

Advisory Aspects

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Advisory Aspects is a quarterly publication of The Assessment Services Branch of Alberta Municipal Affairs.

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Ownership of Assessment Data

Concerns have been raised regarding the ownership of assessment data in situations where municipalities contract the services of private assessors.

Municipalities are responsible for ensuring assessments are prepared annually for all properties within their boundaries. The 'assessor' as defined in the *Municipal Government Act* (MGA) is responsible for preparing the assessments. The assessor is a designated officer of the municipality and is accountable to the chief administrative officer of the municipality. In accordance with the MGA and the *Matters Relating to Assessment and Taxation Regulation* (AR 289/99), the assessor

has a statutory responsibility to retain the information that is collected in the preparation of an assessment.

Information collected, held, and used by the designated officer (assessor) is done on behalf of the municipality.

Therefore, all information collected, held, and used by a private contract assessor is the property of the municipality.

Under sections 299 to 301 of the MGA, a municipality is obligated to provide certain information that may be requested by a taxpayer. If the municipality is not able to provide the information when a request is made in accordance with the legislation, the municipality may be in contravention of the legislation.

Therefore, it is necessary for the municipality to possess and retain control over this information. This includes information collected by the assessor in the performance of the assessor's duties.

Even though the MGA provides that assessment information is the property of the municipality, it is important that municipal contracts with private assessors are consistent with the act and clearly state that information collected, held, and used in the preparation of property assessments is the property of the municipality.

If you need further assistance, please contact Karen Wronko of the Assessment Services Branch at (780) 422-1377.

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ASSET - Assessment Services Shared Environment

Assessment services in Alberta will receive an \$8 million facelift over the next two years.

Last fall, Alberta Municipal Affairs (AMA) received funding to develop a computer-based program that will enhance the delivery of assessment services in the province. The Assessment Shared Services

Environment (**ASSET**), will address a number of concerns that were identified by stakeholders to a panel appointed by the Minister of Municipal Affairs to review the equalized assessment system in Alberta.

AMA is working with stakeholders to implement **ASSET**. The **ASSET** program will become available to the assessment community in stages, and the department anticipates that it will be fully operational by 2003.

"**ASSET** extends the evolution of property assessment in Alberta in partnership with the assessment stakeholders," says John Scott, coordinator with the Assessment Services Branch (ASB).

Through a secure internet-based environment, **ASSET** will coordinate

the systems, tools, processes, data, and people who work within the property assessment system in Alberta.

"It is important to note that **ASSET** will enhance the existing municipal CAMA and tax roll systems," John says. "It is not intended to replace them."

What will be new?

The **ASSET** program will enhance the assessment process for municipalities and AMA by:

- providing the opportunity for cost-efficient data sharing among municipalities;
- generating more accurate property assessments (by enabling the expansion of sale sample sizes from neighbouring or similar municipalities, and through the use of regional stratification and modelling);
- providing the opportunity for more assessment procedure audits;
- increasing public confidence in the assessment process in general, resulting in fewer complaints to all levels of government;
- improving stakeholder trust and confidence in the equalized assessment process, leading to fewer equalized assessment appeals;

- providing information for trending and forecasting market growth and new development at the local and provincial levels;

- automating the municipal reporting and updating processes;

- providing audit tools for municipalities to perform a quality-control review of their assessment roll; and

- providing the ability to use current-year data in the calculation of the annual education tax requisition.

The data collected by **ASSET** will be solely for the benefit and use of the assessment stakeholder community.

"This program is being created to help assessors in the valuation process by providing better access to property-related data. It also allows assessment stakeholders to examine the assessment process and gain a better understanding of it."

AMA has partnered with the Alberta Urban Municipalities Association and Alberta Association of Municipal Districts and Counties to implement this program.

If you would like further information on **ASSET**, please contact John Scott at (780) 422-1377.

...a computer system that will provide municipalities with secure internet access to assessment-related information

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Message from the Executive Director

The Assessment Services Branch (ASB) of Alberta Municipal Affairs is working hard to enhance communication with its stakeholders.

This involves a number of initiatives, including the development of a strategic communication plan.

In the meantime, we continue to make presentations at numerous conferences, and attend regular meetings with stakeholder groups such as the Alberta Assessors' Association, Alberta Urban Municipalities Association, Alberta Association of Municipal Districts and Counties, Canadian Property Tax Association and others.

As part of the policy review process, we regularly involve stakeholders through working group meetings to review proposed changes in assessment policies and procedures.

We are also enhancing the look and timeliness of branch publications

such as information bulletins and *Advisory Aspects* and distributing them to a wider audience.

Advisory Aspects is a technical journal produced by the ASB. We believe it is an important tool for improving communication with our colleagues and stakeholders throughout the province of Alberta.

By sharing assessment updates and branch initiatives with a broader audience, the branch hopes to enhance its relationships with stakeholders and provide them with the information they need to do their jobs and identify concerns.

We want to ensure updated information on the assessment process is communicated in a timely manner. This is not always an easy

task given the complexity of some issues and time required to consult with stakeholders in the government decision-making process.

The process of improving communication is one that continually evolves. We believe that stakeholder involvement is essential to this process. *Advisory Aspects* is produced for you, we encourage you to give us your feedback on this publication.

Steve White

Branch Holiday Closures

Over the next few months of 2001, the Assessment Services Branch will be closed for these days:

Heritage Day	August 6
Labour Day	September 3
Thanksgiving	October 8
Remembrance Day	Nov. 12
Christmas	Dec. 24 - 26



Staff Update

Krystyna Czajka joined the Assessment and Property Tax Policy Unit in February. Working in the Regulated Policy area, she is part of the team that is developing assessment policy and rates for regulated industrial property in Alberta. Krystyna was previously employed by the City of Edmonton assessment department.

Richard Westergreen is now working in the Procedural Policy area with Karen Wronko. Richard is part of a team that is developing cost manuals for residential, commercial, and oilfield buildings.

Joanne Fortin joined the Assessment Audit Unit in February. As a junior auditor, Joanne is working with the audit unit to advance her skills and gain a provincial perspective on property assessment. A graduate of the Appraisal and Assessment program at Lakeland College, Joanne worked with Sturgeon County before joining the Assessment Services Branch.

Education Property Tax & Equalized Assessment Unit Highlights

The Education Tax and Equalized Assessment Unit (the Unit) ensures that each municipality's equalized assessment is prepared in accordance with legislation. The unit also prepares the education property tax requisition to reflect an accurate distribution of the tax burden according to legislation and government policy.

Equalized Assessments for 2002

Ministerial Order (L:020/01) has been approved extending the deadline, from April 1 to June 1, 2001, for municipalities to submit the *Municipalities Return* (for Assessment and Valuation for the 2001 tax year).

2001 Education Property Tax Requisition

For 2001, the Unit will administer the \$1.2 billion education property tax requisition in 2001. This requisition will provide about 33 percent of the revenue required for basic education.

The 2001 education requisitions to municipalities are based, by assessment classification, on the *lesser* of the following:

- A 2.5 per cent reduction in the requisition from the previous year;
- An average of the 1999, 2000 and 2001 equalized assessment; or
- A municipality's 2001 equalized assessment.

The province has reduced the uniform provincial education property tax rates to 5.62 mills for residential properties and farms, and 8.25 mills for non-residential properties. This is a drop from the 2000 rates of 6.77 and 9.94 respectively.

To contact Unit staff, call our information line at 422-7125

provincial, industry and professional assessor representatives.

The SPAG is used primarily in assessing manufacturing and processing facilities of a complex nature. These properties include petrochemical, forestry, grain handling, cement, electric power generation, oil sands excavation, oil and gas production, and telecommunications facilities. The SPAG is also used by Alberta Municipal Affairs in developing regulated rates for the linear property and machinery and equipment assessment manuals.

The current guide was developed under former legislation in the early 1980s. Alberta Municipal Affairs has worked with a consultant to prepare a revised draft to bring the guide up-to-date with current appraisal practices and current assessment legislation in the Municipal Government Act.

"We are looking at this new draft as a strawman, or a starting point for discussion purposes," says Steve White, Executive Director of the Assessment Services Branch. "At this point, it doesn't necessarily represent the position of the department. We want to hear the comments and issues of the working group."

The working group sessions will give stakeholder representatives the opportunity to bring issues to the

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Working Group Reviews Special Property Assessment Guide

The Special Property Assessment Guide (SPAG) is under review by a working group of municipal,



Assessment and Property Tax Policy Unit Highlights

As with the rest of the Assessment Services Branch, the Assessment and Property Tax Policy Unit (APTP) has been busy since the last *Advisory Aspects* was issued.

Unit highlights in the last quarter include:

- Coordinated the delivery of the new Assessment Principles 320 course at Lakeland College;
- Began the review of the Special Property Assessment Guide (SPAG) with interested stakeholders and government officials;
- Began the review of woodlot assessment with an eye to assessing them as a distinct agricultural class;
- Training to several hundred assessment review board members is underway in locations throughout the province;
- Supported and co-sponsored the multiple regression analysis course

that was held in conjunction with the Alberta Assessors' Association's convention;

- Conducted a review of the *Market Value and Mass Appraisal for Property Assessment in Alberta*, handbook as a workshop at the Assessors' Association's convention;
- Reviewing the definitions for all regulated industrial property;
- Reviewing and updating the replacement cost manuals for regulated industrial property;
- Rewriting policy surrounding the Well Drilling Equipment Tax;
- Began the process of reviewing the 1984 and 1994 *Alberta Residential Cost Manual*; and
- Continued to provide advisory services to the public, municipalities and assessment professionals of Alberta.

Members of the unit have been involved in a wide variety of external committees

and workshops. They represented the unit at the Alberta Assessors' Association, the International Association of Assessing Officers, the Alberta Urban Municipalities Association, the Alberta Association of Municipal Districts and Counties, and the Canadian Association of Petroleum Producers.

In addition to this work externally, the unit was pleased to welcome a delegation of assessment professionals from Heilongjiang, China to Edmonton. Following on their heels, there will be a group of dignitaries from Ukraine visiting the unit in June.

In short, the APTP Unit of Alberta Municipal Affairs is looking to the future. The goal of unit staff is to anticipate the assessment policy needs of Albertans so that they can continue to be provided with a fair and equitable assessment and property taxation system.

Larry Collins, Director

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table – as well as possible solutions and ideas that can be considered by the group collectively.

The revised guide, when complete, will help companies provide the information that assessors use to place a value on complex industrial

properties for assessment purposes. The guide will also be an important reference for assessors across the province.

The review of SPAG is part of a wider review of industrial property assessment in Alberta. The Assessment Services Branch has been working with

stakeholders to update methods of depreciation, rates and formulas in the Minister's Guidelines and assessment manuals, and rules for assessability.

The first working group meeting on SPAG was held in April. Other meetings are scheduled for May and June.

Members of the unit have been involved in a wide variety of external committees and workshops

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GST on New Homes

The Assessment Services Branch is trying to determine what assessors are doing with regards to the GST which is paid on new homes in relation to sales verification. The Branch staff would appreciate any comments that assessors could offer on this subject. Please email your comments to the ASB at lgs@gov.ab.ca. Please put 'GST response' in the message's subject line.

Calgary Assessment Audit Office Profile

The Calgary Assessment Audit office is a keystone to the audit program in south-central Alberta. Comprising a select team of dynamic, experienced professionals, the office staff are dedicated to providing assessment practitioners with timely service and advice. We are available in our Calgary office, so you can be assured of an immediate response to any questions or concerns you may have.

Our staff have made a serious commitment to staying current on issues that affect our clients in what has become a rapidly changing profession. We strive to keep our clients on the cutting edge of technology and industry standards so they can position themselves to embrace the future.

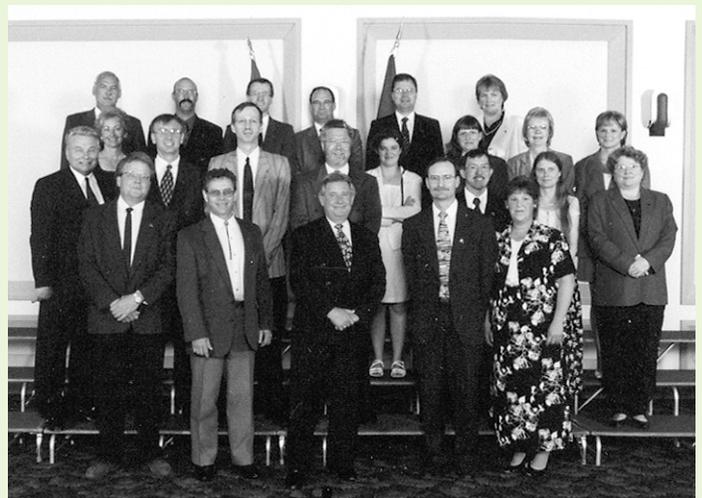
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Calgary, Alberta T2H 2K6
Fax: (403) 297-6139



Staff of the Calgary Assessment Audit office. Seen left to right: Sheila, Amy, Mike, Peter

Because we have grown with the assessment profession in Alberta, our real estate professionals have intimate knowledge of each municipality's character, mood, and growth potential. Due to the fact that the majority of our clients are located in the communities we serve, we can readily meet the unique challenges and problems encountered in conducting property assessments. Over the years, Peter Loh, Sheila Young, Amy Pollard, and Mike Lavigueur have gained a wide breadth of assessment experience and training. It is this complementary background that gives the Calgary office an unbeatable combination to carry out the challenging mandate of assisting municipalities and assessors with their property valuation needs.

As part of the provincial assessment audit team, the staff of the Calgary office were proud to share in a Premier's Award of Excellence. The Calgary team takes immense pride in their contribution to the equity of assessments in Alberta.



The proud recipients of a 2000 Premier's Award of Excellence pose for a photo with the Premier, the Hon. Ralph Klein.

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The following Ministerial Orders have been signed since the last issue of *Advisory Aspects*:

MO#	APPLIES TO	REGARDING	DATE SIGNED
L: 255/00	Special Areas	Assessment Review Board Decision Extension to December 31, 2000	November 20, 2000
L: 256/00	Red Deer County	Assessment Review Board Decision Extension to November 3, 2000	October 18, 2000
L: 257/00	City of Edmonton	2000 Equalized Assessment Adjustment	October 16, 2000
L: 260/00	Municipal Government Board	Decision Extension to December 31, 2000	October 26, 2000
L: 264/00	City of Edmonton	Municipal Government Board Decision Extension to December 31, 2000 - 1999 Equalized Appeal	November 17, 2000
L: 267/00	MD of East Peace No. 131	Assessment Review Board Decision Extension to January 31, 2001	November 21, 2000
L: 268/00	Woodlands County	Assessment Review Board Decision Extension to January 31, 2001	November 21, 2000
L: 270/00	MD of Rocky View No. 44	Assessment Roll Extension to March 31, 2001	November 21, 2000
L: 272/00	City of Calgary	Qualifications of Assessor Equivalency	December 12, 2000
L: 273/00	Town of Cochrane	Qualifications of Assessor Equivalency	December 5, 2000
L: 274/00	Leduc County	Assessment Roll Extension to April 30, 2001	December 12, 2000
L:014/01	Linear Property Assessment	Operators - Reporting and Assessment Information Extension to February 28, 2001 Municipalities - Update Assessment Roll Extension to April 15, 2001 (Linear Property Only)	February 26, 2001
L:019/01	Linear Property Assessment	Applies to linear assessments appealed to the Municipal Government Board for Tax Years 1999 and 2000: Assessor – Amend and Send Assessment Notices Extension to May 15, 2001 Operators – Reporting Extension to May 15, 2001 Municipalities – Amend Assessment and Tax Rolls, Send Amended Tax Notices Extension to June 15, 2001	March 6, 2001
L:020/01	All Municipalities	Submitting Equalized Assessment Information Extension to June 1, 2001	March 15, 2001
L:021/01	2001 Equalized Assessment	Deem Electric Power Systems that were previously considered Machinery and Equipment as Linear Property	March 15, 2001

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MO#	APPLIES TO	REGARDING	DATE SIGNED
L:023/01	2000 Minister's Guidelines	Amendment to Cover Page, Pages 1 and 27 of Appendix II	March 14, 2001
L:024/01	Municipal Government Act	2001 Equalized Adjustment	March 14, 2001
L:025/01	Linear Property Assessment	Linear Assessment Cost Recovery	March 14, 2001
L:026/01	Town of High River	Assessment Roll Extension to April 20, 2001; Qualifications of Assessor Equivalency to December 31, 2002	March 15, 2001
L:027/01	ASSET	Establishment of the Assessment Shared Services Environment Project	March 15, 2001
L:028/01	Various Municipalities	Assessment Roll Extension to April 30, 2001 (Village of Rockyford, City of Lethbridge, Lac Ste. Anne County, Sturgeon County, City of Edmonton, City of St. Albert, Mountain View County, City of Airdrie, County of Barrhead, Village of Glenwood, County of Warner, Lakeland County, MD of Bonnyville, Town of Bonnyville, Town of Hussar, Village of Alliance, Village of Milo, Town of Chestermere, County of Grande Prairie)	April 17, 2001
L:039/01	Municipal Government Act	2001 Equalized Adjustment Appendix Replacement	April 17, 2001
L:040/01	Town of Brooks	Assessment Roll Extension to April 30, 2001	April 10, 2001
L:042/01	MD of Wainwright	Assessment Roll Extension to April 20, 2001	April 23, 2001
L:043/01	Village of Lomond	Assessment Roll Extension to April 30, 2001	April 30, 2001
L:044/01	City of Red Deer	Assessment Roll Extension to April 30, 2001	April 30, 2001
L:045/01	City of Grande Prairie	Assessment Roll Extension to March 31, 2001	April 23, 2001
L:046/01	County of Grande Prairie No.1	Assessment Roll Extension to March 31, 2001	April 23, 2001
L:047/01	MD of Provost No. 52	Assessment Roll Extension to March 31, 2001	April 23, 2001
L:048/01	County of Forty Mile No. 8	Assessment Roll Extension to March 31, 2001	April 23, 2001
L:049/01	MD of Ranchland No. 66	Assessment Roll Extension to March 31, 2001	April 23, 2001
L:056/01	Town of Wainwright	Assessment Roll Extension to April 30, 2001	May 6, 2001
L:057/01	Town of Two Hills	Assessment Roll Extension to April 30, 2001	April 30, 2001
L:058/01	Cypress County	Assessment Roll Extension to May 31, 2001	May 8, 2001
L:059/01	Village of Burdett	Assessment Roll Extension to April 30, 2001	April 30, 2001
L:067/01	Village of Hill Spring	Assessment Roll Extension to April 30, 2001	May 2, 2001

