





Subject: **Bylaw #1911, Community Aggregate Payment Levy First Reading**
 Meeting Date: Tuesday, February 11, 2025
 Prepared By: Ushba Khalid, Municipal Intern
 Presented By: Ushba Khalid, Municipal Intern

STRATEGIC PLAN ALIGNMENT: (Check all that apply)

	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input checked="" type="checkbox"/>
High Quality Infrastructure		Economic Resilience		Quality of Life		Effective Leadership		Level of Service	

RELEVANT LEGISLATION:

Provincial- Municipal Government Act, Part 10, Division 7.1, Alberta Regulation 263/2005

Council Bylaw/Policy - N/A

BACKGROUND/PROPOSAL:

November 19, 2024 Committee of the Whole meeting:

Council was introduced to the provincial Community Aggregate Levy regulation and a draft CAP levy bylaw brought forward by the Administration. Currently, Kneehill County does not have a CAP levy in place.

Since the regulation's introduction in 2006, two-thirds of rural municipalities, including all those bordering the County, have implemented a CAP levy. In line with Council's objective to explore new funding and revenue opportunities, this bylaw is being proposed as a potential revenue source. The Sand and Gravel Association strongly supports this levy, recognizing it as an effective tool to promote the industry while also generating revenue to support municipal initiatives, such as road maintenance.

DISCUSSION/OPTIONS/BENEFITS/DISADVANTAGES/OTHER CONSIDERATIONS:

The Community Aggregate Payment Levy applies exclusively to private pit operators of sand, gravel, and pit-run gravel within Kneehill County's boundaries. Currently, five pits—three gravel pits and two sand pits—would be subject to this levy. Exemptions defined by the Regulation include pits owned or leased by the Crown or the municipality. Entities that operate in multiple municipalities would be subject to the levy (or not) based on the location of the pit. Kneehill County would not receive a levy from pits located in other municipalities.

Administration anticipates generating between \$5,000 and \$10,000 annually from the levy, though this estimate is based on limited data regarding private pit gravel and sand processing within the County. In the initial years, all levy payments are proposed to be directed to the gravel reserve. This strategy allows Administration to assess revenue levels and develop an effective utilization plan. While revenue from the levy may fluctuate, it is intended to serve as supplemental funding for reserves or project support, not as the primary funding source. Projects will not be dependent on the levy to move forward.

The administrative costs of this program will be minimal, as existing staff will be utilized. To ensure efficiency, operators will report their aggregate hauling via an honour system. The administrative tasks are divided into one-time and quarterly responsibilities. One-time tasks, such as setting up the Laserfiche



form and assisting operators with setup, will require about 10 hours. The form will require operators to declare the amount of aggregate hauled from their pits, excluding those aggregates that are exempt from the levy. Quarterly tasks will include 2-4 hours of administrative time. With only five eligible pits, Administration anticipates these tasks will not place a significant strain on resources.

Municipalities bordering Kneehill County have already implemented similar levies. As a result, sand, gravel, and pit-run gravel operators are likely already familiar with this levy structure, which should aide in the implementation of the program.

The administration recommends scheduling the full implementation of the levy for 2026 to allow private aggregate operators sufficient time to incorporate reporting structures and clearly understand requirements.

It is proposed that a detailed timeline will be developed, highlighting key milestones such as system testing and integration phases. Additionally, a support framework will be established, with contact information provided to operators for assistance throughout the process. Regular progress updates and check-ins will be conducted to ensure alignment with the 2026 timeline. Given the small number of operators, a brief pilot phase will be implemented to address any technical or operational challenges before the full rollout in 2026.

FINANCIAL & STAFFING IMPLICATIONS:

The financial implications will result in a revenue increase to Kneehill County by way of the CAP Levy funds. Staffing implications are minimal and will be incorporated into existing work plans.

RECOMMENDED ENGAGEMENT:

Directive Decision (Information Sharing, One-Way Communication)

Tools:	Individual Notification	Other:	
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ATTACHMENTS:

- CAP Levy Regulation
- CAP Levy Bylaw - DRAFT

COUNCIL OPTIONS:

1. To approve the First Reading of Bylaw 1911 Community Aggregate Payment Levy.
2. To approve the First and Second Reading of Bylaw 1911 Community Aggregate Payment Levy.
3. To approve all three Readings of Bylaw 1911 Community Aggregate Payment Levy.
4. To defeat any reading of Bylaw 1911 Community Aggregate Payment Levy.
5. Council may request additional information.

RECOMMENDED MOTION:

1. That Council approve First Reading of Bylaw #1911, that being a bylaw to authorize the implementation of a Community Aggregate Payment Levy.
2. That Council approve Second Reading of Bylaw #1911, that being a bylaw to authorize the implementation of a Community Aggregate Payment Levy.
3. That Council grant unanimous consent to proceed with the Third Reading of Bylaw #1911.



4. That Council approve Third Reading of Bylaw #1911, that being a bylaw to authorize the implementation of a Community Aggregate Payment Levy.

FOLLOW-UP ACTIONS:

Staff will provide communication of the approved bylaw and procedure directly to the five affected sand and gravel operations to ensure there is clarity on system integration requirements.

APPROVAL(S):

Mike Haugen, Chief Administrative Officer

Approved-

