

February 13, 2018

Honourable Shaye Anderson  
Minister of Municipal Affairs  
Office of the Minister  
Municipal Affairs  
132 Legislature Building  
10800 97 Ave  
Edmonton, AB T5K 2B6

Dear Minister Anderson,

RE: 2017 Linear Assessment Year Modifiers (AYMs)

Sturgeon County appreciates the Government of Alberta's holistic approach of ensuring rural Albertans and communities are best served by the linear taxation system. We agree with you that linear dollars staying in rural communities serving rural Albertans is key to deliver quality services and maintaining prosperous and sustainable communities.

We support the Ministry contracting industry experts to review the changes in construction costs and how it relates to the changes in AYM's. In their findings, which were circulated on August 28, 2017, the industry experts that were retained and paid by the Ministry of Municipal Affairs believed the AYM for pipelines should be increased by approximately 10 percent and the AYM for wells should be increased by approximately 18 percent. The 2017 Minister's Guidelines for Linear Property, Machinery and Equipment, Railway and Farm Land were approved under your authority as Minister of Municipal Affairs on December 19, 2017 and did not show these increases. By approving a freeze to the 2016 AYM's levels for wells and pipelines, it appears that the analysis provided by the industry experts was completely disregarded. By doing this, the integrity of the assessment process for all stakeholders involved has been considerably damaged.

The AYM's were significantly reduced in both 2015 and 2016 by twenty two percent in pipelines and twenty one percent in wells. These reductions significantly impacted Sturgeon County as well as many other rural municipalities throughout Alberta. Sturgeon County understood these reductions represented change in the cost of construction and was part of a fair and transparent process that involved a third-party analysis from objective industry experts. To allow a freeze on these modifiers in 2017, an unfair additional tax burden is realized upon residential, farm and commercial ratepayers in Sturgeon County.



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Sturgeon County finds the decision to hold the AYMs for wells and pipelines at 2016 levels disregards the basic principles of our fair and equitable assessment system. We look forward to hearing from the Ministry and your plan to ensure a transparent, timely and consistent development of the AYMs because it impacts not only the oil and gas industry but the individual ratepayers as well.

Sincerely,

Alanna Hnatiw  
Mayor, Sturgeon County

cc: Sturgeon County Council  
Mr. Brad Pickering, Deputy Minister ([brad.pickering@gov.ab.ca](mailto:brad.pickering@gov.ab.ca))  
Ms. Stephanie Clark, Acting Assistant Deputy Minister ([stephanie.clark@gov.ab.ca](mailto:stephanie.clark@gov.ab.ca))  
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Mr. Al Kemmere, President, AAMDC ([akemmere@aamdc.com](mailto:akemmere@aamdc.com))  
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Mr. Glenn van Dijken, MLA for Barrhead-Morinville-Westlock ([barrhead.morinville.westlock@assembly.ab.ca](mailto:barrhead.morinville.westlock@assembly.ab.ca))

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