



Media Release – Oil and Gas Assessment Model

For Immediate Release – July 31, 2020

Birch Hills County was notified on July 23, 2020 of changes proposed by the Provincial Government to reduce the property tax of oil and gas companies through changes to the assessment model for regulated properties in this sector.

The intent of the review was to “enhance industry competitiveness while concurrently ensuring the ongoing viability of municipalities.” Birch Hills County is concerned that the review will not achieve either intent.

The impacts of the proposed changes vary widely in different regions of the province with some municipalities projected to lose as much as 49% of their current non-residential assessment value and 40% of their overall revenue in the first year of implementation under the most extreme scenario. Birch Hills County total revenue may change by as much as 16%.

Council and Administration are extremely concerned about the serious impacts of this decision because it will mean an increase in property tax, reduction of services, or a combination of both to make up for this lost revenue.

There are four scenarios being presented by the technical committee (made up of Industry representatives and government advisors). Based on the proposed changes, the impacts to Birch Hills County from the 4 scenarios indicate a loss of tax revenue ranging from 7% - 16%, which equates to between \$450,000 and \$1.0 million in overall lost revenue in 2021, and increasing in subsequent years.

To compensate for the loss of industry assessment and corresponding tax revenue, Birch Hills County will have to adjust operations. This will include reduction in corresponding services and workforce, and an increase in the residential and non-residential mill rate.

What can you do?

- Please let your MLA know your thoughts on this issue:
- Please call your local Councillor or Birch Hills County Administration if you have questions about this or want additional information.

The final decision on this proposal is expected by mid to late August, so please take action now!

On behalf of Council,

Gerald Manzulenko, Reeve

Birch Hills County

cc: Birch Hills County Council

Rick Bastow, CAO Birch Hills County, Shelley Braun Director of Corporate Services Birch Hills County, Dion Hynes Director of Birch Hills County, and Amanda Ouellet Director of Agriculture

/ss