



## Impacts of Assessment Model Changes on Lamont County

*August 6, 2020 – Lamont, AB* – The Government of Alberta is proposing changes to the assessment model that is used to determine the value of regulated properties such as oil and gas pipelines and wells. These changes would significantly reduce Lamont County's tax revenue and may impact not only the long-term viability of our municipality, but also that of the entire region.

Lamont County Council and senior administration are extremely concerned about the potentially devastating impact that this decision could have to the county, as it would force us to examine reductions in services and increases to property taxes as a means to offset some of the revenue loss. The proposed changes will have serious implications, especially as the county works to recover from two major overland floods that have devastated our road and drainage networks, not to mention the financial hardship already placed on producers with the loss of seeded acres.

Lamont County, like many rural municipalities, is already facing a constrained budget due to the new police funding model, the decrease in Agricultural Service Board grant, the continuation of the shallow gas tax relief for oil and gas companies, reductions by the Province of operating and capital infrastructure grants, and the economic slowdown related to low oil prices and the COVID-19 pandemic, which has necessitated utility payment and property tax deferrals for ratepayers. By the end of 2020, we project that the county will lose \$4 million in revenue due to unpaid taxes by oil and gas companies, because the county has no ability to force oil and gas companies to pay and even less ability to collect from bankrupt companies.

Based on the various potential changes presented by the province, Lamont County would be required to increase the residential tax rate by between 43.3% and 81.4%, and the non-residential tax rate by between 9.4% and 19.3%, or reduce full-time employment by between 15.0% and 28.2%. Lamont County may be forced to enact a combination of all three changes, as well as reduce service levels and intermunicipal collaboration agreements to remain viable. The scenarios proposed by the Government of Alberta would reduce Lamont County tax revenues by 5% - 9%; up to \$2 million would need to be cut from overall revenues in the first year alone.

As members of the Alberta Industrial Heartland Association, Lamont County is a proud supporter and partner of the oil and gas industry, and we have worked diligently to be part of the solution to enhance oil and gas industry competitiveness; however, we should not be forced to absorb crippling changes resulting from the proposed assessment model.

Lamont County will be contacting Premier Jason Kenny, MLA Jackie Armstrong-Homeniuk, Municipal Affairs Minister Kaycee Madu, and other associated ministries to express our concerns over the changes, and to request that the government work with all rural municipalities to determine a solution that works for all stakeholders.





Lamont County rate payers are encouraged to reach out to their MLA to express their thoughts on this issue. MLA Jackie Armstrong-Homeniuk can be reached by phone at 780-632-6840 or via email at [fortsaskatchewan.vegreville@assembly.ab.ca](mailto:fortsaskatchewan.vegreville@assembly.ab.ca).

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