

MUNICIPAL DISTRICT OF BONNYVILLE MEDIA RELEASE

M.D. genuinely concerned by proposed assessment changes

August 12, 2020 – The Municipal District of Bonnyville Council is voicing its profound concern over the proposed Alberta Government changes to the assessment model for oil wells, pipelines, and machinery and equipment.

The Province is considering changing how oil and gas property is assessed, from the current model of asset replacement value to a new model of market value. Under the four possible scenarios being considered, the M.D. would lose hundreds of millions of dollars in assessed value in oil and gas properties.

If approved, the assessment model changes would impact all residents and businesses in the M.D., either by significantly higher municipal taxes, reductions in services, or a combination of both. For example, the potential tax impact on a \$500,000 assessed residential property would result in an additional \$2,550 - \$3,950 per year in property taxes should the residential assessment class cover the created deficit.

“If the M.D. was to shift this loss of tax revenue to our residential landowners, that would mean a 286 percent property tax increase for every residence in 2021,” says Reeve Greg Sawchuk. “We are about to lose 14 to 22 percent of our total tax revenue.”

Sawchuk says that while the M.D. can appreciate the province’s support of the energy sector, changes to the assessment model represent a step too far. “We’ll be forced to either cut important core services such as road building and maintenance, or pass on substantial tax increases to our landowners at a time when our residents are already feeling the pinch of a strained economy.”

Council is contacting the Premier of Alberta and government ministers to express its concerns in advance of the final decision, expected in late-August.

Assessment Changes Continued on Page 2

The M.D. is encouraging residents and business owners to share their views on this issue by contacting Premier Kenney and the following Ministers:

Premier of Alberta, Jason Kenney
premier@gov.ab.ca

Minister of Municipal Affairs, Kaycee Madu
minister.municipalaffairs@gov.ab.ca

Minister of Energy, Sonya Savage
minister.energy@gov.ab.ca

-30-

For more information, please contact:

Luc Mercier,
Chief Administrative Officer
780-826-3171