

Oil and gas linear property

complaint process

Introduction

All parties affected by linear assessments have experienced difficulties with the complaint process. A large increase in the volume of oil and gas linear property assessment complaints, the increased complexity of cases and a number of court challenges in 1999 and 2000, have led to problems in processing complaints in an efficient and timely fashion.

As a result, in Red Deer on May 2, 2001, the Municipal Government Board sponsored a workshop on the oil and gas linear property complaint process for the parties who appear before the Board.

The purpose of the workshop was to receive input from stakeholders on suggestions to improve the process for 2001. The objective was to assist the Board in developing a more effective, efficient, and timely process for oil and gas linear property complaints.

In attendance were 22 delegates from a cross section of parties who appear before the Board on these matters. Delegates consisted of representatives from large and small oil and gas companies, tax consultants for municipalities, a representative from each of the rural and urban municipal associations, and representatives of the Canadian Property Tax Association, the Canadian Association of Petroleum Producers, and the Assessment Services Branch of Alberta Municipal Affairs.

Background

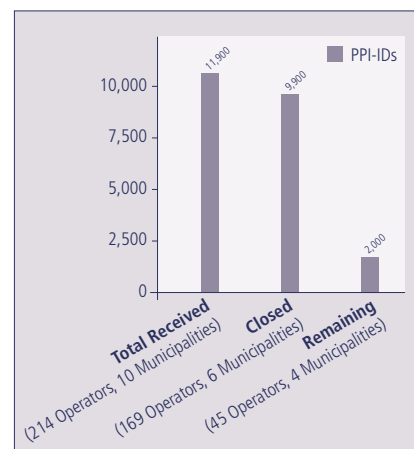
The Board outlined the following key historical facts as the setting for the workshop.

- ◆ Prior to 1998 the number of linear complaints was usually less than 6,000 Permanent Property Inventory - Identifiers (PPI-IDs) with fewer than 50 cases going to a full hearing. Nearly all the issues raised on the complaints related to inventory corrections and nearly all the corrections were made between the parties prior to a hearing being required.

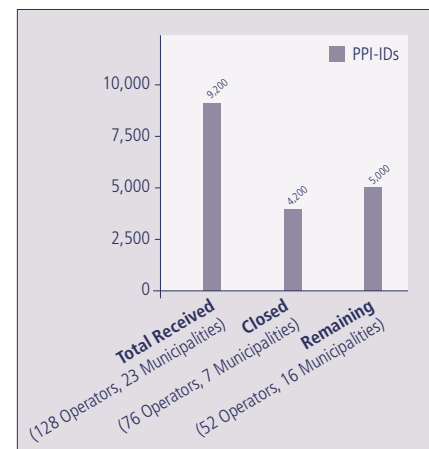
- ◆ During 1999 and 2000 the number of linear complaints increased to over 10,000 PPI-IDs. The nature of the complaints changed and now included significant jurisdictional and legal issues. However, in the large majority of cases very few complaints proceeded to a full Board hearing.
- ◆ Many of the complaints involved significant legal issues resulting in challenges in the courts which delayed any action by the Municipal Government Board.

The following charts outline the historical case load, the nature of who is filing complaints, and the proportion of complaints going to a hearing.

1998/1999 linear complaints



1999/2000 linear complaints



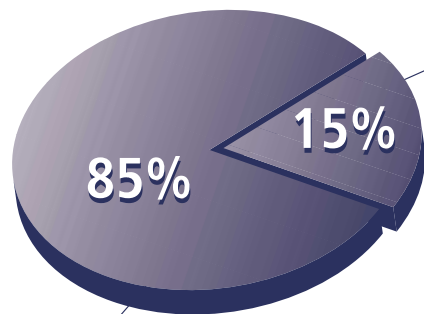
Our electronic contact addresses

Website: www.gov.ab.ca/ma/MGB
 Email: mgbmail@gov.ab.ca

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Who files linear complaints?

(Based on the 2000 linear tax year)



Linear Property Operators (128)

As can be seen from the statistics (see charts), the volume of linear complaints coming to the Board in the first instance can be very large. The high number of complaints resolved without a hearing requires careful management by the Board and a commitment by the parties to complete discussions that result in either a withdrawal or a recommendation in a timely fashion. The remaining complaints, those requiring a hearing, need to be identified very early in the process to ensure that: 1) there is full disclosure of the arguments prior to the hearing; 2) there is the ability to set a timely hearing; and 3) there is a reasonable amount of time for the Board to make its decision.

Input received

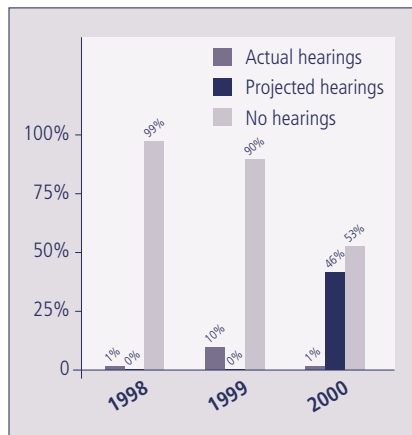
During the workshop delegates were challenged to view the problem of processing linear property complaints from the perspective of a property operator, the linear assessor, the municipality, and the Board. Many constructive suggestions were presented, including the following:

- ◆ Simple clear instructions are needed to file a complaint.
- ◆ The more information provided by the complainant, the easier it is for the respondent linear assessor to make corrections without requiring a hearing before the Board.
- ◆ Early filing of complaints helps reduce the peak workload.
- ◆ Clear classification of the complaints into inventory matters and legal or jurisdictional matters early in the process will help.

Municipalities (23)

Linear case history

(Percentage of complaints requiring a hearing)



- ◆ The complaint process must recognize the limited resources of all parties.
- ◆ All parties filing a complaint must be treated in the same fashion.
- ◆ A copy of the complaint must be given immediately to the linear assessor.
- ◆ Legal and jurisdictional issues must be raised early in the complaint process.
- ◆ There is a need for a good source of geographic boundaries for municipalities.
- ◆ An electronic system for filing complaints would significantly improve the efficient and timely processing of complaints.
- ◆ Any communication from the Board must be clear and understandable.
- ◆ Withdrawals and recommendations must be made well ahead of a scheduled hearing to avoid wasted hearing time.
- ◆ All parties must be committed to more timely resolution of the complaints.
- ◆ The AEUB data may or may not simplify the linear complaint process.
- ◆ The Board should develop a variety of processing methods.

Board actions

The Board is committed to improving the efficient, timely, and effective processing of oil and gas complaints and has committed itself to the following short term actions:

1. Revisions to Board correspondence.
2. Copying of complaint to linear assessor within 5 business days.
3. Development of draft instructions for filing of complaints.
4. Development of new oil and gas linear complaint forms.
5. Piloting of separate processes for different categories of complaints including advanced case management for complex complaints and the development of a holding zone for inventory correction type complaints.
6. Development of specific timelines for all parties.
7. Annual meeting with the parties to review the complaint process.
8. Preparation of a periodic newsletter updating parties on the linear complaint process.

In the longer term the Board will pursue the technology for electronic filing of complaints by all parties and the electronic exchange of data with the linear assessor. As well, the Board will hold annual meetings with the parties to continue to seek improvements to the complaint process.

New complaint form

Attached to this newsletter are copies of the new oil and gas complaint forms (Oil & Gas Form and Municipal Oil & Gas Form), which are optional for use with the 2001 complaints. Copies of the forms are also available on the Board's website at www.gov.ab.ca/ma/MGB. The form is available in a Microsoft Word format with pull down menus for ease of use. The complaint can be submitted by email to mgbmail@gov.ab.ca or a computer disk will also be accepted.

Parties are encouraged to submit their complaints in this form. However, for the 2001 year the Board will accept the old form as the new one was introduced at such a late date.

Thank you

The Board wishes to thank all parties for their constructive input and looks forward to an improved complaint process for 2001 and future years.