vermilion.lloydminster.wainwright@assembly.ab.ca)
- Please call your local Councillor if you have questions about this or want additional information. A list of Councillors can be found on the County [website](#).
- Read the RMA [position paper](#) on this Assessment change under Summary Document and Position Statement.

The final decision by the Government of Alberta and Premier Jason Kenney on this proposal is expected by mid to late August so we encourage you to take action now.

Dale Swyripa, Reeve  
County of Vermilion River

- 30 -

**Media inquiries may be directed to:**

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