



The Municipal District of Willow Creek No. 26 has conducted an analysis of tax rates and assessments in relation to other municipalities in the region.

The residential comparison includes acreages and farm residences. Assessment is based on market value. The non-residential comparison includes, but is not limited to, electric systems, pipelines, oil well sites, gas compressor stations and commercial entities. Assessment for non-residential and farmland is based on regulated rates set out in the Provincial Ministerial Guidelines for Assessment.

As is the case for other municipalities, the MD is experiencing difficulty with the collection of non-residential taxes known as linear. This is a direct result of a downturn in the economy caused by negative impacts on the natural resource sector, including a lack of pipeline capacity, which significantly discounts the price of Canadian oil.

Over the past 10 years, the contributions from the oil and gas industry enabled the MD to maintain some of the lowest taxation levels in southern Alberta. The data shows non-residential growth accounted for an additional \$1.4 million or 25.4% increase in tax revenue over the last decade. The total tax levy for 2018 was \$8.9 million of which non-residential contributed \$5.8 million.

A previously healthy oil and gas sector resulted in lower taxation rates for farmland and residential property. The impact of the downturn in Alberta's resource based economy indicates tax shifts to farmland and residential could become a reality. In the foreseeable future, rural municipalities will continue to see collection of the non-residential side of the tax levy become more difficult.

A recent Alberta Court of Appeal ruling, Northern Sun Rise County v Virginia Hills has dealt another blow to rural municipalities regarding their ability to collect unpaid non-residential taxes. The Court of Appeal ruled, in this regard, municipalities have no more collection power than any other creditor. The authority given to municipalities under the *Municipal Government Act*, Division 9 Sections 437 to 442 to use a distress warrant as a tool to collect unpaid linear taxes, has been profoundly affected by this decision. Only time will tell if Northern Sun Rise County will apply to the Supreme Court to ask for leave to appeal and if so, whether the Supreme Court will grant that leave. A process such as this could take years.

This recent ruling does not bode well for municipalities experiencing higher than normal tax arrears, when compounded by the current state of the Alberta economy.

MD of Willow Creek Historical Tax Rate Comparison

Residential Comparison

Tax Comparison 2008-2018 MD Of Willow Creek No.26						
Year	Assessment Base	Total Levy	Residential Base	Res. Tax Rate	Res Levy	Res %
2009	\$1,145,889,770	\$7,057,790	\$422,129,110	0.0037100	\$1,566,099	22.2%
2010	\$1,185,124,560	\$7,132,526	\$477,946,430	0.0034000	\$1,625,018	22.8%
2011	\$1,278,027,190	\$7,636,310	\$494,401,120	0.0034000	\$1,680,964	22.0%
2012	\$1,389,773,620	\$8,000,547	\$509,842,500	0.0034000	\$1,733,465	21.7%
2013	\$1,408,676,490	\$8,160,927	\$521,939,540	0.0034000	\$1,774,594	21.7%
2014	\$1,429,624,060	\$8,244,085	\$539,796,000	0.0034000	\$1,835,306	22.3%
2015	\$1,455,449,520	\$8,345,897	\$561,649,290	0.0034000	\$1,909,608	22.9%
2016	\$1,549,470,130	\$8,660,153	\$582,251,570	0.0034000	\$1,979,655	22.9%
2017	\$1,507,745,830	\$8,770,453	\$595,755,020	0.0034000	\$2,025,567	23.1%
2018	\$1,504,960,740	\$8,900,233	\$614,276,290	0.0034000	\$2,088,539	23.5%

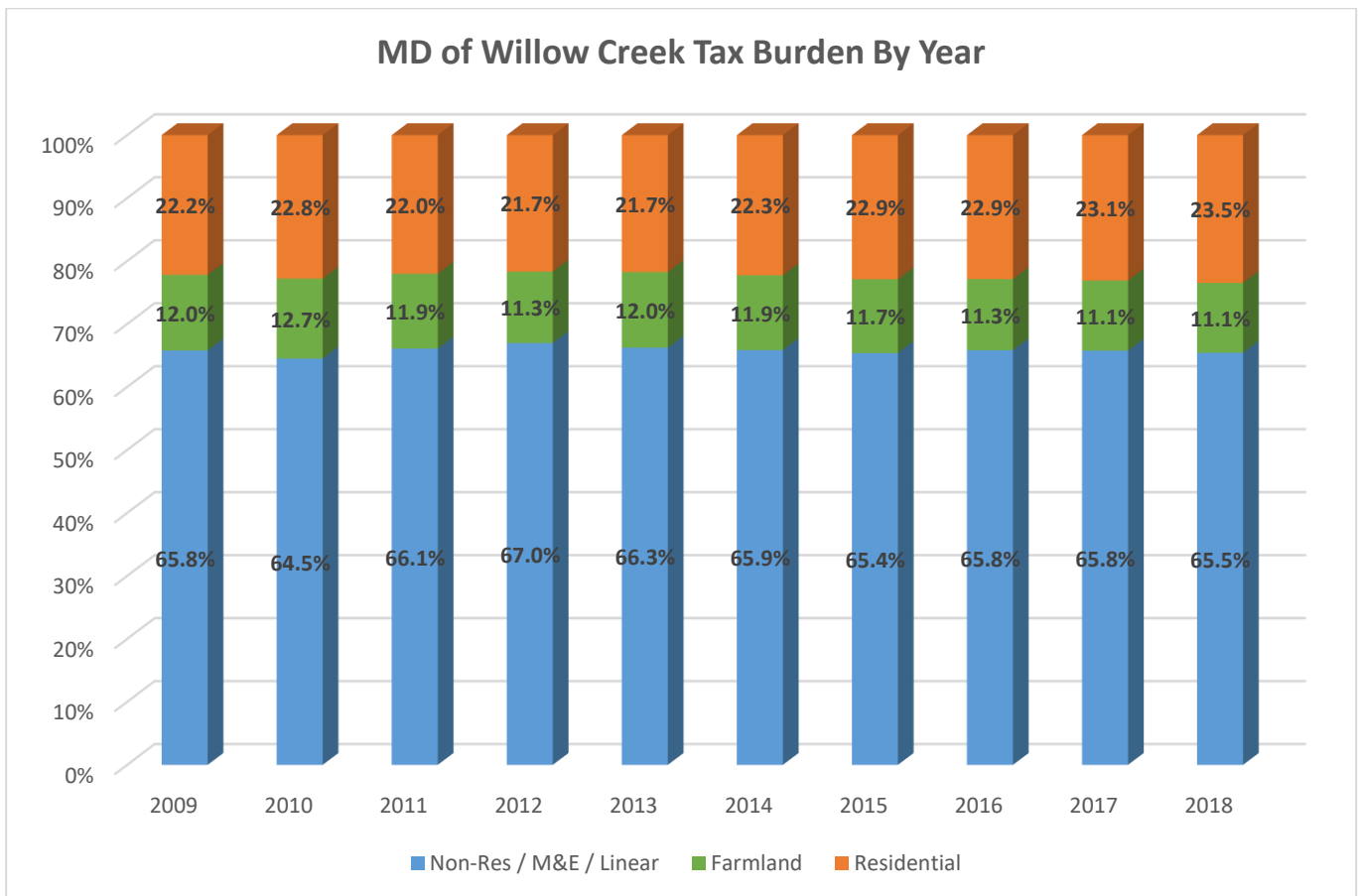
Non-Res / M&E / Linear Comparison

Tax Comparison 2008-2018 MD Of Willow Creek No.26						
Year	Assessment Base	Total Levy	Non-Res. Base	Non-Res Tax Rate	Non-Res Levy	Non-Res %
2009	\$1,145,889,770	\$7,057,790	\$583,068,950	0.0079660	\$4,644,727	65.8%
2010	\$1,185,124,560	\$7,132,526	\$565,745,510	0.0081350	\$4,602,340	64.5%
2011	\$1,278,027,190	\$7,636,310	\$641,733,660	0.0078650	\$5,047,235	66.1%
2012	\$1,389,773,620	\$8,000,547	\$738,122,840	0.0072610	\$5,359,510	67.0%
2013	\$1,408,676,490	\$8,160,927	\$744,715,260	0.0072610	\$5,407,378	66.3%
2014	\$1,429,624,060	\$8,244,085	\$747,808,980	0.0072610	\$5,429,841	65.9%
2015	\$1,455,449,520	\$8,345,897	\$751,752,200	0.0072600	\$5,457,721	65.4%
2016	\$1,549,470,130	\$8,660,153	\$825,178,160	0.0069100	\$5,701,981	65.8%
2017	\$1,507,745,830	\$8,770,453	\$770,301,650	0.0074890	\$5,768,789	65.8%
2018	\$1,504,960,740	\$8,900,233	\$747,531,210	0.0077930	\$5,825,511	65.5%

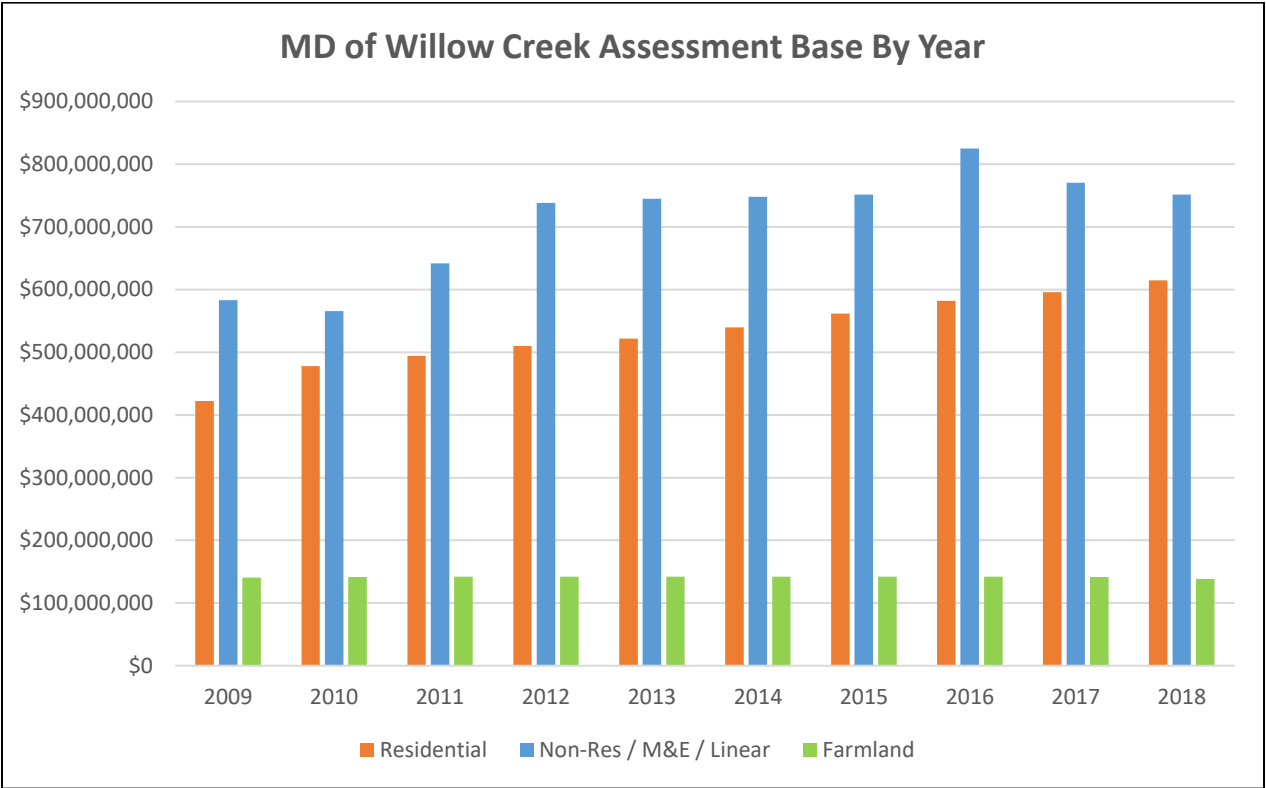
Farmland Comparison

Tax Comparison 2008-2018 MD Of Willow Creek No.26						
Year	Assessment Base	Total Levy	Farmland Base	Farmland Tax Rate	Farmland Levy	Farmland %
2009	\$1,145,889,770	\$7,057,790	\$140,691,710	0.0060200	\$846,964	12.0%
2010	\$1,185,124,560	\$7,132,526	\$141,432,620	0.0064000	\$905,169	12.7%
2011	\$1,278,027,190	\$7,636,310	\$141,892,410	0.0064000	\$908,111	11.9%
2012	\$1,389,773,620	\$8,000,547	\$141,808,280	0.0064000	\$907,573	11.3%
2013	\$1,408,676,490	\$8,160,927	\$142,021,690	0.0068930	\$978,956	12.0%
2014	\$1,429,624,060	\$8,244,085	\$142,019,080	0.0068930	\$978,938	11.9%
2015	\$1,455,449,520	\$8,345,897	\$142,048,030	0.0068890	\$978,569	11.7%
2016	\$1,549,470,130	\$8,660,153	\$142,040,400	0.0068890	\$978,516	11.3%
2017	\$1,507,745,830	\$8,770,453	\$141,689,160	0.0068890	\$976,097	11.1%
2018	\$1,504,960,740	\$8,900,233	\$143,153,240	0.0068890	\$986,183	11.1%

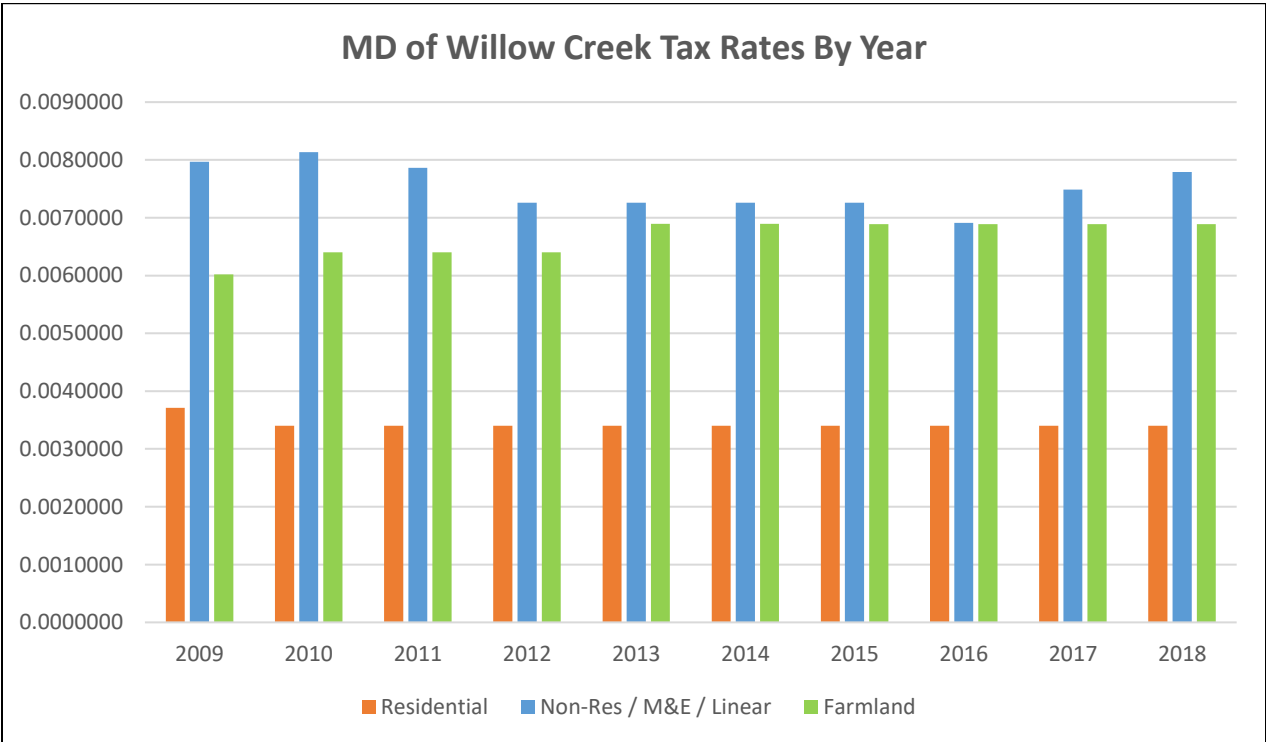
Tax Burden by Year



Assessment Base by Year



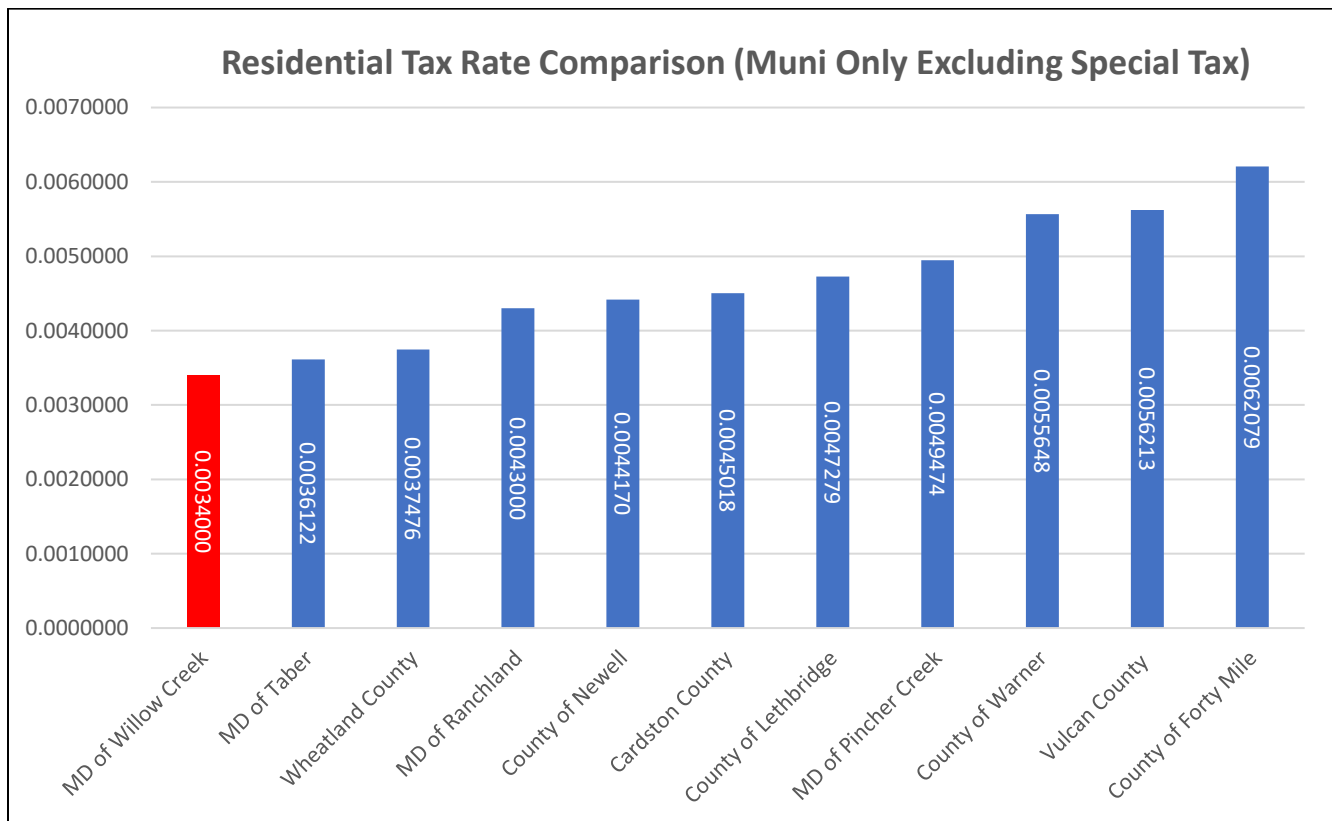
Tax Rates by Year



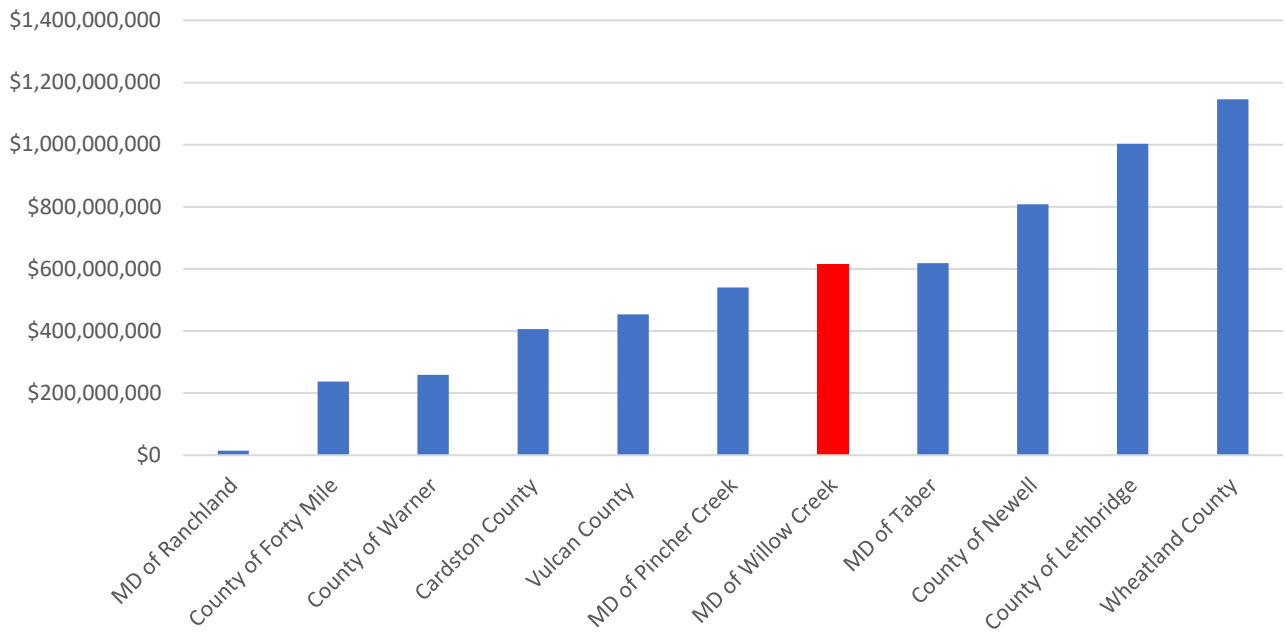
2018 Comparison MD of Willow Creek

Residential Comparison

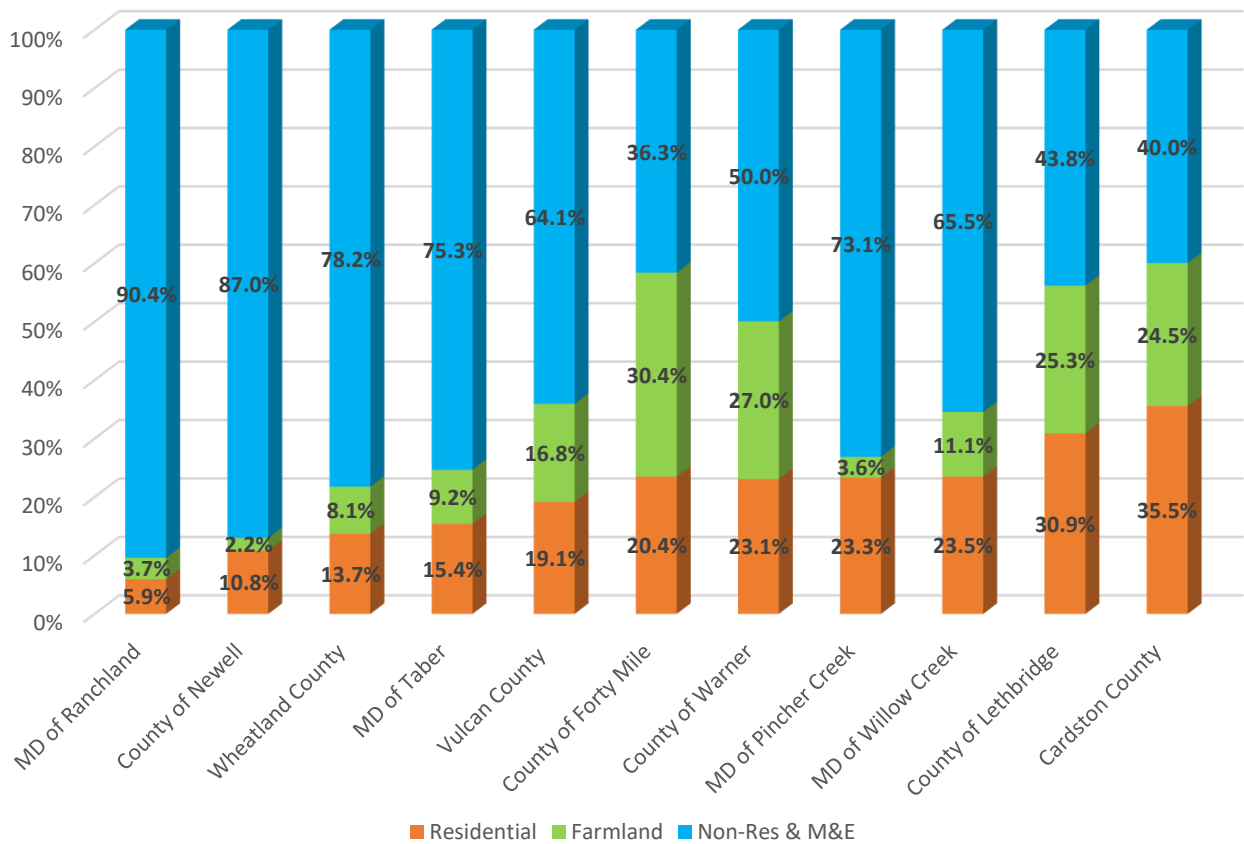
Municipality	Total Assessment Base	Residential Base	Res Tax Rate	Minimum Tax	Special Tax
MD of Willow Creek	\$1,504,960,740	\$614,276,290	0.0034000	\$20.00	N
MD of Taber	\$2,101,921,080	\$618,773,290	0.0036122	N/A	N
Wheatland County	\$4,154,467,390	\$1,145,532,350	0.0037476	\$25.00	N
County of Newell	\$4,235,121,120	\$808,250,150	0.0044170	N/A	N
Cardston County	\$627,034,310	\$406,418,470	0.0045018	\$50.00	N
County of Lethbridge	\$1,890,624,340	\$1,003,184,810	0.0047279	N/A	N
MD of Pincher Creek	\$1,512,559,800	\$540,159,610	0.0049474	\$20.00	N
MD of Ranchland	\$14,668,810	\$14,668,810	0.0043000	N/A	N
County of Warner	\$673,022,010	\$259,227,490	0.0055648	\$25.00	Y
Vulcan County	\$1,551,034,460	\$453,456,430	0.0056213	\$30.00	Y
County of Forty Mile	\$773,862,640	\$237,247,610	0.0062079	N/A	N



Residential Assessment Base Comparison



Tax Burden by Property Class (Residential)

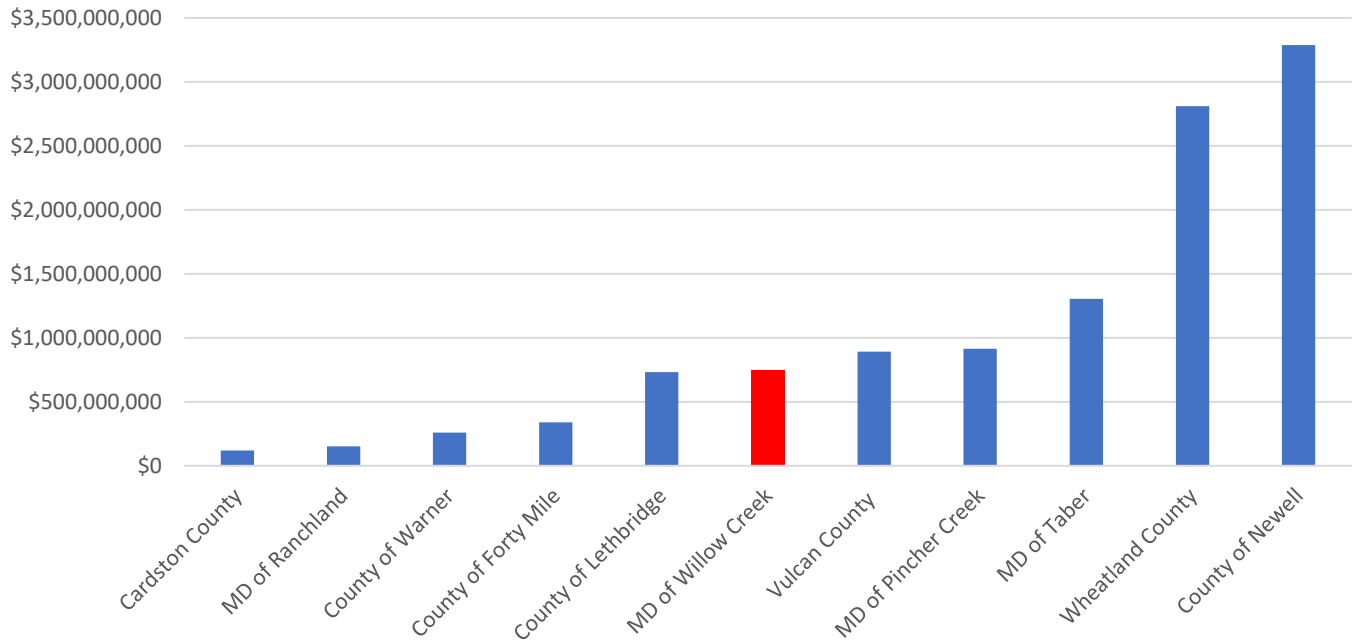


Non-Residential Comparison

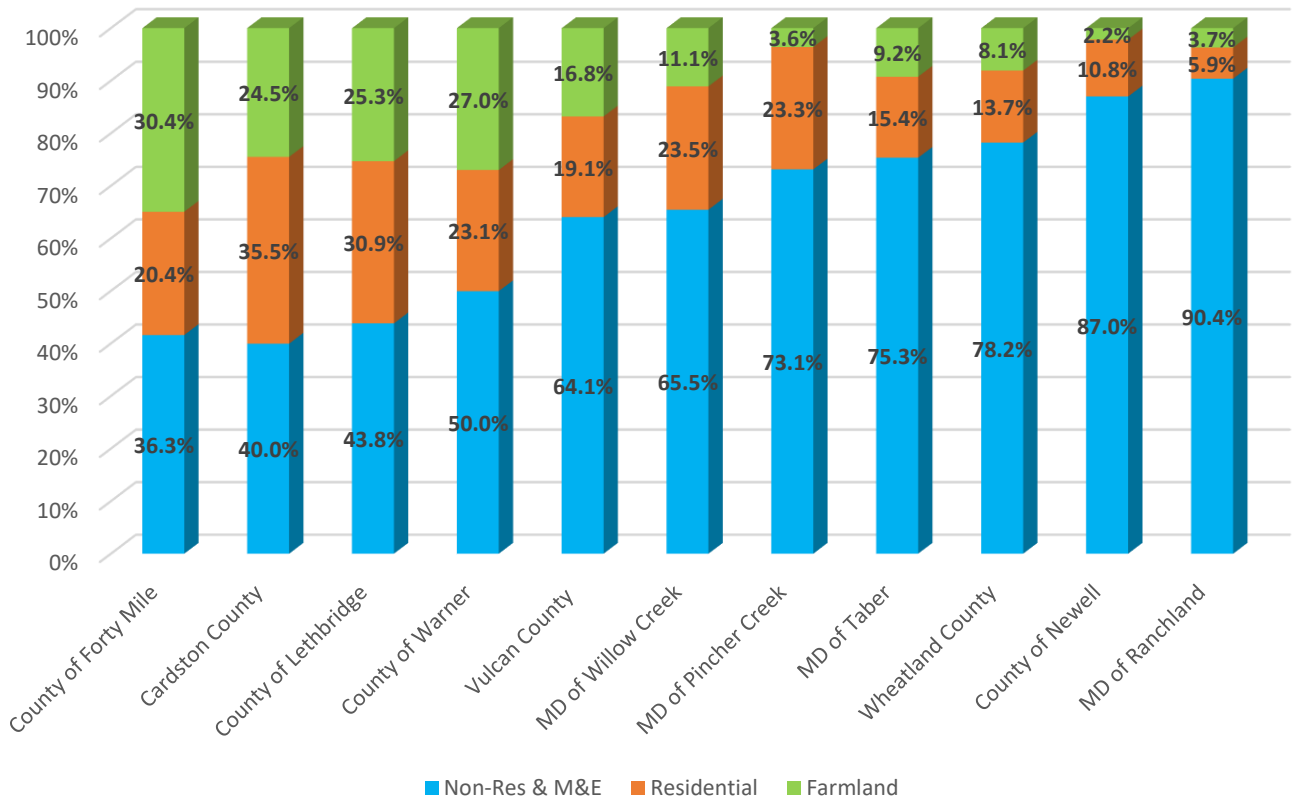
Municipality	Assessment Base	Non-Res Base	Non-Res Tax Rate	Minimum Tax	Special Tax
Cardston County	\$627,034,310	\$119,641,860	0.0172018	\$50.00	N
County of Warner	\$673,022,010	\$258,926,020	0.0120657	\$25.00	Y
County of Forty Mile	\$773,862,640	\$340,040,010	0.0104079	N/A	N
County of Lethbridge	\$1,890,624,340	\$730,741,280	0.0092213	N/A	N
MD of Willow Creek	\$1,504,960,740	\$747,531,210	0.0077930	\$20.00	N
Vulcan County	\$1,551,034,460	\$892,739,620	0.0095513	\$30.00	Y
MD of Pincher Creek	\$1,512,559,800	\$913,611,490	0.0091833	\$20.00	N
MD of Ranchland	\$152,599,540	\$152,599,540	0.0063000	N/A	N
MD of Taber	\$2,101,921,080	\$1,303,839,710	0.0083790	N/A	N
Wheatland County	\$4,154,467,390	\$2,809,868,550	0.0087282	\$25.00	N
County of Newell	\$4,235,121,120	\$3,288,207,250	0.0087305	N/A	N



Non-Res Assessment Base Comparison

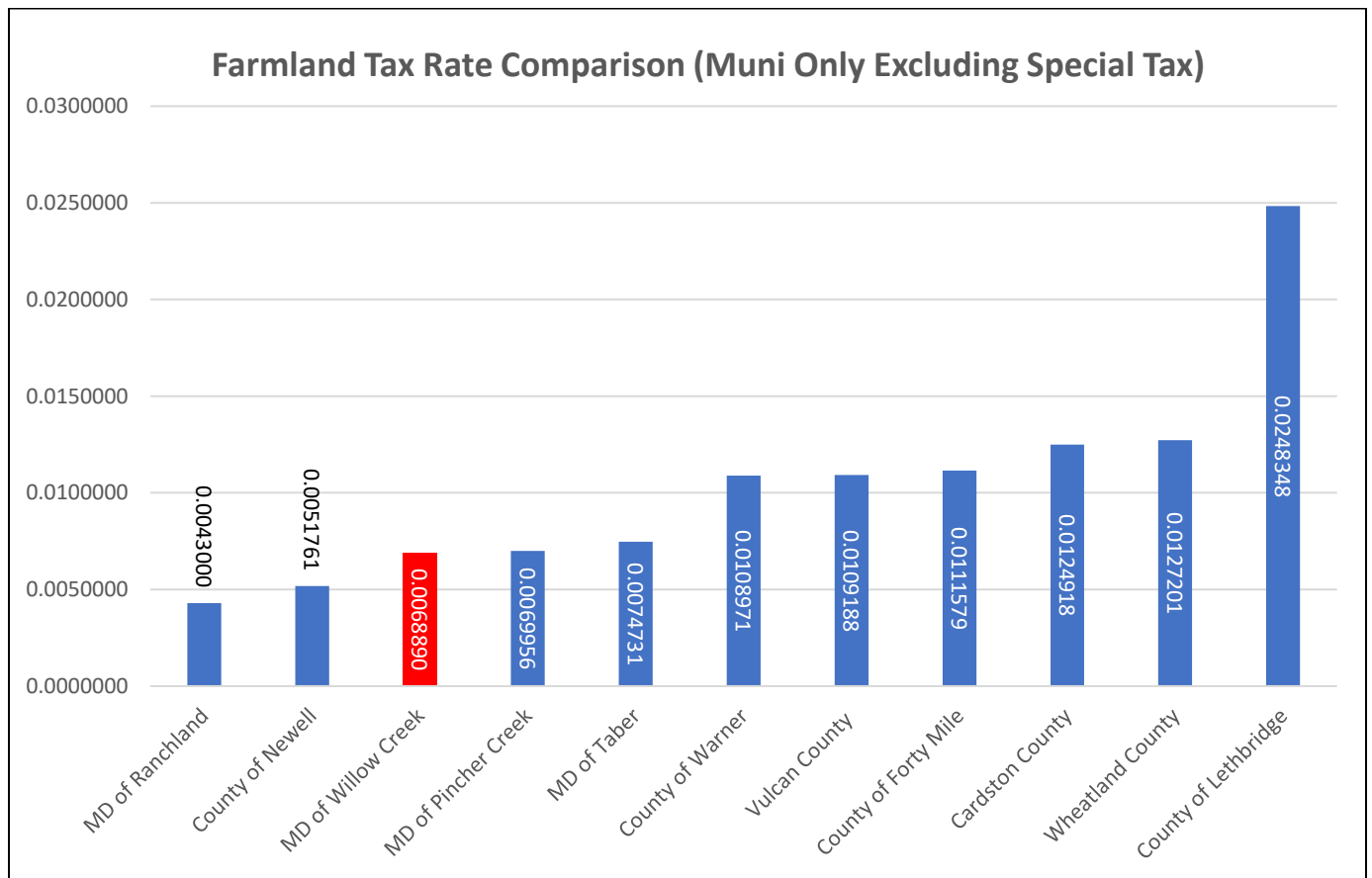


Tax Burden by Property Class (Non-Res / M&E / Linear)

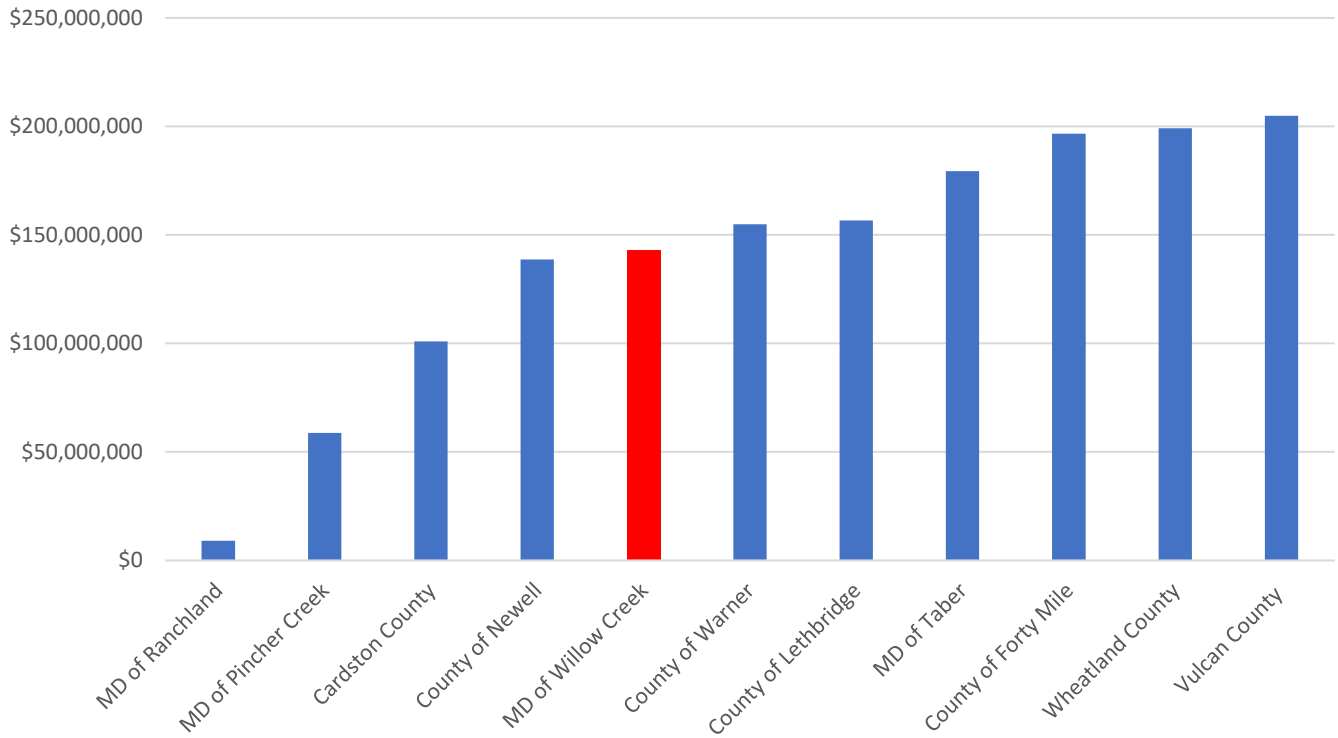


Farmland Comparison

Municipality	Assessment Base	Farmland Base	Farmland Tax Rate	Minimum Tax	Special Tax
MD of Ranchland	\$176,362,650	\$9,094,300	0.0043000	N/A	N
County of Newell	\$4,235,121,120	\$138,663,720	0.0051761	N/A	N
MD of Willow Creek	\$1,504,960,740	\$143,153,240	0.0068890	\$20.00	N
MD of Pincher Creek	\$1,512,559,800	\$58,788,700	0.0069956	\$20.00	N
MD of Taber	\$2,101,921,080	\$179,308,080	0.0074731	N/A	N
County of Warner	\$673,022,010	\$154,868,500	0.0108971	\$25.00	Y
Vulcan County	\$1,551,034,460	\$204,838,410	0.0109188	\$30.00	Y
County of Forty Mile	\$773,862,640	\$196,575,020	0.0111579	N/A	N
Cardston County	\$627,034,310	\$100,973,980	0.0124918	\$50.00	N
Wheatland County	\$4,154,467,390	\$199,066,490	0.0127201	\$25.00	N
County of Lethbridge	\$1,890,624,340	\$156,698,250	0.0248348	N/A	N



Farmland Assessment Base Comparison



Tax Burden by Property Class

