



Beaver County Service Centre
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Ryley, Alberta T0B 4A0
Monday to Friday
8:30 a.m. - 4:30 p.m.

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Time is Running Out - contact your MLA!

How does the assessment work?

With the on-going discussion regarding proposed changes to the oil and gas industry assessment model, many are asking – what is this type of assessment?

Oil and gas industries have several types of property:

- below-ground oil and gas pipelines,
- below-ground wells,
- above-ground well heads and associated machinery, equipment, and buildings.

Assessment of each of these types of property is regulated by the Province of Alberta. The assets are not based on market value like the assessment of homes and acreages; rather the assessment is determined by size, materials, depreciation, etc. This method is intended to assign an objective value to the industry's assets.

The Provincial Government has been receiving pressure from oil and gas industries to adjust the assessment model so that their taxes will be lower. The industry claims that to be competitive in today's marketplace, property taxes must decrease substantially. However, what may not be known to many is that the oil and gas industry in general, and specifically, the companies in Beaver County, have already received some help in this direction.

In 2018, the Provincial Government assumed responsibility for the assessment of certain industrial properties, including oil and gas. These properties had previously been assessed by municipalities, however the industry felt that the assessment regulations were not being applied consistently throughout the Province.

County Council is confident that the County's assessment team had been applying the assessment regulations accurately, however we respected the Government's decision to implement this new system in the interests of fairness and consistency. Note that in order to pay for this service, the designated properties are charged a separate mill rate (i.e. separate tax) to reimburse the Province for its costs.

Secondly, in 2019, the Provincial Government targeted shallow gas producers for additional tax relief. The industry was granted a tax break equivalent to 35% of its property taxes. Following that, the Government adjusted the method by which this industry is assessed so that they would receive the same 35% reduction in property taxes from that point on. In the first year of this program, the Provincial Government paid the County a grant for the taxes it was not able to collect, however in 2020 and going forward, other County taxpayers must make up the shortfall in taxes. The amount of this tax relief is approximately \$70,000.

Finally, the Provincial Government has placed limitations on the mill rate charged to oil and gas companies. Municipalities are not permitted to levy a mill rate to non-residential assessments that is more than 5 times the residential mill rate. This ensures that businesses and the oil and gas industry are not bearing more than a reasonable share of the municipality's tax base. The County's current mill rate ratio is approximately 4:1.

The County has also done its part to assist the industry. County Council supports oil and gas industry as they are sources of economic activity, jobs, and municipal tax revenue. The County is committed to maintaining the infrastructure (roads and bridges) needed to access industry assets (well sites) and works with our intermunicipal partners to provide a quality lifestyle for company employees.

In the last few years of economic challenges, the County has agreed to negotiate one-year tax payment agreements with specific companies. The County has met with some success, but unfortunately other companies have not paid any of their taxes. For the first time in its history, the County is faced with year-over-year uncollectible taxes. Including 2020, the County will be forced to write off \$5.6 million of uncollectible taxes. To buffer the impact on other taxpayers and maintain service levels, Council has been forced to use reserves and the BMS grant to offset the loss in revenue. However, this is not sustainable in the long term.

Despite all these measures, the oil and gas industry is calling for more. The Provincial Government's latest proposal to assist the oil and gas industry by adjusting the model by which it is assessed will unfairly shift the burden of taxes to small commercial and residential taxpayers. Even the small to mid-sized oil and gas companies – the companies that exist and employ residents in our communities – will experience tax increases.

This will result in a loss in tax revenue of up to \$3 million. The County will have to respond and without large industrial growth or exploding residential expansion, it may have no choice but to reduce service levels, cut staff by 64%, increase taxes, or implement a combination of these options.

County Councillors have been working hard to put this issue in front of our MLAs and request that the changes be reconsidered. Your voice will have significant impact as well.

You may contact:

Contact MLA Jackie Lovely at 780-672-0000 or camrose@assembly.ab.ca
Honourable Rick Wilson at 780-360-8003 or maskwacis.wetaskiwin@assembly.ab.ca
The new Minister of Municipal Affairs, Honourable Tracy Allard, at 780-538-1800 or grandeprairie@assembly.ab.ca.

Notice of Development Permits

The following Development Applications have been APPROVED (except where otherwise noted) by the Development Officer under the provisions of Land Use Bylaw No. 98-801, subject to the right of appeal to the Subdivision and Development Appeal Board.

APPEAL DEADLINE: September 30, 2020

Application No. 020020-20-D0047

Applicant: Logan Haeberle
Location: NW 11-49-14-W4
Development: Second Dwelling - 1520 sq. ft Mobile Home

APPEAL DEADLINE: September 30, 2020

Application No. 020020-20-D0049

Applicant: Natasha Zajonz
Location: SE 6-51-19-W4
Development: Detached Garage (1200 sq. ft) and Variance for front yard setback from 38m to 25m.

APPEAL DEADLINE: September 30, 2020

Application No. 020020-20-D0050

Applicant: Lane Skori
Location: SW 12-46-11-W4
Development: Second Dwelling - Mobile Home (1520 sq. ft).

Any person wishing to appeal a decision may do so by serving written notice on the prescribed form (stating reasons for the appeal) and submitting the applicable fee of \$200.00 to the Secretary of the Subdivision and Development Appeal Board at the following address.

The notice of appeal must be submitted before 4:30 pm on the appeal deadline date shown above, or be postmarked by the appeal deadline date. The prescribed form is available at www.beaver.ab.ca or at the County office.

Further information regarding the above decision(s) may be obtained from the County Office, Ryley, Alberta.

SECRETARY
Subdivision and Development Appeal Board
Beaver County, Box 140 Ryley, Alberta
T0B 4A0 (780) 663-3730

Seeking Quotations

Request for Quotations

Beaver County is seeking quotations (RFQs) for the following work for the 2021 & 2022 gravel crush and supply.

The supply will be split into two halves West End & East End, using Secondary Highway 855 as the dividing line. Interested parties may submit RFQ's for either the West End or the East End or both, as per the requirements listed on or before September 23, 2020 @ 10:00:00am.

Please visit our website www.beaver.ab.ca or www.purchasingconnection.ca for further details and/or submission forms.