



# News Release

August 10, 2020

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## **Council voices concern over potential impacts of assessment model changes on Clearwater County**

(Rocky Mountain House, AB) – For the past several months, the Government of Alberta has been undertaking a review of the assessment model for oil and gas properties, such as wells and pipelines. The review concluded with four potential scenarios for consideration, each of which would result in significant reductions in the assessed value of oil and gas properties and massive losses in tax revenue.

Clearwater County Council is extremely concerned with the proposed changes and has called for a restart of the process to include municipalities and the public. The scenarios under consideration would have significant impacts on the County's ability to provide services and maintain infrastructure.

“The changes to the assessment model being considered would be a devastating blow to Clearwater County and all rural Albertans,” said Reeve Timothy Hoven. “This would force the County to drastically increase tax rates on residents and businesses and cut service levels.”

According to estimates presented by the Rural Municipalities of Alberta (RMA), the average rural municipality would lose up to 12 per cent of its revenues in 2021 and be required to reduce expenses by as much as 16 per cent to offset revenue losses. Based on the RMA's estimates, Clearwater County would face up to a 22 per cent loss in annual revenue.

The proposed changes would significantly threaten the ability of Clearwater County to maintain its 350 kilometres of paved roads, 1,872 kilometres of gravel roads and 173 bridges. This infrastructure exists to provide industrial and residential users, including oil and gas companies, with access throughout the County and to a vast expanse of remote areas.

The substantial decrease in revenue would not only damage the financial viability of rural municipalities, it would also negatively impact many urban municipalities. In order to manage the deep cuts to property tax revenue, rural municipalities would be forced to review jointly funded programs with their urban partners to identify funding reductions.

These proposed changes to the assessment base would also affect the calculation of education taxes, leaving a potential shortfall. This deficit would need to be made up by other property owners.



None of the scenarios are realistic and each will have severe negative impacts on Clearwater County. In addition, the majority of the benefits of the proposed changes would go to the largest oil and gas companies in Alberta, many of which have worldwide holdings with no obligation to re-invest savings in Alberta. Small- and medium-sized firms would likely experience a modest decrease or even an increase in their property tax bill.

Given the magnitude of the implications, Council is urging that the provincial government start over with a new framework based on broad consultation. Without consultation from municipalities and adequate information to guide decision-making, the existing process will fail to produce a sustainable solution.

Over the next few weeks, the provincial government is accepting input on the proposed assessment models from municipalities and other interested stakeholders. Clearwater County Council is urging residents to call, write or email their elected officials and voice their concerns (see contact information below). Share your thoughts on Facebook and Twitter.

Let the provincial government know that the proposed changes are unacceptable to the residents of Clearwater County and all rural Albertans.

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