

March 8, 2017

Promises to "Top Off" Compensation

The Farmers' Advocate Office (FAO) is hearing concerns from landowners about a negotiation practice that sometimes occurs on utility projects, transmission lines, and pipelines.

"One of the frustrations we've been hearing from landowners is that some have been given the impression that the company will come back and 'top off' compensation if another landowner along the same route negotiates at a higher rate," says Jeana Schuurman, rural engagement and communications specialist, FAO. "In fact, this may just simply be a tactic used by the company to avoid delays in securing the agreements."

The company is under no legislative obligation to come back and "top off" compensation if a higher rate is negotiated by another landowner along the proposed route, says Schuurman. "Each contract is valid from the day it is signed. Some companies may come back and renegotiate, but this is a voluntary action based on company integrity and business practices."

Under the *Surface Rights Act*, a landowner has the right to a good faith negotiation on the five-year anniversary of the contract. "However, there's typically no annual compensation for pipelines, so the land value assigned for the taking of the land is final unless the company voluntarily comes back to renegotiate."

Land agents are accountable to the Standard of Conduct under the *Land Agents Licensing Act*, which requires them to act in a manner that is professional and above reproach. "The legislation also provides for some controls on the negotiation process to ensure a landowner is treated fairly and has adequate time to review the proposal," says Schuurman. "If a landowner feels they have been treated unfairly by a land agent, they can file a complaint with the Registrar of Land Agents with the Ministry of Labour."

For more information, contact the FAO through the Ag Info Centre at 310-FARM (3276) or via e-mail at farmers.advocate@gov.ab.ca.