



County of St. Paul No. 19

Tuesday, April 12th, 2016

The Honourable Danielle Larivee
Minister of Municipal Affairs
204 Legislature Building
10800 - 97 Avenue
Edmonton, AB
Canada T5K 2B6

Dear Ms. Larivee,

The County of St. Paul No. 19 recognizes that the Government of Alberta is considering a variety of options pertaining to industrial assessment as part of the *Municipal Government Act* review process. The County would like to take this opportunity to express its extensive and abiding concerns regarding the potential creation of a new centralized authority for the preparation of assessments of machinery and equipment. Unequivocally, we are opposed to the creation of any new agency.

As a municipality that has extensive industrial assessment, both linear and machinery and equipment, the County does not support the creation of a centralized authority or any changes to the present state of assessment responsibility for that matter, as any changes would only serve to weaken local autonomy in Alberta.

Local autonomy is one of the leading principles of the *Municipal Government Act* and a profound change such as centralizing industrial assessment would undermine that goal, at a substantial cost, and would not provide necessary or sufficient benefits to municipalities. The formation of a central agency will cause an exponential increase in appeals and will create an additional administrative burden on municipalities as well as increased expenses.

Centralized industrial assessment has the potential to put municipalities in the unfavourable position of filing complaints on their own assessment and would reduce the transparency that currently exists when machinery and equipment assessments are prepared. Furthermore, the County currently relies heavily on the information provided by its local assessor to assist us with budgeting and forecasting; a central agency will not be as responsive to our needs. Simply, centralizing industrial assessment is an excessive and redundant encroachment on local autonomy.

Beyond weakening local autonomy, the County also strongly believes that centralizing industrial assessment will only serve to further compound the challenges that Municipal Affairs currently faces with regards to effectively fulfilling its mandate with regards to industrial assessment. At present, there are numerous prevailing issues including the provision of adequate training, the notice period for adjustment to linear assessment modifiers, and a lack of legislative clarity that plague the administration of assessment provincially. It is also noteworthy that Alberta is already experiencing a critical shortage of assessors; this problem will be exacerbated as the government will very likely need to contract the same assessors that municipalities use because the department

does not have adequate personnel to manage an increased workload. The County believes that any centralization efforts will strain the resources of a department which, as evidenced by the current slate of existing issues presented, is stressed to fulfill its current mandate.

The County also has concerns related to the process that would be used to implement such a fundamentally altered assessment system. It was our understanding that, as part of the *MGA* Review, the Government indicated that implementing major new initiatives such as the one discussed here would require consensus from a range of stakeholders. At this juncture, the County has not seen any evidence that would indicate that consensus exists on this matter. We have deep and enduring concerns with any process that does not include a balanced and inclusive group of stakeholders. The County firmly believes that Municipal Affairs must be transparent and honest with municipalities regarding who is participating in these consultations and how the Ministry is determining that consensus is reached.

We understand that the Alberta Assessors Association has provided feedback on the matter of centralized assessment recently. The County supports the Association as its recommendations admirably capture the County's central practical and procedural concerns. Importantly, we believe that the Association has successfully identified several policy alternatives that have the capacity to address the issue of centralized assessment as well as improving assessment in the province more generally.

The County maintains that any amendments to the current legislation for the purpose of centralizing industrial assessment, whether under provincial or third party control, will represent an encroachment to local autonomy while creating an additional administrative burden and exacerbating the current challenges Municipal Affairs is facing with regards to industrial assessment. Moreover, it has not been demonstrated to the County that ample consensus has been achieved to trigger such a monumental shift in provincial assessment policy. The proposal to centralize industrial assessment will merely make it increasingly difficult to provide a fair and equitable tax regime and level of service to our ratepayers.

We ask that you consider our concerns, and the related concerns from other stakeholders, prior to the finalization of policy decisions related to this matter. We would like to thank you for providing the County with an opportunity to meaningfully participate in the consultation process on an issue of such critical importance to Albertans.

Respectfully,

Steve Upham, Reeve
County of St. Paul No. 19

C.C. Al Kemmere, President, Alberta Association of Municipal Districts and Counties

C.C. Lawrence Buchart, President, Alberta Assessors' Association

C.C. Mr. Brad Pickering, Deputy Minister, Municipal Affairs

C.C. Ms. Meryl Whittaker, Assistant Deputy Minister, Municipal Affairs