

July 29, 2020

## Government of Alberta Considering Assessment Model Changes

*RMA members are encouraged to advocate on the local impacts of potential changes to how wells, pipelines, and machinery / equipment properties are assessed*

Following a review process involving municipal and industry stakeholders (including RMA), the Government of Alberta is currently considering several options relating to possible changes to the assessment of wells, pipelines, and machinery and equipment (M&E) properties. According to the Government of Alberta, the changes are intended to support the competitiveness of the oil and gas industry while ensuring the ongoing viability of municipalities.

Throughout the review process, RMA has expressed concern that the review was not focused on maintaining the objectivity of the property assessment system while modernizing measures and values to reflect new technology. Instead, the Government of Alberta based the review on the assumption that the assessment system could be manipulated to reduce costs for the oil and gas industry through reduced assessment and taxation. Although RMA provided significant data and analysis indicating that many of the changes proposed to the assessment system through the review would have significant fiscal and viability impacts on the municipalities (and provide limited competitiveness benefits to industry), the options currently being considered by provincial decision-makers reflect a lack of focus on the important role of property taxes in municipal operations, including to provide the infrastructure and services that the oil and gas industry relies on.

**Fortunately, no changes to the model have been finalized to this point.** Provincial decision-makers, including ministers and MLAs, are currently reviewing the various options developed by Government of Alberta staff based on the review process, with any final decisions on changes likely to be made in late August and implemented for the 2021 municipal fiscal year.

**RMA members and other stakeholders still have an opportunity to advocate on the impacts the proposed changes will have on their municipalities.** RMA has sent information packages and advocacy tools directly to municipalities for this purpose, and RMA is actively advocating to ministers, rural MLAs, and other decision-makers across the province.

RMA has developed a [summary document](#) of the review process and changes currently under consideration, as well as [position statements](#) summarizing key RMA positions on the review process and potential changes. For information on local impacts of the potential changes, please contact individual municipalities.

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# BULLETIN

RMA is concerned about the impacts that the options currently under consideration will have on rural municipalities, but is confident that after hearing from RMA and its members across Alberta, provincial decision-makers will reconsider implementing changes to the assessment model to benefit a specific industry, and instead look at alternate approaches to enhancing industry competitiveness.

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