



Community Aggregate Payment Levy

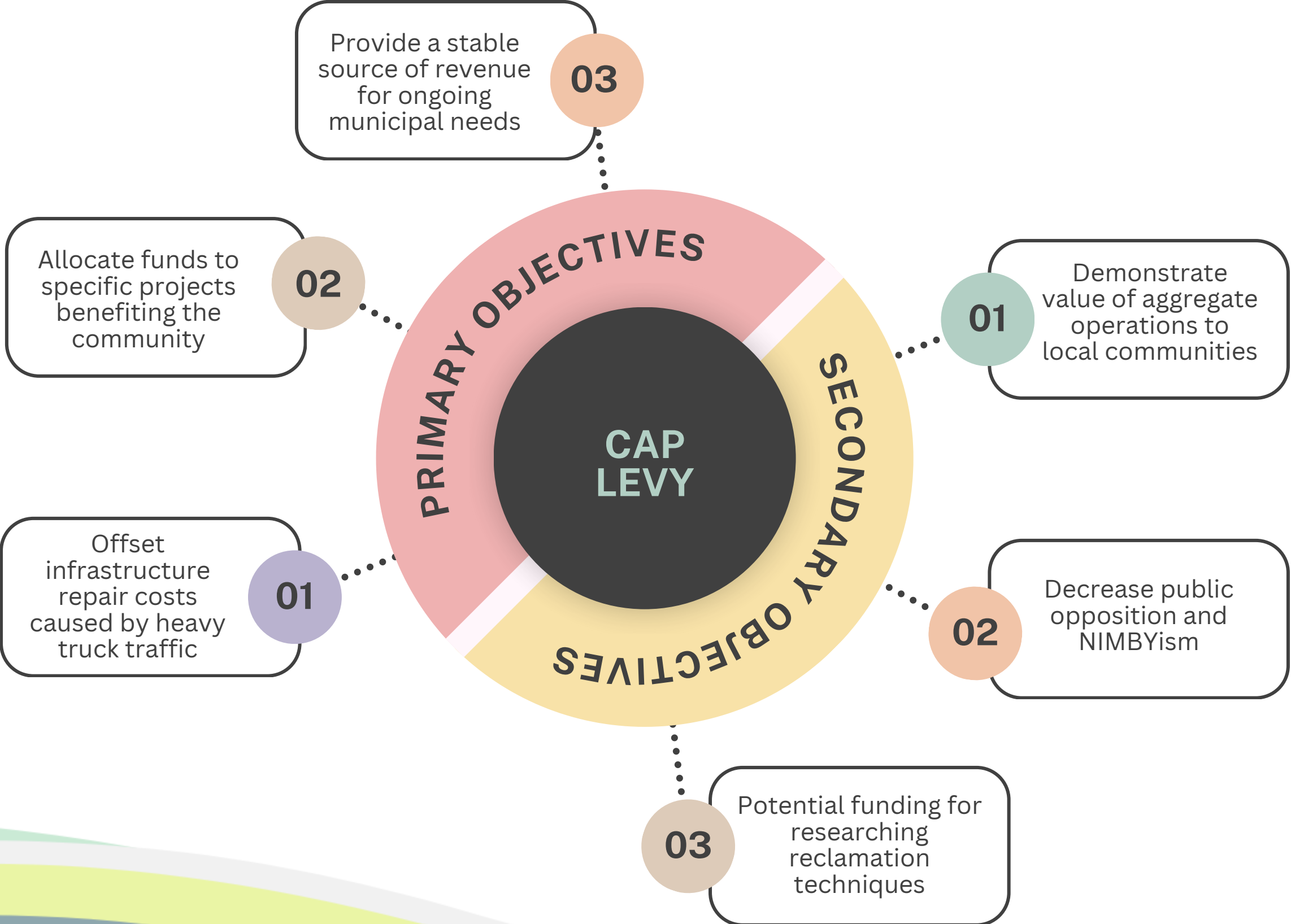
Committee of a Whole
November 19th, 2024

History

- Introduced on January 1st, 2006 as a regulation within the Municipal Government Act
 - The initial maximum levy rate was \$0.25 per tonne
- Community Aggregate Payment Levy
 - Aggregate includes sand, gravel, and pit-run gravel
 - Allows municipalities to impose a CAP levy on sand and gravel shipments at the privately-owned pit from which the material was extracted within county boundaries
 - Based on a uniform levy rate determined by Council, up to a maximum of \$0.40 per tonne
 - Authorized through a By-Law
- Implementation
 - 40 municipalities have adopted the CAP Levy into their By-Laws
 - As of 2021, industry has contributed approximately \$137 million to municipalities as a direct result of this program

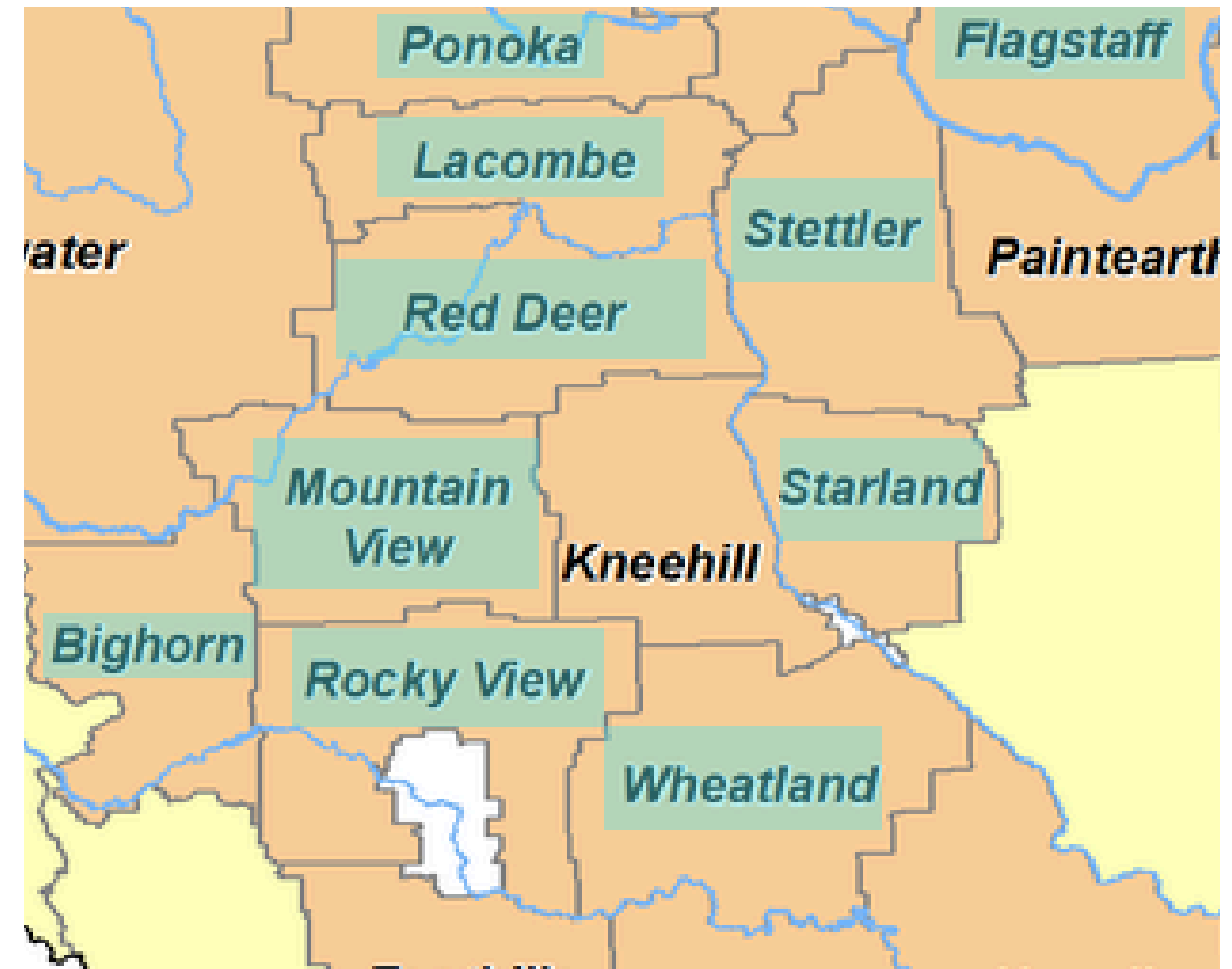


Objectives



Benchmarking

- All municipalities bordering Kneehill County have enacted a CAP Levy By-law
- Shared characteristics
 - Quarterly, semi-annual, and annual reporting of shipments
 - Through a Reporting Form and Aggregate Shipping Tonnage Roll
 - Levy notices sent out within 45 days of receiving shipment reports
 - Operator has within 30 days of date on Levy Notice to pay amount
 - Uniform Levy Rate: \$0.40 / tonne
 - Late Payment Penalty
 - Fines for failure to report and/or failure to pay



Benchmarking

2022 Provincial CAP Levy Breakdown			
County	Rate (\$ per Tonne)	CAP Levy Revenue	Length of Open Roads Maintained (km)
Lacombe	0.40	\$874,043.00	2193
Rocky View	0.40	\$805,587.09	2565
Ponoka	0.40	\$261,907.02	1939
Red Deer	0.40	\$226,515.00	3110
Bighorn	0.40	\$158,506.00	107
Mountain View	0.40	\$146,257.02	2914
Settler	0.40	\$24,892.00	2779
Wheatland	0.30	\$75,458.00	2716
Flagstaff	0.25	\$1,147.50	2744
Starland	0.25		1753

Program Analysis

- The program has generated yearly revenue between \$1,100 and over \$1 million, varying based on the shipment volume in each county.
 - Payments are processed by issuing a cheque made payable to the municipality.
- Levy Awareness
 - Projects that have received funding through the CAP Levy, are encouraged to prominently display signs at the project site or acknowledge in project reports that they have been supported by the CAP Levy
- Verifying Data
 - Include an “Inspection and Production of Records” section in the By-Law
 - A designated officer of the county enters the lands where the pit is for the purpose of inspecting the operation, including any shipments.



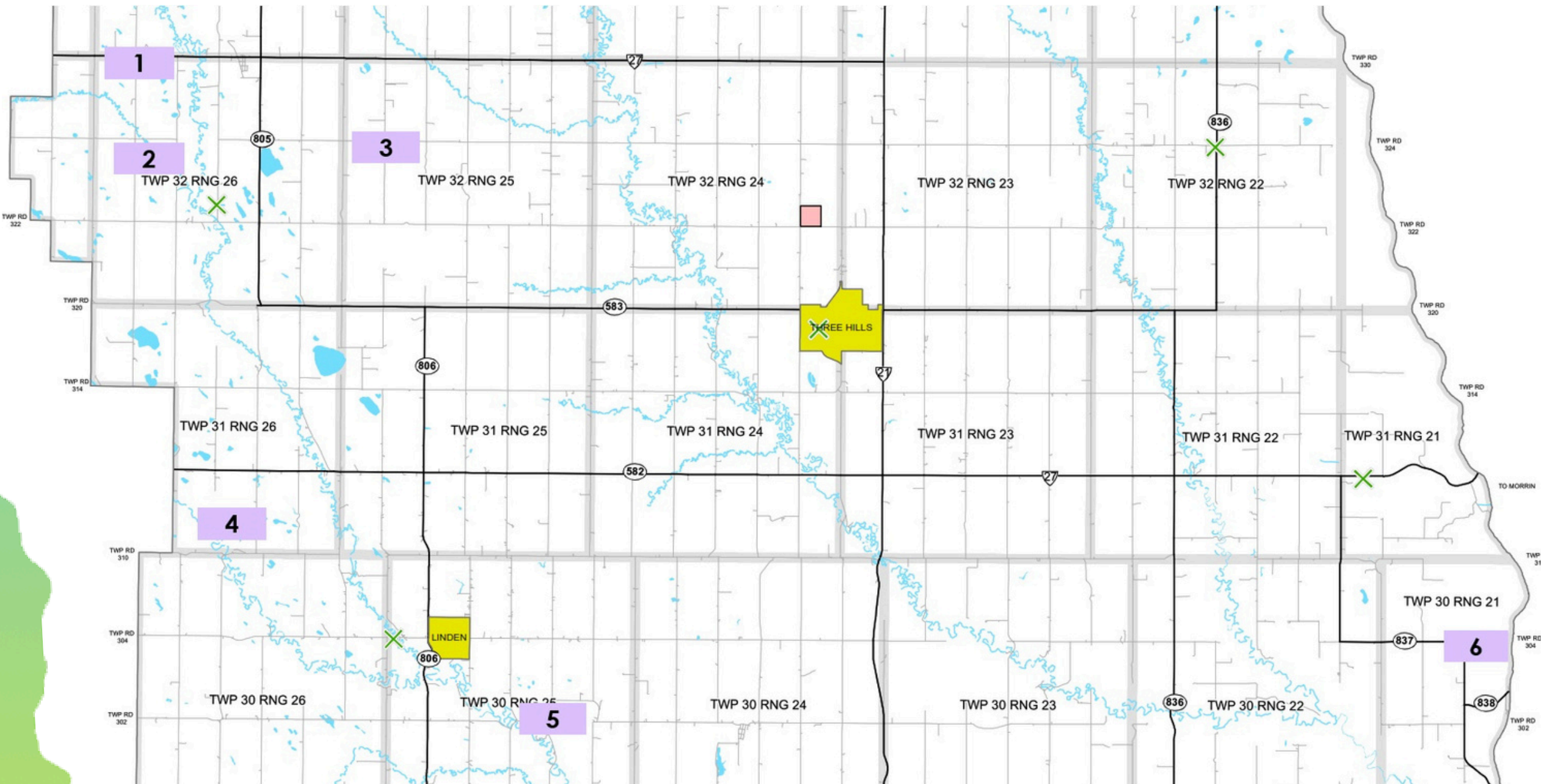
Benefits

- The CAP Levy allows Kneehill County to collect missed revenue from aggregate shipping
- The revenue received from the Levy can be used to fund CAP Levy Projects
 - Examples of Levy Projects include:
 - Maintenance on roads
 - New public facilities
 - Bylaw officer training
- The type of initiatives depends on the amount that is collected.
 - In Sturgeon County, the CAP Levy funds were used to create a water monitoring program with 21 monitoring wells

Challenges

- Finite Resource
 - Gravel is non-renewable; revenue may decrease as supplies dwindle, potentially ending the Levy.
- Public Awareness
 - Limited understanding of how CAP Levy funds are used. Transparency is crucial for maintaining trust.
- Public Discourse Issues
 - Criticism of using Levy funds for general municipal revenues instead of direct community benefits.
 - Calls for targeted use, such as mitigating impacts on landowners or monitoring air/water quality

Kneehill County Perspective



	Type of Privately-Owned Pit	Location	Approved Acres	Current Acres
1	Sand Pit	NW 32-32-26 W4	60.78 ac	20.0 ac +/-
2	Gravel Pit	SE 30-32-26 W4	54.0 ac	23.0 ac +/-
3	Clay Pit	NE 19-32-25 W4	n/a	3.0 ac +/-
4	Gravel Pit	SE 9-31-26 W4	n/a	3.5 ac +/-
5	Sand Pit	2-30-25 W4	n/a	18.18 ac +/-
6	Gravel Pit	NW 21-30-21 W4	22.16 ac	10.0 ac +/-

Questions?