



Kneehill

COUNTY

Agenda



Accurate Assessment Group Ltd.



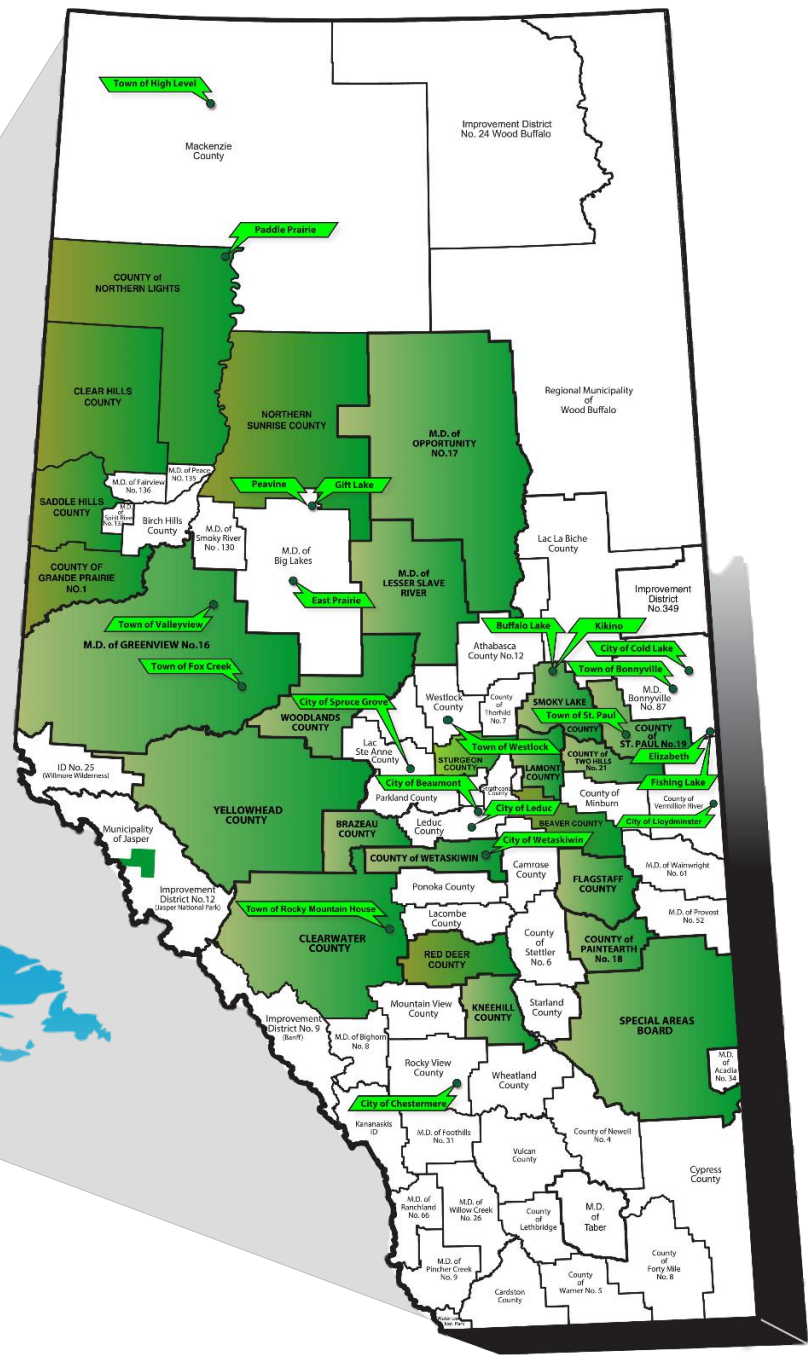
Highlights of the Municipality's Assessment



ACCRATE

ASSESSMENT GROUP LTD.

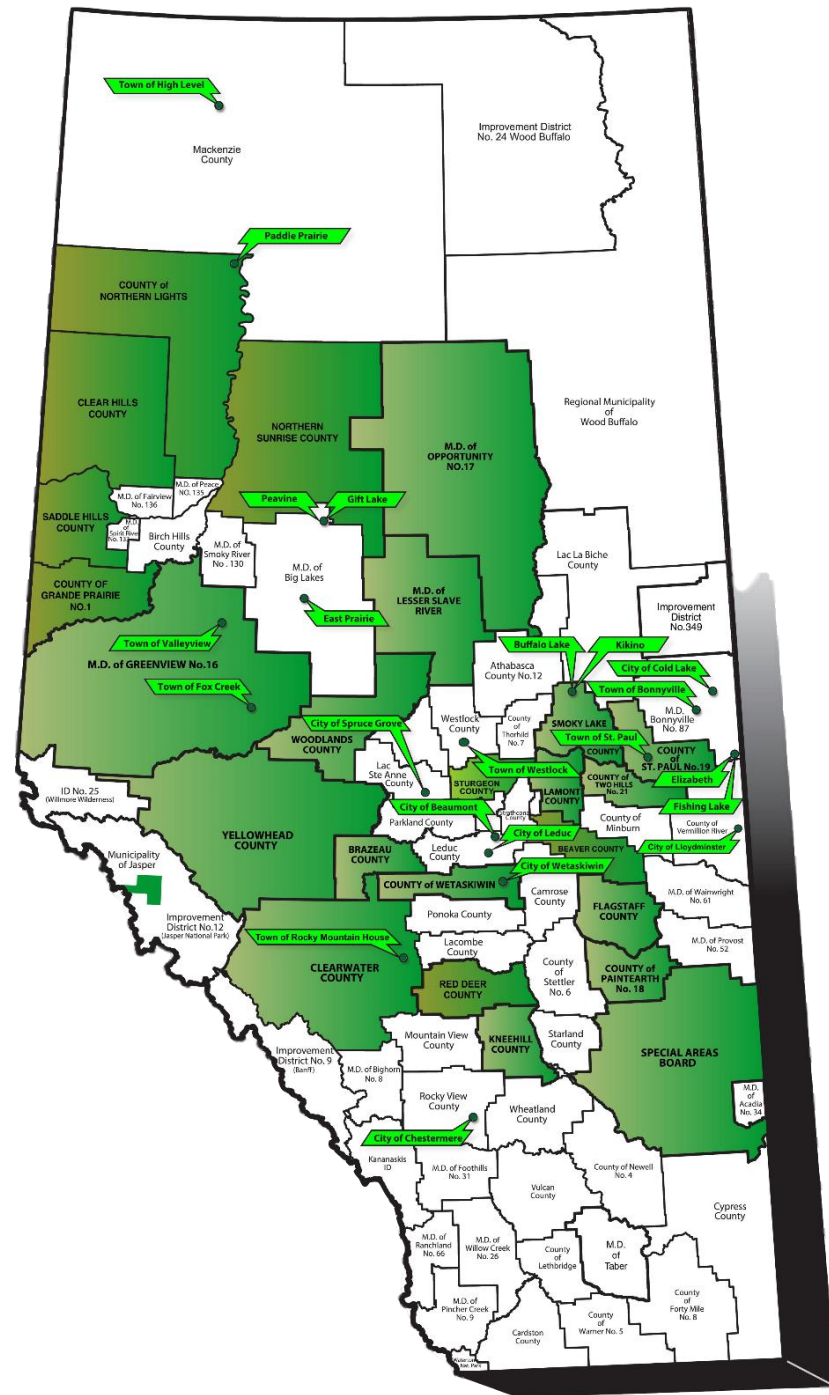
FOUNDED IN 1997





AAG's Client Partners

- ✓ 25 Rural Municipalities (DIP Assessment Services in 15)
- ✓ 7 Cities
- ✓ 6 Towns
- ✓ 8 Metis Settlements



Trusted Advisor



*At AAG, our purpose is to continuously seek improvement,
and earn the role of Trusted Advisor.*



TEAM DEPTH



Specializing in all aspects of Municipal Property Assessment

400+ Years of Combined Experience



COMMUNICATION



We connect with Rate Payers successfully

We communicate with Council, CAO's and Administration



DATA INTEGRITY



Our technology drives best practices for assessment operations.

Leaders in quality control through technology and experience



Residential



Non-Residential



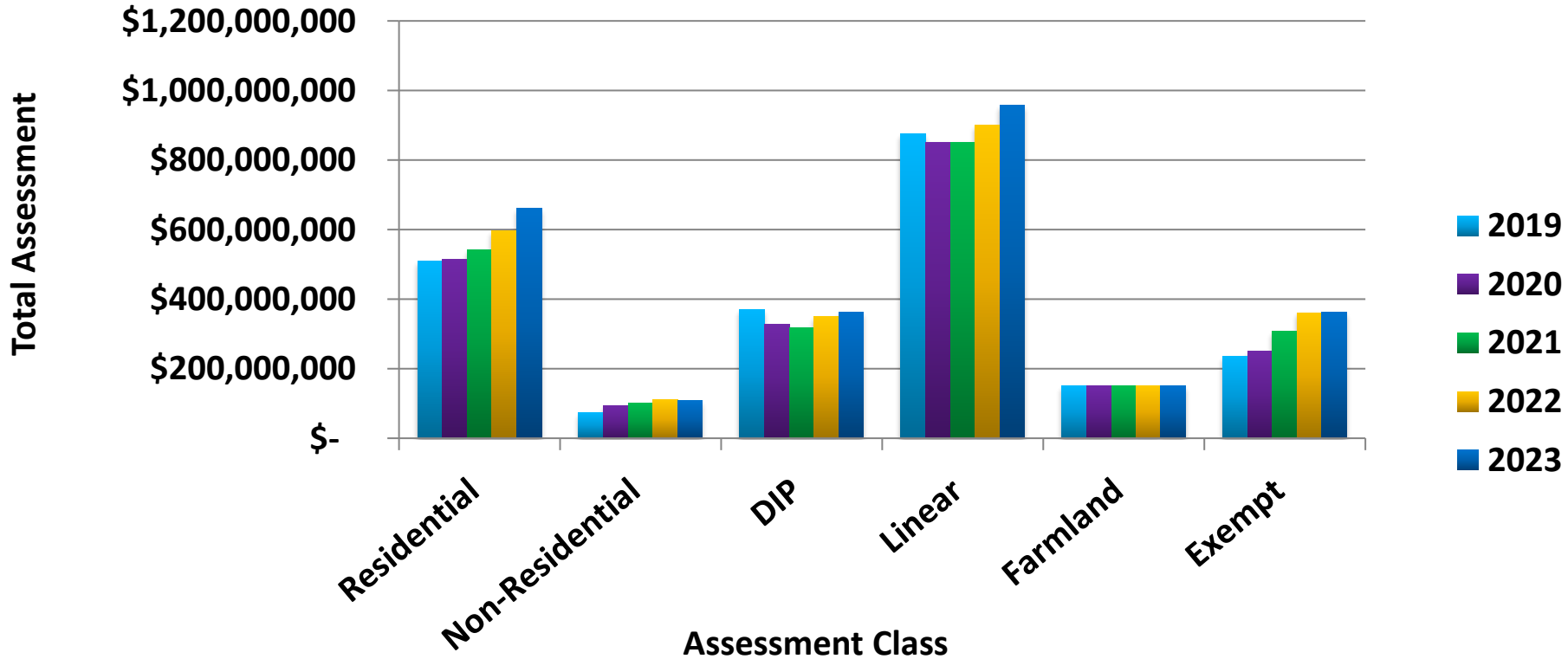
Farmland

Troy Birtles, AMAA	Assessment Manager
Kris Meadows, AMAA	Residential Assessor
Levi Stewart	Residential Assessor
Sean Cosens, Bsc. Ag	Farmland Assessment Specialist
Bob Daudelin, AMAA	Assessment Specialist
Kurt Hartman	Assessment Specialist
Josh McMillan	Residential Assessor
Jesse Nelson	Residential Assessor
Cory Allen	Residential Assessor

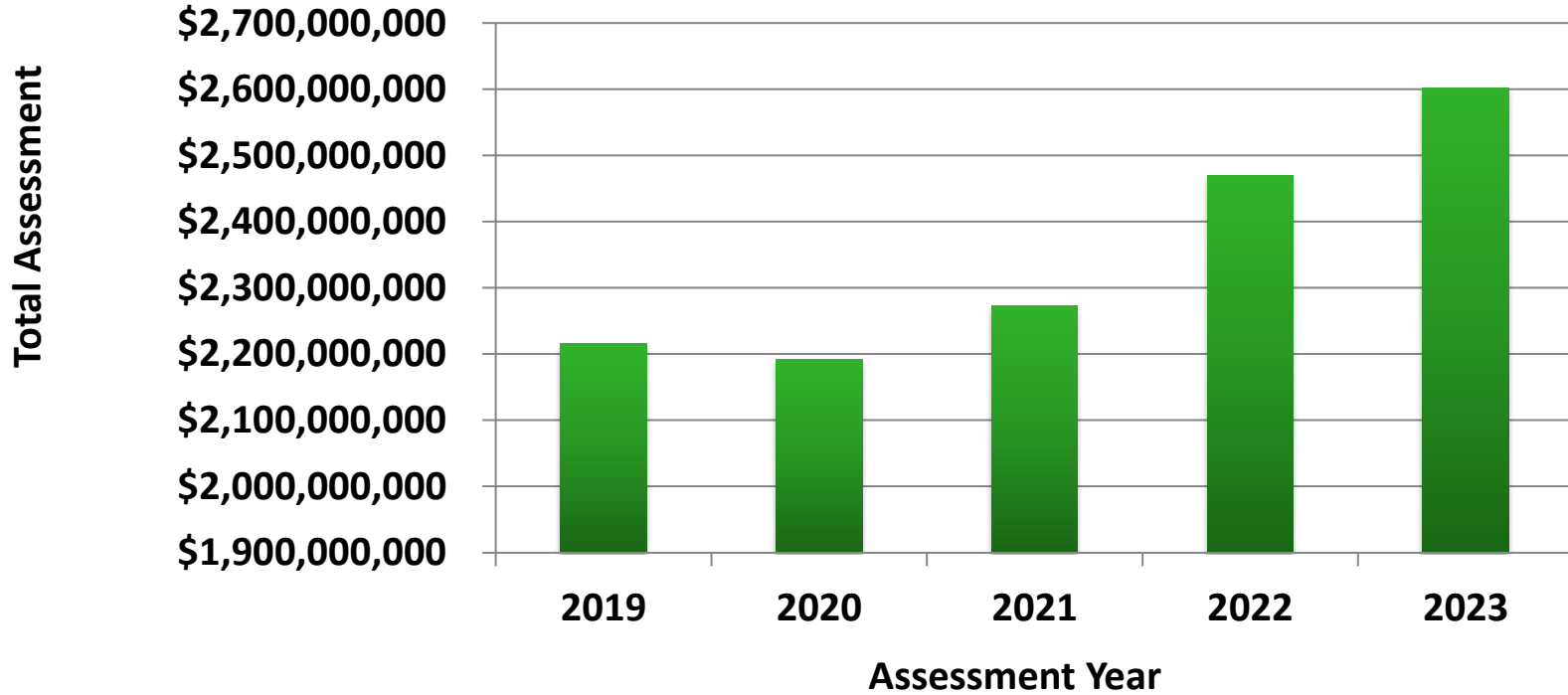
2022 Compared to 2023 Assessment

	2022	2023	Difference	
	Totals	Totals	\$	%
Residential	\$597,205,250	\$660,864,960	\$63,659,710	111%
Non-Residential	\$111,049,730	\$107,707,970	(\$3,341,760)	97%
Designated Industrial Property (DIP)	\$318,690,030	\$362,691,160	\$12,927,080	104%
Linear	\$852,052,640	\$956,865,810	\$57,126,420	106%
Farmland	\$151,656,140	\$151,648,850	(\$7,290)	100%
Exempt	\$361,109,810	\$361,780,010	\$670,200	100%
Grand Total:	\$2,470,524,400	\$2,601,558,760	\$131,034,360	105%

Assessment Class History Comparison



Assessment Total History Compare



Taxable Assessment Change Compare by %

Range	Properties	%
-25% to -100%	51	0.6%
-10% to -25%	21	0.2%
-1% to -10%	468	5.4%
No Change	5,138	59.5%
1% to 10%	1,980	22.9%
10% to 25%	726	8.4%
25% to 100%	149	1.7%
Over 100%	25	0.3%
New Roll #'s	26	0.3%
Inactive Roll #'s	49	0.6%
Total Properties	8,633	100%

91%

Taxable Assessment Change Compare by \$

Range	Properties	%
Over - \$1,000,000	4	0.0%
-\$100,000 to -\$999,999	36	0.4%
-\$25,000 to -\$99,999	26	0.3%
-\$10,000 to -\$24,999	30	0.3%
-\$1,000 to -\$9,999	311	3.6%
-\$999 to \$999	5,555	64.3%
\$1,000 to \$9,999	896	10.4%
\$10,000 to \$24,999	780	9.0%
\$25,000 to \$99,999	815	9.4%
\$100,000 to \$999,999	94	1.1%
Over \$1,000,000	11	0.1%
New Roll #'s	26	0.3%
Inactive Roll #'s	49	0.6%
Total Properties	8,633	100%

93%

New Roll #'s & Permit Comparison

New Roll #'s Summary

	2019	2020	2021	2022	2023
Residential/Non-Res	21	26	15	17	13

Development Permit

	2019	2020	2021	2022	2023
Development Permits	50	91	75	79	63

Overview

(NOT including Industrial or Linear)

Residential (Rural)		Growth	Inflation
Three Hills Area	7.1% Increase	0.7%	6.4%
Rural North	11.3% Increase	0.9%	10.4%
Rural South West	10.2% Increase	1.8%	8.4%
Rural East	12.5% Increase	1.5%	11.0%
Hamlets	12.9% Decrease	1.5%	11.4%
Total	10.7% Increase	1.4%	9.3%

Overview

(NOT including Industrial or Linear)

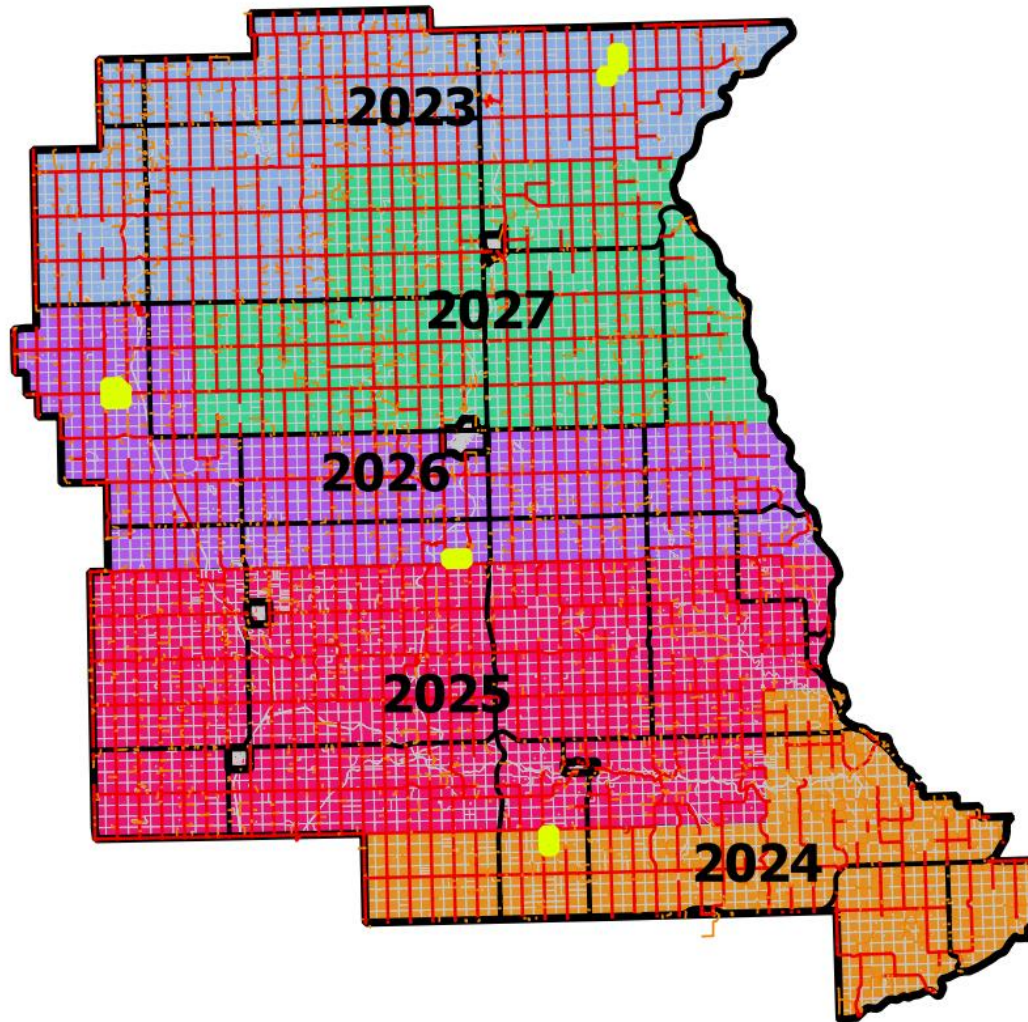
Residential Growth

	2021	2022	2023
New Construction	\$8.5M (1.5%)	\$9.3M (1.7%)	\$8.3M (1.4%)

Residential Inflation

	2021	2022	2023
Market Change	\$19.0M (3.4%)	\$45.5M (8.4%)	\$55.3M (9.3%)

Residential / Non-Residential Re-inspection Cycle



Moving Forward – Residential / Non-Residential



Continue with Global Inspections concentrating on the Southern Area of the County



All new construction to be reviewed



Strong market growth was recognized in 2023. We will continue to monitor in 2024

Industrial Assessment Team

Ray Fortin, AMAA	Industrial Assessment Specialist
Sean Barrett, AMAA	Industrial Manager
Chris Smith, AMAA	Industrial Coordinator
Kent Smith, AMAA	Industrial Assessor
Chad Nelson, AMAA	Industrial Assessor
Steve Sawatsky, AMAA	Industrial Assessor
Ally Dittrick, AMAA	Industrial Assessor
Cole Cibula	Industrial Assessor
Harry Schmidt, AMAA	Specialty Assessment Services
Larry Riep, AMAA	LE Riep Assessment Services

Non-Designated Industrial Property

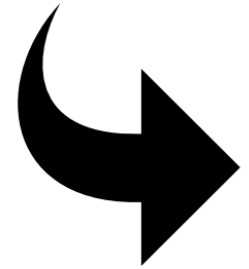
- On an annual basis the Industrial Assessment Team maintains the assessments for Non-Designated Industrial Property.
 - These are industrial properties not regulated by the Alberta Energy Regulator, the Canadian Energy Regulator, or the Alberta Utilities Commission
- In Kneehill County, examples of Non-Designated Industrial Property include (but not limited to):
 - Grain Terminals
 - Fertilizer Blending Facilities
 - Meat Processing Facilities
 - Bitcoin Operations
 - Honey Processing Plants
 - MDF Facilities
- AAG utilizing our team of specialized industrial assessors provide these services annually to the municipality.

Previous Assessment Model Review



- **As council and administration may be aware; in October 2020 the Government of Alberta announced they would not be implementing any of the scenarios from the assessment model review. Rather it was decided to implement several short-term initiatives intended to enhance oil and gas industry competitiveness.**

Short-Term Initiatives



The initiatives include the following:

Well Drilling Equipment Tax

- Elimination of the Well Drilling Equipment Tax (WDET) beginning in 2021.

Low Producing Wells

- Three-year assessment reduction on low-producing wells. This reduction will be implemented through changes to Schedule D of the Alberta Linear Property Assessment Minister's Guidelines.
- Continuation of the shallow gas well and associated pipeline assessment reduction that was introduced in 2019. This will continue to be applied for the 2021 to 2024 tax year.

New Wells and Pipelines

- Three-year property tax holiday on all new wells and pipelines. Beginning in the 2022 property tax year, new wells and pipelines will not be taxed until the 2025 tax year. Therefore, the tax holiday applies to the 2022, 2023, and 2024 tax years.

Please note, municipal affairs has confirmed the three-year property tax holiday on all new wells and pipelines will end in the 2024 assessment year (2025 tax year).



Assessment Model Review

The Assessment Model Review (AMR) will be a multi-year process to review the policies, procedures, and rates that form regulated property assessment framework.

Stakeholder engagement will occur with municipal associations, industry representatives, and professional assessors throughout the duration of the AMR.

Assessment Model Review

STAGE 1 Design the plan 2023



A stakeholder Steering Committee made up of industry, municipal, and assessment representatives designed an engagement process for the broader review.

STAGE 2 Review foundational policies March – December 2024



Confirm Principles



Recommend Assessment Year Modifier methodology



Review Construction Cost Reporting Guide

Assessment Model Review

STAGE 3

Update assessment models

Expected winter 2025 – summer 2027

We will engage with a technical working group, comprised of stakeholder subject-matter experts to update the costs, practices, and technologies in the assessment model for each property type.

Group 1

winter 2025 to spring 2026



Telecommunications & Cable



Railway



Electric Power

Group 2

spring 2026 to summer 2027



Machinery and Equipment



Pipeline



Wells

STAGE 4

Consider the impacts

Expected summer 2027 – spring 2028



Municipalities and industry property owners will have the opportunity to provide input on assessment and taxation impacts, including how to best implement any shifts in assessment. The Steering Committee will review the engagement results and provide final recommendations to government.



QUESTIONS?

*Thank
you!*