



# Municipal District of Bonnyville No. 87

## Request for Decision (RFD)

<b>Meeting:</b>	Regular Meeting of Council
<b>Meeting Date:</b>	June 11, 2024
<b>Originated By:</b>	Calvin Bespalko, Manager of Assessment Services
<b>Title:</b>	Multi Year Assessment Appeal

### **PROPOSAL & BACKGROUND**

In the 2018 tax year, the Provincial Assessor received an appeal on 10 Designated Industrial Properties. The properties involved the Nabiye plant site and the 9 well pad sites associated with the plant. The appeal was based on insufficient additional depreciation to recognize the impact of the unstable ground of the Grand Rapids formation that prevents the Nabiye facility from producing the forecast production throughput volumes. The plant site and well pads were also appealed in the 2019 – 2023 tax years.

The Land and Property Rights Tribunal (LPRT), the board hearing the appeal, attempted to schedule the 1<sup>st</sup> 2 years of appeal. Due to the global pandemic, the hearing and subsequent decision met with considerable delays. The hearing occurred October 26 – November 16, 2020 (10 total days). The final board decision was March 23, 2023. Subsequent to this decision, the Provincial Assessor's office and the appellant mutually agreed to an adjustment for the 2020 – 2023 tax year appeals. This agreement was presented as a joint recommendation to LPRT Board. The Board decision to accept the recommendation was filed January 18, 2024.

The summary of the board decisions was that the Nabiye facility required additional depreciation to recognize the impact of the unstable ground. The method to calculate the amount for each year required a formula to compare factors of the Nabiye plant to the same factors of the Mahkeses plant, as the plants were of the same design. The factors included steam oil ratios as well as production volumes.

Once the LPRT decision assessments were applied to the subject properties' roll numbers (tax accounts), the total tax levy decrease was \$10,595,848.85. This total amount includes school, lodge, and designated industrial property requisitions. Removing these requisition amounts from the total tax levy decrease, \$10,268,481.54 was the loss in municipal tax revenues.

### **DISCUSSION ON BENEFITS, DISADVANTAGES & OPTIONS**

Council and Administration have prepared for potential losses in previous budgets to a total of \$8,343,637.00. \$1,924,844.54 is required to be funded from the cash flow reserves.

### **REFERENCE TO STRATEGIC PLAN**

N/A

## **REFERENCE TO PROVINCIAL/FEDERAL LEGISLATION**

Municipal Government Act Section 499 – Decisions of the Tribunal

## **COSTS & SOURCE OF FUNDING**

Funding from previous budgets = \$8,343,637.00

Funding from Cash Flow Reserves = \$1,924.844.54

## **COMMUNICATIONS STRATEGY**

The application of the LPRT decision to the subject roll numbers (tax accounts) have already been communicated with the property owner (appellant).

## **ADMINISTRATION RECOMMENDED ACTION**

THAT Council approves an unbudgeted expenditure for the remaining portion of the Land and Property Rights Tribunal decision pertaining to the Nabiye facility in the amount of \$1,924.844.54 to be funded from Cash Flow Reserves.

## **COUNCIL OPTIONS**

**Report Approval Details**

Document Title:	Multi Year Assessment Appeal.docx
Attachments:	
Final Approval Date:	Jun 3, 2024

This report and all of its attachments were approved and signed as outlined below:

Susan Walker

Stephanie Severin