



Partners in Advocacy & Business

January 28, 2018

Honourable Shaye Anderson  
Minister of Municipal Affairs  
132 Legislature Building  
10800-97 Avenue  
Edmonton, AB T5K 2B6

**Re: Freezing of Assessment Year Modifiers (AYMs) for 2018 Taxation Year**

The Alberta Association of Municipal Districts and Counties (AAMDC) represents the interests of Alberta's sixty-nine rural municipalities. AAMDC members are home to extensive linear properties, which are assessed on an annual basis utilizing information provided by Municipal Affairs. In late 2017, the Government of Alberta indicated that an increase in Assessment Year Modifiers (AYMs) was expected, which many municipalities utilized in their preliminary 2018 budgeting processes.

The recent decision to freeze the AYMs at 2016 levels for the 2018 taxation year pending a review of the assessment process has resulted in significant concern for the AAMDC and our members. This freeze will create undue hardship on rural municipalities as provisional budgets have already been passed using revenue forecasts based on preliminary announcements made by the Ministry. For some municipalities, this will result in a reduction of millions of dollars in anticipated taxation revenues.

AAMDC members support their neighbouring municipalities through various cost-sharing agreements and the provision of financial support that contributes to regional service delivery. With the freeze on AYMs for 2018, rural municipalities are burdened with cutting costs and potentially services, which may impact their ability to collaborate with neighbouring municipalities at expected levels. This may negatively impact broader regions and the positive relationships that have been established between municipalities.

The AAMDC will continue to raise this concern with the Government of Alberta and requests further discussion to understand what the AYM review process will entail. Further, as there may be associated impacts for future assessment years resulting from this freeze, the AAMDC respectfully requests that the Government of Alberta engage in transparent communication as to the long-term AYM forecasting for future budget cycles.

I look forward to discussing this issue with you further.

Yours sincerely,

Al Kemmere, President

cc: Honourable Rachel Notley, Premier of Alberta  
Honourable Joe Ceci, President of the Treasury Board, Minister of Finance  
Barry Morishita, President, Alberta Urban Municipalities Association  
Laurie Hodge, Executive Administrator, Alberta Assessors Association