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MINISTER'S GUIDELINES

Last year, Alberta Municipal Affairs developed the Minister's Guidelines to assist assessors in preparing assessments for regulated properties. The guidelines describe the calculation process to determine assessments for farmland, linear property and machinery and equipment.

The department is introducing updated rates for linear property and machinery and equipment. The 1994 base costs are included in the 1998 Alberta Machinery & Equipment Assessment Manual and 1998 Alberta Linear Property Assessment Manual. All linear property continues to be assessed by the department, while most machinery and equipment continues to be assessed by the local assessor. The manuals containing the 1994 rates for linear property and machinery and equipment property are available through the Queen's Printer.

The Standards of Assessment Regulation has been amended to allow municipalities to prepare assessments in 1998 for 1999 taxation using either the 1997 Alberta Machinery & Equipment Assessment Manual or the 1998 Alberta Machinery & Equipment Assessment Manual.

In 1999, all municipalities will be required to prepare assessments for 2000 taxation using the 1998 Alberta Machinery & Equipment Assessment Manual. Assessment Year Modifiers for the (1997 Alberta Machinery & Equipment Assessment Manual Updated) 1983 costs will not be provided in future years.

The base cost component description differs between the 1997 Alberta Machinery & Equipment Assessment Manual Updated and the 1998 Alberta Machinery & Equipment Assessment Manual. Site inspection may be necessary in some instances where variances are found between manuals.

The Assessment Year Modifiers have remained the same and no changes have been made to the farmland rates for 1998. All municipalities will continue to use the 1984 Alberta Assessment Manual for farmland .

In the future, the department is expecting to use current rates implemented on a more timely basis. For example, 1999 rates will be implemented in 2000 or 2001.

A copy of the 1998 Alberta Machinery & Equipment Assessment Manual follows. Additional copies of the 1998 Minister's Guidelines may be obtained through the Alberta Municipal Affairs Internet home page at <http://www.gov.ab.ca/ma/lgs/htm/assinfo.htm>, or by contacting the Assessment Services Branch of Alberta Municipal Affairs at (403) 422-1377.

**MINISTER'S GUIDELINES FOR FARM LAND, LINEAR PROPERTY, AND MACHINERY &
EQUIPMENT ASSESSMENT**

Part 1: General

1 Application

These Guidelines constitute the

- (a) 1998 Alberta Farm Land Assessment Minister's Guidelines;
- (b) 1998 Alberta Linear Property Assessment Minister's Guidelines; and
- (c) 1998 Alberta Machinery and Equipment Minister's Guidelines; and
- (d) are to be used in conjunction with the provisions of
- (e) the 1998 Alberta Farm Land Assessment Manual updated, in the case of land used for farming operations, attached as Appendix I;
- (f) the 1998 Alberta Linear Property Assessment Manual, in the case of linear property in a municipality, attached as Appendix II; and
- (g) the 1998 Alberta Machinery and Equipment Assessment Manual, or the 1997 Alberta Machinery and Equipment Assessment Manual updated, in the case of machinery and equipment in a municipality, attached as Appendix III and Appendix IV, respectively.

2 General Definitions

In these Guidelines,

- (a) "Act" means the Municipal Government Act (SA 1994 cM-26.1);
- (b) "assessment year" has the meaning given to it in the Regulation;
- (c) "Regulation" means the Standards of Assessment Regulation (AR 365/94), as amended.

Part 2: Assessment of land used for farming operations

3 Definitions

In this Part,

- (a) "Agricultural Use Value" means the value of a parcel of land based exclusively on its use for farming operations;
- (b) "Assessment Year Modifier" means the factor which is applied to the value of land used for farming operations in order to determine its value in the year in which assessments are prepared for all property in a municipality;

- (c) "farming operation" has the meaning given to it in the Regulation;
- (d) "field" means a separately valued area within a parcel of land that is used for farming operations.

4 Calculation of agricultural use value

The agricultural use value of land used for farming operations shall be calculated by

- (a) using the agricultural use value base rate table in Schedule A of the 1998 Alberta Farm Land Assessment Manual updated to establish the property's agricultural use value base rate;
- (b) multiplying the agricultural use value base rate by the appropriate Assessment Year Modifier prescribed in Schedule B of the 1998 Alberta Farm Land Assessment Manual updated to determine the agricultural use value base rate per acre for the assessment year;
- (c) multiplying the agricultural use value base rate per acre by a Final Rating Factor prescribed in Schedule C of the 1998 Alberta Farm Land Assessment Manual updated to determine the agricultural use value per acre for the field;
- (d) multiplying the agricultural use value per acre for the field by the number of acres in each field to determine the agricultural use value of the field;
- (e) adding together the agricultural use value for each field to determine the agricultural use value of the parcel; and
- (f) multiplying the agricultural use value of the parcel by the Farm Service Centre Rating factor prescribed in Schedule D of the 1998 Alberta Farm Land Assessment Manual updated.

Part 3: Assessment of linear property in a municipality

5 Definitions

In this Part

- (a) "Assessment Year Modifier" means the factor which is applied to the base cost of linear property in order to determine its replacement cost for the year in which assessments are prepared for all property in a municipality;
- (b) "base cost" means the cost of an improvement, as prescribed in the 1998 Alberta Linear Property Assessment Manual;
- (c) "linear property" has the meaning given to it in the Act;
- (d) "replacement cost" means the typical cost to replace an improvement with a modern unit in new condition.

6 Calculation of assessment

The assessed value of linear property in a municipality, excluding wellsite land, shall be calculated by:

- (a) establishing the base cost as prescribed in Schedule A of the 1998 Alberta Linear Property Assessment Manual;
- (b) multiplying the base cost by the appropriate Assessment Year Modifier prescribed in Schedule B of the 1998 Alberta Linear Property Assessment Manual, to determine the replacement cost in the assessment year;
- (c) multiplying the amount determined in clause (b) by the appropriate depreciation factor prescribed in Schedule C of the 1998 Alberta Linear Property Assessment Manual; and
- (d) if applicable, adjusting the amount determined in clause (c) for additional depreciation as prescribed in Schedule D of the 1998 Alberta Linear Property Assessment Manual.

7 Assessed value of wellsite land

Notwithstanding section 6, the assessed value of wellsite land shall be the amount prescribed described in Schedule E of the 1998 Alberta Linear Property Assessment Manual.

Part 4: Assessment of machinery and equipment in a municipality.**8 Definitions**

In this Part

- (a) "Assessment Year Modifier" means the factor which is applied to the base cost of machinery and equipment in order to determine its replacement cost for the year in which assessments are prepared for all property in a municipality;
- (b) "base cost" means the cost of an improvement, as prescribed in the 1998 Alberta Machinery and Equipment Assessment Manual; or the 1997 Alberta Machinery and Equipment Assessment Manual updated;
- (c) "machinery and equipment" has the meaning given to it in the Regulation;
- (d) "replacement cost" means the typical cost to replace an improvement with a modern unit in new condition.

9 Calculation of assessment

The assessed value of machinery and equipment in a municipality shall be calculated by:

- (a) establishing the base cost as prescribed in Schedule A of the 1998 Alberta Machinery and Equipment Assessment Manual, or the 1997 Alberta Machinery And Equipment Assessment Manual updated;
- (b) multiplying the base cost by the appropriate Assessment Year Modifier prescribed in Schedule B of the 1998 Alberta Machinery and Equipment Assessment Manual, or the 1997 Alberta Machinery and Equipment Assessment Manual updated, to determine the replacement cost in the assessment year;
- (c) multiplying the amount determined in clause (b) by the appropriate depreciation factor prescribed in Schedule C of the 1998 Alberta Machinery and Equipment Assessment Manual; or the 1997 Alberta Machinery and Equipment Assessment Manual updated; and
- (d) if applicable, adjusting the amount determined in clause (c) for additional depreciation as prescribed in Schedule D of the 1998 Alberta Machinery and Equipment Assessment Manual or the 1997 Alberta Machinery and Equipment Assessment Manual updated.

10 Additional adjustment under the Assessable Property Regulation

In addition to the assessment calculation prescribed in section 9, the assessed value of machinery and equipment shall be further adjusted by a factor as prescribed in section 2(2) of the Assessable Property Regulation (AR 367/94).

1998 ALBERTA FARM LAND ASSESSMENT MANUAL

SCHEDULE A
Agricultural Use Value Base Rate
Table 1
 (1991 = 1.000)

	Dry Arable Land	Dry Pasture Land	Irrigated Arable Land
Base Rate	350	350	450

SCHEDULE B
Assessment Year Modifier
Table 2
 (1991 = 1.000)

Assessment Year	Dry Arable Modifier	Dry Pasture Modifier	Irrigated Arable Modifier
1991	1.00	1.00	1.00
1995	1.00	1.00	1.03
1996	1.00	1.00	1.03
1997	1.00	1.00	1.03
1998	1.00	1.00	1.03

SCHEDULE C
Final Rating Factor

The Final Rating Factors are contained in Schedule 7 of the 1984 Alberta Assessment Manual.

SCHEDULE D
Farm Service Centre Rating Factor

The Farm Service Centre Rating factors are contained in Schedule 7 of the 1984 Alberta Assessment Manual.

1997 ALBERTA MACHINERY & EQUIPMENT ASSESSMENT MANUAL - Updated

1.000 SCHEDULE A - BASE COST

The base cost represents the replacement cost of machinery and equipment in 1983.

1.001 MACHINERY AND EQUIPMENT NOT DESCRIBED IN SCHEDULE A

The factors in Table 1 and the formula below shall be used to determine the base cost for machinery and equipment that is not described in Schedule A.

$$\text{Formula: Base Cost} = ac \times cf$$

Where ac = the cost of machinery and equipment in the year it was constructed, as determined by the assessor, and

cf = the cost factor to convert the cost of the machinery and equipment (ac) from the year it was constructed in, to its cost in 1983.

TABLE 1 - COST FACTORS

Year of Construction	Cost Factor	Year of Construction	Cost Factor	Year of Construction	Cost Factor
		1942	7.801	1972	2.757
1913	14.738	1943	7.633	1973	2.587
1914	15.240	1944	7.587	1974	2.286
1915	15.532	1945	7.521	1975	1.901
1916	14.336	1946	6.978	1976	1.668
1917	12.163	1947	6.481	1977	1.529
1918	10.594	1948	6.202	1978	1.393
1919	9.354	1949	6.211	1979	1.226
1920	7.653	1950	6.038	1980	1.097
1921	8.491	1951	5.420	1981	0.969
1922	9.202	1952	5.076	1982	0.903
1923	8.965	1953	4.780	1983	1.000
1924	9.070	1954	4.726	1984	1.050
1925	9.211	1955	4.685	1985	1.013
1926	9.289	1956	4.500	1986	1.013
1927	9.293	1957	4.341	1987	0.982
1928	9.082	1958	4.254	1988	0.971
1929	8.734	1959	4.209	1989	0.925
1930	9.038	1960	4.168	1990	0.879
1931	9.737	1961	4.144	1991	0.839
1932	10.489	1962	4.130	1992	0.819
1933	10.998	1963	4.110	1993	0.802
1934	10.834	1964	3.942	1994	0.785
1935	10.723	1965	3.795	1995	0.767
1936	10.419	1966	3.659	1996	0.757
1937	9.761	1967	3.350	1997	0.737
1938	9.934	1968	3.501	1998	0.704
1939	9.847	1969	3.431	1999	
1940	9.342	1970	3.101	2000	
1941	8.524	1971	2.982		

2.000 SCHEDULE B - ASSESSMENT YEAR MODIFIERS

The following assessment year modifiers are for machinery and equipment described in the Alberta Machinery and Equipment Assessment Manual.

Assessment Year	Assessment Year Modifier
1995	1.31
1996	1.33
1997	1.34
1998	1.42

The assessment year modifier for machinery and equipment that is not described in Schedule A shall be determined in a manner that is fair and equitable with the assessment year modifiers in Schedule B.

3.000 SCHEDULE C - DEPRECIATION

Depreciation factors for machinery and equipment described in the Alberta Machinery and Equipment Assessment Manual is listed in Table 2 - Depreciation Factors. Depreciation for machinery and equipment that is not described in the manual shall be determined in a manner that is fair and equitable with the depreciation factors listed in Table 2.

The anticipated age life for machinery and equipment described in Schedule A is 20 years. The anticipated age life for machinery and equipment located in specific classes of property is listed in Table 1.

"Age " means the chronological age or the effective age, in years.

"Effective age" means the estimated age of machinery and equipment based on its present condition, design features and engineer amenities. Effective age may be less than, equal to, or greater than actual age. Effective age is determined by examining the present condition, design features and engineer amenities of comparable types of machinery and equipment.

TABLE 1 - ANTICIPATED AGE LIFE

CLASS OF PROPERTY	ANTICIPATED AGE LIFE OF M & E
Acid Plant	20 years
Brewery	25 years
Brick Plant	25 years
Cannery	20 years
Chemical Plant	20 years
Cement Plant	20 years
Coal Processing Plant	20 years
Distillery	25 years
Dairy, Creamery	25 years
Enhanced Oil Recovery	15 years
Feed or Flour Mill	25 years
Gas Processing (including sour gas)	20 years
Gas Injection or Compression	20 years
Insulation Plant	20 years
Meat Packing Plant	25 years
Methanol Plant	15 years
Oil Sand Processing Plant	15 years
Oilfield Battery	20 years
Plywood/OSB*/Wallboard Manufacturing Plant	20 years
Pulp Mill	15 years
Pelitizing Plant (Feed)	20 years
Refinery (Metal)	15 years
Refinery (Oil)	20 years
Refinery (Sugar)	20 years
Roofing Plant	20 years
Saw or Stud Mill	20 years
Seed Cleaning Plant	25 years
Soft Drink Plant	20 years
Steel Mill	20 years
Sulphur or Fertilizer Plant	15 years
Tire Plant	15 years
Water Flood	20 years
*OSB - Oriented Strand Board	

TABLE 2 - DEPRECIATION FACTORS

(Expressed as Percentage Remaining)

Anticipated Age Life

Age (Years)	10 Years	15 Years	20 Years	25 Years	30 Years	35 Years
0	75	75	75	75	75	75
1	75	75	75	75	75	75
2	75	75	75	75	75	75
3	73	75	75	75	75	75
4	66	75	75	75	75	75
5	59	71	75	75	75	75
6	53	66	74	75	75	75
7	48	62	70	75	75	75
8	43	58	66	72	75	75
9	40	54	63	69	74	75
10		50	60	67	71	75
11		47	57	64	69	73
12		44	54	61	67	71
13		41	51	59	64	69
14		40	49	57	62	67
15			46	54	60	65
16			44	52	58	63
17			42	50	56	61
18			40	48	54	59
19				46	53	58
20				44	51	56
21				42	49	54
22				41	47	53
23				40	46	51
24					44	50
25					43	48
26					41	47
27					40	46
28						44
29						43
30						42
31						41
32						40

4.000 SCHEDULE D - ADDITIONAL DEPRECIATION

For any depreciation that is not reflected in Schedule C, the assessor may adjust for additional depreciation provided acceptable evidence of such loss in value exists.

REGIONAL SHOPPING CENTRE ALLOCATION OF ASSESSMENT REGULATION

The *Regional Shopping Centre Allocation of Assessment Regulation* is included with this issue of Advisory Aspects.

The purpose of this regulation is to phase-in internal property tax allocation increases or decreases in specific shopping centres. The regulation applies to the 1999 tax year and provides a ten-year transition to allow shopping centre owners and tenants to adjust to market value assessment.

It is important to note that shopping centre owners will continue to receive a single tax notice for each of their shopping centres. How the tax is allocated among tenants will be up to the owner to determine based on their lease conditions.

In this regulation, Alberta Municipal Affairs has tried to find a solution that balances the interests and concerns of all affected parties. If you have any questions regarding this matter, please contact the Assessment Services Branch.

APPENDIX

Municipal Government Act

REGIONAL SHOPPING CENTRE ALLOCATION OF ASSESSMENT REGULATION

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Schedule

Definitions	1	<p>In this Regulation,</p> <p style="margin-left: 20px;">(a) "Act" means the <i>Municipal Government Act</i>;</p> <p style="margin-left: 20px;">(b) "allocation of assessment" means the allocation of the total assessment of a regional shopping centre among the</p>
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- components of the regional shopping centre;
- (c) "anchor tenant" means, with respect to a regional shopping centre listed in Column 2 of the Schedule, the anchor tenants that are listed in Column 3 of the Schedule;
 - (d) "assessed person" means the assessed person of the regional shopping centre;
 - (e) "commercial retail unit" or "CRU" means a retail or service premises in a regional shopping centre, other than the following:
 - (i) anchor tenant premises;
 - (ii) free-standing premises;
 - (iii) office premises;
 - (iv) hotel premises;
 - (v) the exterior common area and interior common area;
 - (f) "component" of a regional shopping centre means the following:
 - (i) each anchor tenant premises;
 - (ii) the aggregate of the CRU premises
 - (iii) each free-standing premises;
 - (iv) the aggregate interior common area;
 - (v) the aggregate exterior common area;
 - (vi) each premises that is not included in any of subclauses (i) to (v) including office premises and hotel premises;
 - (g) "exterior common area" includes that part of a regional shopping centre that consists of pavement parking structures and land;
 - (h) "interior common area" means that part of the gross building area of a regional shopping centre that is not gross leasable area;
 - (i) "office premises" means any area within a regional shopping centre that consists of more than 6 offices and is specifically designated to be used for office purposes;
 - (j) "regional shopping centre" means subject to section 3(3), a regional shopping centre listed in Column 2 of the Schedule;
 - (k) "total assessment" means the assessment shown for the regional shopping centre on the municipality's assessment roll, but where section 3(3) applies, excludes that part of the total assessment that is attributable to the addition

referred to in that subsection.

Purpose	2	The purpose of this Regulation is to provide an allocation of assessment for use by regional shopping centres for the purpose of internal allocation of property taxes among the components of regional shopping centres.
Application of regulation	3(1)	This Regulation applies only in respect of the taxation years 1999 to 2008 inclusive.
	(2)	This Regulation applies in respect of a regional shopping centre in respect of a taxation year only where
	(a)	at least one lease agreement between an anchor tenant and the assessed person provides for the allocation of the property tax payable in respect of the regional shopping centre based on either separate assessments or on the methodology used by the municipality to derive the assessment for the regional shopping centre,
	(b)	the assessment for the regional shopping centre as determined by the municipality for the taxation year is based chiefly on the income approach to value, and
	(c)	the assessed person applies in writing to the municipality not later than December 31 preceding the taxation year for an allocation of assessment under this Regulation.
	(3)	Where the building footprint or envelope of a regional shopping centre changes by reason of an addition to the shopping centre that is completed after December 31, 1997, the addition shall not be considered to be part of the regional shopping centre for the purposes of this Regulation.
Application for allocation of assessment	4	An application referred to in section 3(2)(c) must be in a form acceptable to and contain the information prescribed by the municipality.
Calculation of allocation of assessment	5(1)	If the conditions in section 3(2) are met with respect to a regional shopping centre, the municipality shall do the following:
	(a)	determine the value of each component by using the assessment method that was used by the municipality in the year preceding the first year in which an assessment using the income approach to value is prepared;
	(b)	prepare an allocation to each component of the total value of all components determined under clause (a) by
	(i)	dividing the value for each component determined under clause (a) by the total value of all components so determined to determine the percentage that the value of each component is of the total value, and
	(ii)	multiplying the percentage determined under

- subclause (i) for each component by the total assessment prepared using the income approach to value;
- (c) annually prepare an allocation of the total assessment to each component by using the same income approach to value that was used in preparing the assessment;
- (d) prepare an annual allocation of assessment for each component by
- (i) determining the difference in valuation for the component as calculated under clauses (b) and (c), and
- (ii) increasing or decreasing the allocation of value for the component calculated under clause (b) for each taxation year set out in the Table at the end of this section by a yearly increment equal to the corresponding percentage of the difference or valuation that is specified for that year in column 2 of that Table.
- (2) Where the assessed person first makes application under section 3(2)(c) in respect of a year after 1999, the percentage increments for the purposes of subsection (1)(d)(ii) are set out in Column 3 of the Table at the end of this section.
- (3) Subject to section 9(1), the percentages determined under subsection (1)(b)(i) shall remain constant for all taxation years to which this Regulation applies.

Table

Column 1	Column 2	Column 3
Taxation Year	Percentage Increment (section 5(1)(d)(ii))	Percentage Increment (section 5(2))
1999	10.00%	N/A
2000	20.00%	11.1111%
2001	30.00%	12.5000%
2002	40.00%	14.2857%
2003	50.00%	16.6666%
2004	60.00%	20.0000%
2005	70.00%	25.0000%
2006	80.00%	33.3333%
2007	90.00%	50.0000%
2008	100.00%	100.0000%

- Effect of allocation of assessment 6(1) An allocation of assessment for a component that is prepared in accordance with section 5(1)(d) is deemed to be a separate assessment of the component for the purposes of an agreement

- referred to in section 3(2)(a).
- (2) Nothing in this Regulation affects an assessed person's liability to pay taxes under the Act.
- Provision of information
- 7** In each taxation year in which this Regulation applies in respect of a regional shopping centre, the municipality shall, not later than the date on which it sends the tax notice in respect of the regional shopping centre to the assessed person, provide to the assessed person
- (a) a schedule setting out the allocations of assessment in respect of the components of the regional shopping centre for the taxation year, together with the details of how the allocations of assessment were calculated, and
- (b) sufficient information to disclose the details as to how the total assessment and other valuations used for the purposes of this Regulation were calculated.
- Charges
- 8(1)** A municipality may impose a reasonable charge on the assessed person for
- (a) the preparation and provision of the material referred to in section 7, and
- (b) making a recalculation under section 9
- and the charge may, without limitation, include a charge for the time spent by the municipality's employees or agents in the preparation and provision of the material or the making of the calculation.
- (2) A municipality may add the reasonable charge authorized under subsection (1) to the tax roll of the regional shopping centre.
- Recalculation
- 9(1)** Where property forming part of a regional shopping centre is destroyed or is the subject of a subdivision, or where a change in the component breakdown of the regional shopping centre occurs, the municipality shall recalculate the allocations of assessment for the remaining applicable taxation years referred to in section 3(1).
- (2) Where the assessment for a regional shopping centre for a taxation year changes as a result of the operation of Part 11 or 12 of the Act, the municipality shall recalculate the allocations of assessment for that taxation year.
- (3) On making a recalculation under subsection (1) or (2), the municipality shall forthwith comply with section 7.
- Review
- 10(1)** The assessed person may, not later than August 31, apply to the Minister for a review of any or all of the following with respect to the taxation year:
- (a) any amount determined under section 5(1), other than the

amount of the assessment for the regional shopping centre that is shown on the municipality's assessment roll and uses the income approach to value;

- (b) a recalculation of allocations of assessment under section 9;
- (c) the charge imposed on the assessed person under section 8.

- (2) An application must contain the information required by and be in a form acceptable to the Minister.
- (3) In a review, the Minister may make any changes in the allocations of assessment, recalculation or charges that the Minister considers appropriate.
- (4) The Minister's decision on a review is final.

Repeal

- 11 This Regulation is made under section 603(1) of the Act and is subject to repeal under section 603(2) of the Act.

SCHEDULE
Regional Shopping Centres In Alberta

Column 1	Column 2	Column 3
Municipality	Regional Shopping Centre	Anchor Tenants
<i>Brooks</i>	Cassil Shopping Centre	Zellers, Safeway
<i>Calgary</i>	Brentwood Village	K-Mart, London Drugs, Safeway
	Chinook Centre	Bay, Sears, Zellers
	Deer Valley	Co-op
	Deerfoot	Bay, Wal-Mart/Woolco
	Market Mall	Bay, Zellers, Safeway, Toys-R-Us, Famous Players, Alberta Liquor Control Board
	Marlborough	Wal-Mart, Sears
	North Hill Shopping Centre	North Hill Cinemas, Liquor Barn
	Northland Village	Eaton's, Wal-Mart, Cineplex

Column 1	Column 2	Column 3
Municipality	Regional Shopping Centre	Anchor Tenants
<i>Calgary (continued)</i>	Southcentre Mall Sunridge Mall Westhills Towne Centre	Bay, Eaton's, Safeway, Famous Players Eaton's, Zellers Safeway, Famous Players, Revelstoke, Chapters
<i>Edmonton</i>	Bonnie Doon Capilano Edmonton Centre Heritage Mall Kingsway Garden Mall Londonderry Mall Meadowlark Shopping Centre Millbourne Mall Millwoods Towne Centre NorthTown Mall Northwood Mall Southgate Shopping Centre West Edmonton Mall Westmount	Sears, Zellers, Safeway Wal-Mart, Safeway Bay Sears, Eaton's Safeway, Woolco/Wal-Mart Bay, Sears, Zellers, Sears Tire Centre Bay, Eaton's, Wal-Mart (Woolco) Zellers Zellers Eaton's K-Mart K-Mart, Zellers, Safeway Bay, Eaton's, Safeway, Alberta Liquor Control Board Bay (Phase 1), Eaton's, Sears, Zellers, Cineplex, Famous Players, London Drugs, Bay (Phase 3), Canadian Tire Zellers, Safeway
<i>Fort McMurray</i>	Peter Pond Shopping Centre	Zellers
<i>Grande Prairie</i>	Prairie Mall	Zellers, Sears
<i>Lethbridge</i>	Centre Village Mall Lethbridge Centre Park Place Mall	Bay, Safeway Bay, Safeway, Twin Cinema Eaton's, Sears, Staples, Winners, Cineplex
<i>Medicine Hat</i>	Medicine Hat Mall Southview Mall	Bay, Sears, Zellers, Safeway K-Mart, Saan

Column 1	Column 2	Column 3
Municipality	Regional Shopping Centre	Anchor Tenants
<i>Red Deer</i>	Bower Place Parkland Mall	Bay, Eaton's, Toys-R-Us, Zellers Sears, Wal-Mart, Safeway
<i>St. Albert</i>	St. Albert Centre	Bay, Wal-Mart/Woolco
<i>Sherwood Park</i>	Sherwood Park Mall	Zellers, Safeway
<i>Wetaskiwin</i>	Wetaskiwin Mall	Wal-Mart, Safeway

LINEAR PROPERTY ASSESSMENTS

For the 1999 tax year, the department has developed handbooks that intend to ensure operators of linear property clearly understand their responsibilities and the requirements for reporting information. The handbooks, which have been sent to all linear property operators, are a result of the department's concerns about the accuracy of reported information, and the number of amendments to linear property assessments after the reporting period has passed.

As well, industry has been advised that the department will make all efforts to strictly enforce section 295(4) of the Municipal Government Act if companies do not report information requested by the assessor.

Ministerial Order L:535/98 extends the time to February 15, 1999 by which the operator of linear property must provide a report to the assessor designated by the Minister. The date by which the municipality must record on the assessment roll assessments sent out in accordance with section 308(2)(c) of the Act is extended to April 1, 1999.

In 1999, the department will begin the transition to using Alberta Energy and Utilities Board (AEUB) data as the primary source of pipeline information. AEUB data will replace self-reporting as the basis of pipeline assessments for tax year 2000. The department will provide inventory reports throughout 1999 to help industry ensure AEUB records are correct.

The department hopes these steps will enhance stakeholder confidence in the linear property assessment process. If you have any questions, please contact the Assessment Services Branch at 427-2345.

ASSESSMENT & TAXATION OF PRIVATELY OPERATED PROVINCIAL CAMPGROUNDS

The Assessment Services Branch has been asked whether provincially owned, but privately held campgrounds are assessable and taxable. The issue is not settled at this time. One argument is that the operators of privately held provincial campgrounds are assessable persons, and therefore, the interest held in the property is assessable. An alternative argument is that the property is held by the Crown and no assessment is to be prepared.

In any event, the Assessment Services Branch would like to provide assistance to those assessors who will be undertaking the assessment of such campgrounds. The following is a suggested method of analysis.

Step 1

Under the Standards of Assessment Regulation 365/94, section 2(1), the valuation standard for land is either market value, or if the parcel is used for farming, its agricultural use value.

Step 2

The benefit of real estate ownership carries with it a group of rights, which include the right to:

1. Enter and use the property as desired;
2. Exclude others from the property;
3. Sell, donate, dispose, will or grant property as a gift either in part or in whole;
4. Lease and collect rent for all or part of the property, including air, surface, subsurface, and mineral rights;
5. Mortgage or pledge the property as security;
6. Enjoy peaceful and quiet possession; and
7. The ability to refuse any of the above.

Property that is 100% held includes all of the above rights with no restrictions. Property rights can be restricted by government (taxation) and by private agreements such as easements, rights of way, party wall agreements, deed restrictions, mortgages, and lease, license, or permit provisions.

In this case, the assessor's function is to identify the rights retained by the Crown and those relinquished to the tenant, licensee, or permittee (holder of the agreement) under a lease, license, or permit (agreement). Each right represents a distinct and separate interest in value and degree of ownership.

Step 3

When valuing property held under an agreement from the Crown, the assessor must have an understanding of the following:

1. The total market value of the property is equal to the value of the fee simple interest in the property, which includes the agreement value, plus the residual value remaining with the Crown.
2. The agreement is a document which transfers the rights of use and occupancy of a property to a person other than the Crown for a specific period of time.
3. The payment is the amount the Crown receives from the holder of the agreement.
4. The agreement outlines the rights and obligations of the holder of the agreement.

When leasing a property, the owner transfers rights of use and occupancy under certain conditions. In return, the owner receives rental payments, but retains some of his rights to the land, including the right to sell, donate or dispose of the property.

When valuing this type of property, the assessor must analyze the agreement (lease, license, or permit) to determine which rights have been passed to the holder of the agreement and which ones remain with the Crown. The assessor must evaluate the various terms and conditions of the agreement and place a value on each right transferred to the holder of the agreement.

Step 4

Under the MGA section 298(1)(k), no assessment is to be prepared for any provincial park or recreation area held by the Crown (100% held).

Step 5

Section 304 of the MGA refers to assessed property and the assessed person. Subsection 1(c) refers to property which is held under lease, license, or permit. This is assessable to the person who holds the lease license or permit. To what percentage is the property held? Are there any restrictions of limited use provisions?

Step 6

Section 284(2) of the MGA indicates parts of a parcel held under a lease, license, or permit from the Crown can be assessed. In addition, under section 368(1)(a)(b), an exempt property or part of an exempt property becomes taxable if the use or occupancy changes to one that does not qualify for an exemption.

Step 7

Section 362(a) of the MGA refers to any interest held by the Crown. Again, determine to what degree or percentage the property is still held by the Crown and what rights have been transferred under the lease.

Conclusion

For provincial campgrounds, the Crown establishes the lease, license, or permit fee and conditions of the agreement. The portion retained by the Crown is exempt from assessment & taxation, and the operator's portion is assessed and taxable to the remaining percentage, depending on the terms of the agreement.

When the conditions of the agreement are so restrictive that the operator cannot compete with privately held campgrounds, the taxable value would be minimal in relation to the total value of the property.

In the Assessment Services Branch's opinion, when applying a percentage of value to the seven groups of property ownership rights, the suggested percentage breakdown is as follows:

		Partial Interest Ownership	Taxable Interest	Exempt Interest
1.	Enter and use as desired	25%	5%	20%
2.	Exclude others	10%	0%	10%
3.	Sell, donate, dispose	25%	0%	25%
4.	Lease and collect rent	10%	5%	5%
5.	Mortgage or pledge as security	10%	0%	10%
6.	Peaceful possession and quiet enjoyment	10%	0%	10%
7.	Refuse any of the above	10%	0%	10%
	Total	100%	10%	90%

Notes: This breakdown is only a suggested guide, and will vary depending on the terms of the agreement. Ultimately the assessor has to decide how the percentage breakdown will apply to each agreement.

MUNICIPAL AFFAIRS INTERNET ADDRESS

Since the last issue, the department's Internet address has changed from:

www.gov.ab.ca/~ma

to

[**www.gov.ab.ca/ma**](http://www.gov.ab.ca/ma)

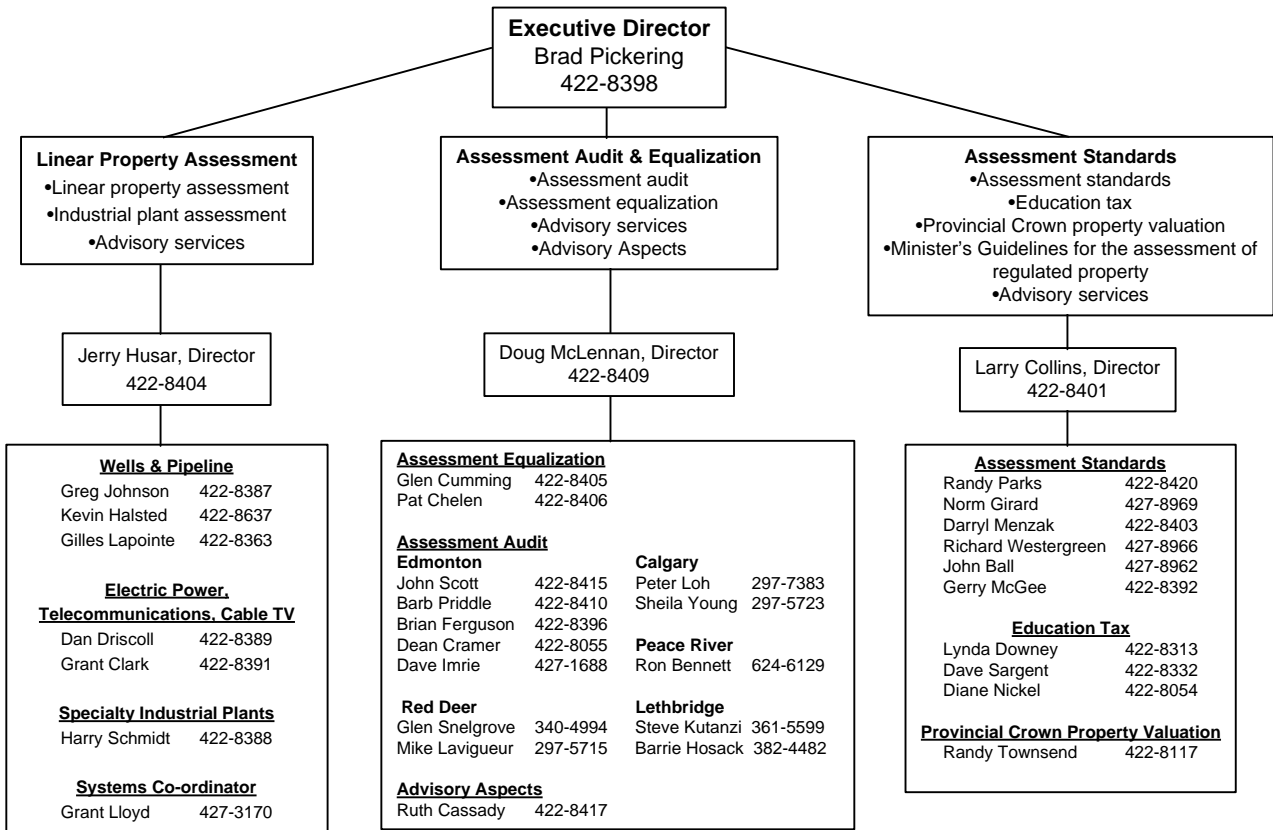
The only difference is that the ~ character after ca/ and before ma is no longer part of the address.

Thanks to those who responded to the survey that accompanied the last issue of Advisory Aspects. We had some very good suggestions and will try to implement some of them.

Sorry we weren't able to get Issue 2 to you in November as promised. We will try to get the next one out in February.

ASSESSMENT SERVICES ORGANIZATIONAL CHART

One of the suggestions sent back to us asked for names, phone numbers, and positions of Assessment Services staff. We hope this helps.



Assessment Services Branch
General Inquiries 422-1377
Education Tax Inquiries 422-7125
General Advisory Services 422-1377
Fax Number 422-3110

AMENDED REGULATIONS

As this issue of Advisory Aspects is being prepared, four amended regulations are being approved. However, we needed to get other information to assessors and could not wait. Expect copies of them in Issue No. 3.

Community Organization Property Tax Exemption Regulation

Property that is leased or rented by non-profit benevolent organizations from commercial landowners can now be exempt from property taxes as a result of changes to the Community Organization Property Tax Exemption Regulation. These changes will benefit food banks, community service, and charitable organizations.

Previously, only property owned by these organizations could be excluded from property taxes and many non-profit organizations felt that the regulation discriminated against those that do not have the financial means to purchase property.

Standards of Assessment Regulation

Removing depreciated replacement cost as an assessment method is among changes made to the Standards of Assessment Regulation. Other changes to the regulation will clarify the existing practice of three acre sites within a larger parcel of land assessed at market value, and implementation of 1994 regulated rates for machinery and equipment over the next two years.

Assessment Equalization Amendment Regulation

An amendment to the Assessment Equalization Regulation will clarify the process used in the preparation of equalized assessments.

Transitional Amendment Regulation

Some of the transitional provision provided in AR 372/94 have expired and are no longer required, and will also provide Red Deer County and Yellowhead County an extra year to prepare updated farmland assessments.

MUNICIPAL GOVERNMENT BOARD ORDERS

Under the authority of the Evidentiary Matters Regulation 121/97, the following complaints were referred back to the Assessment Review Board.

MGB 189-98

Paralee Property Tax Consultants Ltd. on behalf of Fukienese Association of Alberta and the City of Edmonton

MGB 197/98

Paralee Property Tax Consultants Ltd. on behalf of Geefo Building Ltd. and the City of Edmonton

MGB 202/98

Canadian Valuation Group Ltd. for Sun Life Assurance Company of Canada and the City of Edmonton

MGB 212/98

Paralee Property Tax Consultants Ltd. on behalf of York West Asset Management Group Inc. and the City of Edmonton

MGB 214/98

Paralee Property Tax Consultants Ltd. on behalf of Canadian Standards Association and the City of Edmonton

MGB 223/98

Property Tax Appeal Services on behalf of 654571 Alberta Ltd. and the City of Edmonton

MGB 224/98

Property Tax Appeal Services on behalf of Chantelle Management Ltd. and the City of Edmonton

MGB 238/98

Dr. Dieter Rempel and the Town of Canmore

MGB 239/98

Robert Enagonio and the Town of Canmore

MGB 240/98

Radomir Sobic and the M.D. of Foothills No. 31

MGB 241/98

Highfield Development Ltd. and the Town of Brooks

MGB 242/98

Royal LePage Professional Services on behalf of WMI Waste Management of Canada and the City of Edmonton

MGB 251-98

Roda Machinery Manufacturing Ltd. and City of Edmonton

MGB 253-98

Framecraft 7711 Ltd. and City of Edmonton

MGB 267-98

TAAG International on behalf of 22nd Investments Inc. and Town of Swan Hills

MGB 273-98

Darrell & Sandra Smith and County of Barrhead No. 11

MGB 286-98

Derbyshire Consultants (Western Canada) Ltd. on behalf of 3428851 Canada Inc. and City of Calgary

MGB 295-98

Dave and Carol Lyons and Wheatland County

MGB 187-98

**Chair Holdings Limited, represented by Property Tax Appeal Services
and
City of Calgary**

The properties under appeal were 229 condominium units in two buildings. Next to this property are two similar buildings owned by the appellant. The issue of the appeal was whether the Board should hear the appeal when no evidence was presented and the appellant did not appear at the ARB hearing.

ARB hearings for both appeals were scheduled for the same date. The appellant stated that material concerning the adjacent property should have been considered evidence for the subject property because the basis of the appeal was the same for both.

The appeal was denied.

MGB 188-98

**Chair Holdings Limited, represented by Property Tax Appeal Services
and
City of Calgary**

The properties under appeal were 108 condominium units in two buildings. The issue of the appeal was whether the assessment is correct considering income valuation, building classification and market data comparisons?

The appellant argued that the classification of the building should be Class C, not Class B. The income approach to value and the assessments of a number of comparable properties were presented to illustrate that the assessment was too high.

The appeal was denied.

MGB 190-98

**County of Warner No. 5
and
Lougheed & Company Inc. on behalf of Parrish & Heimbecker Ltd.**

This appeal was before the ARB in 1995. The agent for the Parrish & Heimbecker claimed that they did not receive a notice of the ARB decision and therefore did not file a Notice of Appeal with the MGB until May 1997. The Board's jurisdiction and the merits of the appeal are addressed in Board Order MGB 80/98. This board order is the result of a re-hearing by the Board to determine whether it properly considered jurisdiction arguments on MGB 80/98.

The County stated that information presented at the jurisdiction hearing did not receive the proper attention or may have been misunderstood. A delay of over two years between the ARB and the MGB hearings is unreasonable and beyond the jurisdiction of the Board.

The Board ordered that a new hearing be conducted on the Board's jurisdiction. The decision with respect to the merits of the appeal will stand until the issue of jurisdiction is determined.

MGB 192-98
City of Calgary
and
Newell Group on behalf of 2725321 Canada Inc.

The subject of this appeal consists of two new retail buildings. As of December 1996, both buildings were only partially finished and occupied. The City of Calgary assessed both buildings and obtained a supplementary assessment for the month of December. The decision of the ARB was that only those portions of the buildings that were complete and occupied should be assessed. The issue of the appeal was whether legislation allows a supplementary assessment on unfinished portions of buildings. The first hearing was held on September 8, 1997.

The City of Calgary argued that its supplementary assessment bylaw allows assessors to value both the finished and unfinished portions of new buildings. The respondent replied that the assessment was reduced at the ARB because the assessment applies to areas that were neither complete or occupied in the assessment year.

The Board questioned whether the MTA or MGA applies in this appeal. As this point was not argued, the Board decided to re-open the hearing on April 1, 1998. The issues were:

1. Can the MGB seek submission on an issue that neither party raised at the hearing and does the Board have jurisdiction to re-open the hearing?
2. Should supplementary assessments be prepared under Section 4 of the MGA or Section 8 of the MTA and Transitional Regulation 372/94?
3. If the MTA and Regulation 372/94 applies, what is the amount of the assessment?

The appeal was denied. The Board decided that Section 8 of the MTA applies, and only the portion of the improvement that was occupied on December 1, 1996 can be assessed.

MGB 193-98
Newell Group on behalf of 510 Fifth Street Properties, 633 Properties Inc., 629851 Ontario Inc., Brookfield Homes Ltd., Canada Trust Co., Confederation Life Insurance Co., Devco Properties Ltd., Genra Western Properties Inc., Matabele Ltd., Royal Trust Corporation of Canada, and Second Real Properties Ltd.
and
City of Calgary

The ARB confirmed the assessment and appeals were filed to the MGB by the owners of the properties. At the same time, the City filed a cross appeal. Both parties were having difficulties with the exchange of information and they appeared before the Board to determine if MGB 125/98 could apply.

The property owners believed that MGB 125/98 can apply to these appeals to ensure a fair exchange of information. The City agreed, but with one exception. The City asked for a staggered exchange of information, with the appellant providing their submission first.

The Board set out procedures for the simultaneous exchange of information.

MGB 194-98
Gettel Appraisals for Grandin Medical Holdings Ltd.
and
City of St. Albert

The subject of this appeal is the assessment of a one storey office building used as a medical clinic. The site has been contaminated by hydrocarbons from an adjoining Petro Canada gas bar which is now closed. The issue of the appeal was whether the assessed value should be reduced because of hydrocarbon contamination.

The appellant stated that the assessment does not reflect the impact of the stigma arising from the contamination. Five environmental assessments were completed on the property between 1993 and 1994 confirming the contamination.

The respondent stated that the assessed value is below market value. Any reduction for the contamination would be inappropriate because the property continues to achieve above market rents and no engineering reports were provided indicating that the contamination needs to be removed or that the level of seepage would affect the use of the property.

The appeal was denied. The property does not suffer from any loss of utility and the current income suggests a value higher than the assessed value.

MGB 195-98
AEC Valuations (Western) Inc. on behalf of D & D Plumbing and Heating Ltd./731816
Alberta Ltd.
and
City of Edmonton

The subject of this appeal was a two storey office and retail building. The issues were:

1. Is the property over-assessed in relation to market value?
2. Should economic obsolescence be allowed considering a high vacancy rate and that portions of the property were leased for no fee until October 1997?

The appellant stated that the property is located in a high crime and run down area. The building had difficulty attracting renters and the second floor was over half vacant in the year under appeal. Based on the appraisal and sale of the property and comparable sales, the appellant argued that the assessment is too high.

The Board denied the appeal on the land assessment, but the appeal was allowed on the improvement assessment. The Board stated the property had experienced a high vacancy rate and low lease rates and that should be recognized in the assessment.

MGB 196-98
Mr. Fred Rouschop
and
Municipal District of Yellowhead No. 94

The subject of this appeal was a quarter section of farmland and a three acre site with a residence. The issue was whether the assessment of both pieces of land should be reduced due to problems associated with flooding.

The owner stated that the property has no value. In 1974, Alberta Transportation and Utilities constructed a highway which diverted the water of a natural creek onto the land. This

caused flooding and damage, and the land has become useless for farming. The house had to be relocated and there is no longer a suitable entry or exit to the property. The appellant concluded that the land has no value due to flooding and will not have value until Alberta Transportation and Utilities corrects the flooding problem.

The appeal was denied. The Board concluded that the assessment of the land is fair and equitable. Many pictures were presented to demonstrate flooding of the land, but there were no witnesses present to convince the Board that the property was worthless.

MGB 198-98**J.T. Consulting on behalf of Poco Petroleum Ltd.****and****County of Stettler No. 6**

This was an application for a rehearing. The appellant requested that the Board rescind MGB 41/98 and MGB 42/98 and rehear the appeals.

The appellant stated that the Board erred by mistaking evidence given by the respondent as being from the appellant and concluding that there was consensus between the two parties. The appellant also claims that the Board's interpretation of the relevant legislation conflicts with earlier Board decisions. The respondent agreed and felt that the Board should consider a rehearing.

The Board rescinded MGB 41/98 and 42/98 and directed a rehearing.

MGB 199-98**Town of Bowden****and****Bowden Highway Golf Association**

The property under appeal was a golf course. The land is owned by the Town and leased to the Bowden Highway Golf Association for \$1.00 per year. The course received a reduction in the land assessment from the ARB. The Town's administrator was acting both on behalf of the Town and the respondent. He stated that the position of both parties was identical, that the assessment should be reduced to an agricultural use value or exempted completely.

The administrator stated that the property was given to the Town under the condition that it be used as recreational property, and cannot be sold or developed for any other use. The assessment would only be viable if the property was owned by a business with the right to develop it. The golf course is one of a few in the town, is a major tourist attraction for the Town, is open to the public and offered to schools at no cost, and seniors pay a discounted rate.

The appeal was denied. The Town first requested that the assessment be reduced to an agricultural use value, but the land is not used for farming and cannot be assessed as farmland. Section 362(n)(i) of the MGA grants an exemption when a non-profit organization holds property on behalf of a municipality but there was no evidence of that in the lease between the Town and the association. Section 362(b)(i) and (ii) of the MGA allows an exemption for land held by the municipality, but the land is under lease by the association. The Town referred to the exempt status of Agricultural Societies and compared that to the golf course, but while the MGA specifically mentions agricultural societies, there is no mention of golf courses. Finally, the Town stated that the land was given to it under such strict conditions that the parcel only has a nominal value, but there was no supporting evidence of this.

MGB 203-98**UIC Investments PTE Ltd.**

**and
City of Calgary**

The property under appeal was an office building in downtown Calgary. This was an appeal from the 1997 Assessment Review Board. The issues were:

1. Whether contract or market lease rates should be used to determine the value of a commercial building when using the income approach for assessment purposes.
2. Whether sales information after December 31 can be considered in determining value through direct comparison.
3. Whether the property is assessed fairly and correctly.

The appellant stated that the assessment should be based on the value of the building on December 31, 1996. At that time, strong leasing conditions were not expected for 1997 and the assessed value should be based on the rates that were anticipated in December of 1996. Sales comparables were submitted.

The appeal was allowed on the improvement assessment, but denied on the land assessment. The Board's opinion was that the value of the property should have been based on comparable sales and anticipated lease rates at December 31, 1996.

**MGB 209-98
Newell Group for 715864 Alberta Ltd.
and
City of Edmonton**

The property under appeal was a 13 storey office building, built in 1979, with retail space on the main floor and underground parking. The building was sold to the appellant in 1997. The issue of the appeal was whether the assessment is correct, fair, and equitable.

In December 1996, the property was 86% vacant. Using rental rates and a capitalization rate, the appellants calculated a new assessment that was much lower than the current assessment. The assessments of four comparable properties were presented to illustrate that the current assessment is far in excess of its 1996 market value.

The appeal on the improvement assessment was allowed.

**MGB 210-98
L.L. Slemko and Kara Slemko
and
Municipal District of Cypress No. 1**

The properties under appeal are located in a townsite development in Elkwater Provincial Park. Rules for the development of Elkwater Lake include: permanent residency is not allowed, there is no locally elected government, land is leased from the Crown, and the townsite is ineligible for Alberta Municipal Assistance Programs.

The appellants argued that there should be a property classification to reflect the limited residency allowed in Elkwater Lake. In addition, with limited residency, the residents pay the full education levy and are not entitled to any funding from the Municipal Government Assistance Program. With respect to the assessment, the appellants referred to problems with the location of the property that affect its value.

The Board ruled that it has no jurisdiction to create or amend a new property classification, or direct assistance for the properties under the Alberta Municipal Assistance Program, or to alter the provincial education levy. With respect to the assessment itself, the Board allowed the appeal on both the land and improvement assessments. The Board decided that a location adjustment was justified.

MGB 211-98**Property Tax Appeal Services on behalf of Stacon Developments Ltd.
and
City of Calgary**

The property under appeal was a 19 storey high-rise apartment built in 1969. Its main floor has commercial space and there is an underground parkade.

The appellant submitted photographs which illustrated problems in the building such as small suite size, physical problems and lack of amenities. Sales comparables were presented in defense of the appellant's position. They requested a 15% reduction.

The appeal was allowed. The Board allowed a 5% allowance to recognize the problems with the building and its high vacancy rate.

MGB 213-98**Glenhill Farms Ltd. on behalf of Stringham Denecky
and
City of Lethbridge**

The subject of this appeal was the land and improvement assessments of three properties that were purchased by the appellant following foreclosure proceedings.

The representative for the appellant stated that the prices paid for the properties is market value and the assessments should be reduced to the sale prices. In addition, the properties have experienced high vacancies and lease rates have dropped.

On two of the properties, the Board allowed the appeal on the improvement assessment and denied the appeal on the land assessment. The appeal was denied for the third property.

MGB 215-98**Amending Board Order**

Amends Board Order **MGB 148/98** which set out preliminary matters in the appeal between Telus Corporation and the 1996 linear property assessments prepared by the Minister of Municipal Affairs.

MGB 216-98**Mobil Oil Canada
and
Municipal District of Woodlands No. 15**

The Carson Creek Gas Pool was discovered in the mid 1950's. Plant construction began in 1962 and was on stream in 1963. In June 1996, the plant underwent major modifications to accommodate a reduced inlet capacity. The issues of the appeal were:

1. Did the assessor fail to recognize functional obsolescence in the 1996 assessment?
2. Has the assessor considered abnormal depreciation for equipment still in operation?

The appellant argued that the assessor did not recognize functional obsolescence in the assessment and did not consider sufficient loss in fair actual value of machinery and equipment. The loss can be attributed to the oversized original plant equipment based on the current plant throughput. Although modifications been done, the machinery and equipment is inefficient for the volume of gas being produced.

The appeal was denied. The Board was satisfied that the current assessment roll contains only those pieces of machinery and equipment that are in service at the plant. The 1996 modifications increased the plant efficiency for lower throughput volumes and removed certain processes and equipment.

MGB 218-98
The City of Calgary
and
The Minister of Municipal Affairs

This concerns the appeal of the City of Calgary's 1997 and 1998 equalized assessments.

MGB 73/98 Set out procedures to identify outstanding issues and provided for an exchange of information.

MGB 113/98 The Board has jurisdiction to hear arguments on the issue of whether regulated property should be equalized at 1.00 as other classes are.

MGB 147/98 The Board has jurisdiction to hear the issue of the use of blanket chattel adjustments and stratification by some municipalities and not others.

MGB 170/98 The Board granted a one month extension of the dates for written submissions and rebuttals, and for the scheduled hearing dates.

In this Board Order, both parties requested that the dates for written submissions and rebuttals, established in MGB 170/98, be extended for four months. The parties also requested the hearing dates be set four months from the dates currently scheduled.

The request was granted.

MGB 219-98
Newell Group on behalf of Carnmoney Golf and Country Club, Upper Lakes Group Inc.,
Priddis Greens Gold and Country Club, and Cotton Wood Golf Course Ltd.
and
Municipal District of Foothills No. 31

The subject properties were four golf courses. The issues of the appeal were:

1. Are the greens, fairways and tee boxes improvements to the land?
2. Has depreciation from all causes been considered for each property?
3. Are the courses assessed correctly, fairly and equitably when compared with other courses in the M.D. of Foothills?

The appellant argued that the greens, fairways and tee boxes should not be assessed as improvements. If the MTA did not consider these items as improvements, the assessor cannot consider them as improvements under the MGA. The appellant also argued that the seasonal use of a golf course should qualify it for additional depreciation.

The appeal was denied. The Board was satisfied that the assessment of the four courses does not exceed market value and is fair and equitable in comparison with other courses in the area. The Board was of the opinion that fairways, greens and tee-boxes make the land more valuable. There was no compelling evidence to justify adding depreciation over that already recognized by the assessor.

MGB 220-98
Edwin Carswell
and
County of Red Deer No. 23

The property under appeal was an 11.32 acre parcel of land with two homes, a building that houses antique cars, and another building used for a used auto parts business. The issue of the appeal was whether the property is assessed fairly and equitably in comparison with other properties in the area.

The appellant stated that the assessment does not consider the characteristics of the property in relation to others in the area. The appellant referred to problems associated with the property and presented appraisals in defense of his position that the assessment was too high.

The appeal was denied.

MGB 221-98
The City of Airdrie
and
The Minister of Municipal Affairs

This concerns the appeal of the City of Airdrie's 1997 equalized assessment.

MGB 74/98 Set out procedures to identify outstanding issues and provided for an exchange of information.

MGB 146/98 The Board has jurisdiction to hear the issue of the use of blanket chattel adjustments and stratification by some municipalities and not others.

MGB 184/98 The Board granted a one month extension of the dates for written submissions and rebuttals, and for the scheduled hearing dates.

In this Board Order, both parties requested that the dates for written submissions and rebuttals, established in MGB 184/98, be extended for four months. The parties also requested the hearing dates be set four months from the dates currently scheduled.

The request was granted.

MGB 222-98

**Paralee Property Tax Consultants Ltd. on behalf of Adspi Properties Ltd.
and
The City of Edmonton**

The property under appeal was an office and warehouse. The issue of the appeal was whether the property was over-assessed in relation to its market value.

The agent for the appellant stated that the building is over-built and has a long term tenant that is paying higher than current market economic rent. Sales comparisons and an assessment based on the income approach were used to demonstrate that the assessment was too high.

The appeal on the land assessment was denied. The Board allowed the appeal on the improvement assessment.

MGB 225-98

**Rickard Realty Advisors Inc. on behalf of Sentinel Self Storage Corporation
and
City of Edmonton**

The property under appeal was a self storage complex built in 1987-88. There are insufficient sales of this type of property, so this appeal is based upon the income approach to value. The issue of the appeal was whether the high vacancy and low income justifies a reduction in the assessed value.

The appellant stated that self storage businesses differ from other revenue properties. The appellant believed that there were similarities between self storage businesses and motels and four motel sales were analyzed. In addition, high vacancies for rental properties in Edmonton resulted in high vacancy rates for this property, and tenancies are for a relatively short time.

The appeal was denied.

MGB 226-98

**Royal LePage Property Tax Consulting on behalf of Pan Canadian Petroleum Limited
and
County of St. Paul No. 19**

At the ARB hearing, counsel for the County objected to evidence presented by the appellant because it did not comply with the Evidentiary Matters Regulation. The County requested that the complaint be dismissed, the ARB agreed. The issues of the appeal were:

1. In accordance with the Evidentiary Matters Regulation, should the appeal be dismissed or returned to the ARB, and, was there non-compliance with the Evidentiary Matters Regulation with respect to the exchange of information?
2. Did the ARB make a decision that is not within its jurisdiction?

The appellant stated that compliance with section 460 of the MGA was achieved through a phone conversation between the appellant's agent and the assessor. The appellant added that due to the complex nature of the complaint, it was impossible to provide the material within the ARB's time frame. The respondent argued that the ARB issued instructions for the exchange of information between the two parties. The appellant failed to comply and no written information was exchanged.

Section 467 of the MGA sets out the kinds of decisions that the ARB can make, and only those decisions may be appealed to the MGB. This issue related to compliance with the Evidentiary Matters Regulation. The position of the Board was that the ARB did not make a decision permitted by legislation and the complaint remains on record before the ARB.

MGB 227-98**Royal LePage Property Tax Consulting on behalf of Norcen Energy Resources Ltd.
and
County of St. Paul No. 19**

At the ARB hearing, the appellant requested to have complaints heard for which no filing fee was paid. The request was denied. With no evidence relating to the assessments, the ARB decided that the assessment should remain as is. The issues of the appeal were:

1. Whether a filing fee is a precondition of a complaint hearing before the ARB?
2. Did the ARB make decisions at the hearing that are not within its jurisdiction?

The appellant argued that section 460 of the MGA had been complied with and there was a valid complaint before the ARB. The appellant's position was that non payment of fees is not a bar to a complaint to the ARB. The appellant agreed that a municipality may adopt a fee, but it is a municipal action and not an action of an ARB.

Section 467 of the MGA sets out the kinds of decisions that the ARB can make, and only those decisions may be appealed to the MGB. This issue related to fees and compliance with the Evidentiary Matters Regulation, not the assessment of the property. The position of the Board was that the ARB did not make a decision permitted by legislation and the complaint remains on record before the ARB.

MGB 228-98**Royal LePage Property Tax Consulting on behalf of Norcen Energy Resources Ltd.
and
County of St. Paul No. 19**

At the ARB hearing, counsel for the County objected to evidence presented by the appellant because it did not comply with the Evidentiary Matters Regulation. The County requested that the complaint be dismissed, the ARB agreed. The issues of the appeal were:

1. In accordance with the Evidentiary Matters Regulation, should the appeal be dismissed or returned to the ARB, and, was there non-compliance with the Evidentiary Matters Regulation with respect to the exchange of information?
2. Did the ARB make a decision that is not within its jurisdiction?

The appellant stated that compliance with section 460 of the MGA was achieved through a phone conversation between the appellant's agent and the assessor. The appellant added that due to the complex nature of the complaint, it was impossible to provide the material within the ARB's time frame. The respondent argued that the ARB issued instructions for the exchange of information between the two parties. The appellant failed to comply and no written information was exchanged.

Section 467 of the MGA sets out the kinds of decisions that the ARB can make, and only those decisions may be appealed to the MGB. This issue related to compliance with the Evidentiary Matters Regulation. The position of the Board was that the ARB did not make a decision permitted by legislation and the complaint remains on record before the ARB.

MGB 230-98

**J.T. Consulting on behalf of POCO Petroleum Ltd.
and
Municipal District of Big Lakes No. 125**

Nine of the ten roll numbers under appeal represent satellite test battery sites. The tenth roll number is a water injection facility. The issue of the appeal was whether the equipment and the buildings housing the equipment at both the satellite test battery sites and the water injection facility are within the definition of linear property, or are they assessable as improvements.

The appellant submitted that each satellite battery site is for metering purposes only. It was the appellant's position that a permanent process should occur before an improvement is classed as machinery and equipment. The equipment and the buildings housing it are incidental for production and should be included in the standardized well head assessment as per the Assessment Commissioner's Bulletin 2/86. They are assessable as standardized linear property not machinery & equipment. Regarding the water injection facility, its purpose is to supply water for the water injection system and is used for production. The water is not used in a processing or manufacturing operation. The facility is an integral part of the entire water injection pipeline and well system and meets the definition of linear property.

The appeal was denied. The Board was satisfied that all equipment identified is properly assessed as machinery & equipment and the buildings housing the equipment are assessable as improvements.

MGB 231-98

**Richard Harris, owner, Lake Louise at Home
and
City of Calgary**

The City disputed the jurisdiction of the Board to hear the appeal because the complaint to the ARB was filed late.

The appellant stated that he never received the original assessment notice. An amended notice was received by fax on November 19, 1997, and the complaint was mailed on December 9. The City received it on December 22. There was also some confusion about which address was "Lake Louise at Home". Unit number 306 was the original unit and through an amalgamation of spaces, the owner was using unit 307 as the identification number.

The representative for the City replied that an amended assessment notice was sent on August 15, and the final date for filing a complaint was September 15. The complaint was received on December 22. The original notice, which was mailed to unit 306, was never returned to the city by Canada Post.

The Board decided that it has no jurisdiction to hear the appeal because the appeal had not been filed within the 30 day appeal period. There was confusion around the address of the business, but the Board was satisfied that all mail would have been delivered to a mail box for which the appellant had a key. As the assessment notice was not returned to the City, the Board concluded that the notice had been received.

MGB 232-98
The Municipal District of Bighorn
The Town of Magrath
The Town of Canmore
Jasper Improvement District
The Summer Village of Larkspur
and
The Minister of Municipal Affairs

This appeal concerns the 1998 equalized assessments of five municipalities. The Board asked all parties to attend a preliminary hearing to determine the issues and contents of the appellant's submissions, and to set procedures in place so that the appeal can be heard in a timely fashion.

The common ground in each of the submissions was that the equalization process is not fair and equitable. The appellants requested that the appeals be postponed until a decision is made in the City of Calgary's 1997 equalization appeal.

The Board decided that the appeals should not be delayed because of the City of Calgary's appeal. Procedures and dates for the exchange of information between the municipalities, the respondent and the City of Edmonton were set out.

MGB 234-98
City of Edmonton
and
The Catholic Archdiocese of Edmonton

This was an appeal heard by the Board on January 20, 1997 and resulted in Board Order MGB 51/97. The issue of this appeal was whether the Board should rehear the appeal and allow argument on whether the appellant is a charitable and benevolent organization within the meaning of section 362(n) of the MGA.

The Catholic Archdiocese stated that, at the appeal before the ARB, they presented arguments on both the religious exemption (362(k)) and the charitable and benevolent exemption (362(n)). The ARB would only hear arguments on the religious exemption and exemption was granted. The City appealed the ARB decision to the MGB where only the religious exemption was argued and the Board reversed the ARB decision. The MGB decision was appealed to the Court of Queen's Bench where the appeal was denied because the charitable and benevolent exemption had not been argued before the Board. A recent Court of Queen's bench decision on the Ukrainian Youth of General Roman Schuchewych-Chuprynka v. The City of Edmonton altered the interpretation of the charitable and benevolent exemption. The applicant asked that the Board rehear the appeal.

The City argued that as both parties were represented by legal counsel, it was their choice on what evidence to argue. In regards to the Ukrainian Youth Unity, the Court decision came after the Boards' decision and should not be applied retroactively.

The request for a rehearing was denied.

MGB 235-98

**Bryce Kipp Nelson Ltd. on behalf of Pinnacle Resources Ltd.
and
Municipal District of Opportunity No. 17**

The 31 roll numbers under appeal represent various gas well sites. Each site contains equipment that is considered to be incidental equipment. The major purpose of the equipment is to meet the metering requirements of the Alberta Energy Utilities Board. The issue of the appeal was whether the equipment is within the definition of linear property.

The appellant submitted that the equipment located supports the production activity and should be included in the standardized linear property assessment. The product that leaves each site is the same as it was when it entered the metering separator, no permanent process takes place.

The appeal was denied. The Board was satisfied that the equipment is properly assessed as machinery & equipment.

MGB 236-98

**Paralee Property Tax Consultants Ltd. on behalf of the owners of the Meadowlane Row Housing Condominium Complex being John Martin, Alasdair Mills, Victoria and June Rose, Valerie Levin, Ampha and Wilfred Dindial, and Clayton and Rena Gills
and
City of Edmonton**

The subject of this appeal were six condominium titled row housing units built in 1976. Both parties agreed that evidence related to one of the six units under appeal would apply to all of the units. The issues of the appeal were:

1. Is the assessment of the units reflective of their market value?
2. Should the Board follow the standards in regulation 313/96 even though the assessments were prepared using the MTA and the transitional regulation?
3. If the legislated quality standards are applied to the assessments, what constitutes a group of properties in determining the assessment level ratios?

The appellant presented market sales data which suggested an average selling price which was less than the assessment. Sales data for different types of condominium units was also presented.

The appeal was allowed.

MGB 237-98

**Property Tax Appeal Services on behalf of National Equity Management/Chair Holdings Limited
and
City of Calgary**

The subject of this appeal was a seven storey condominium constructed in 1969 of reinforced concrete. The improvement consists of 84 one bedroom and 13 two bedroom units. The assessment was confirmed by the ARB. When the owners filed an appeal with the MGB, the City of Calgary filed a cross appeal. The issues were:

1. Have all forms of depreciation been applied?

2. What is the correct, fair and equitable assessment of the property?
3. Does the MGB have the authority to increase an assessment?

The agent for the appellant appeared and argued for a reduction based on evidence of physical deterioration, functional obsolescence and the income approach to value. Regarding the cross appeal, he argued that the City cannot increase the assessment from its original level.

The appeal and the cross appeal were denied.

MGB 243-98

**Paralee Property Tax Consultants Ltd. on behalf of Brio Industries Inc./Brio Beverages Inc.
and
City of Edmonton**

The property under appeal was an office and warehouse. The issue was whether the property was over assessed.

The 1996 assessment had been before the MGB and the property received a reduction based on the assessor's recommendation. The property was purchased in 1994 and while renovations have been done, the appellant argued that they should not increase the property's value. In addition, lease rates and comparative sales of other warehouses in the area were presented to show that the assessment was too high.

The Board denied the appeal on the land assessment, and allowed the appeal on the improvement assessment.

MGB 244-98

**Rickard Realty Advisors Inc. on behalf of Gaddan Developments Ltd.
and
City of Red Deer**

The property under appeal was a 14 storey 160 unit high rise apartment building built in 1979. The property was condominiumized in 1990, went into receivership in 1995, and was purchased by the appellant in 1996. The issue of the appeal was whether the total of each unit's assessments a fair representation of the market value for the entire property?

The appellant presented four approaches to value to argue for a request for a reduction in the assessment. In addition, the appellant described the condition and status of the building and added that the condition was dated and little renovation had been done.

The Board denied the appeal on the land assessment, and allowed, in part, the appeal on the improvement assessment.

MGB 245-98

**City of Calgary
and
Computer Surplus Warehouse Ltd.**

The subject of this appeal was the business assessment. The ARB reduced the assessment, and the City of Calgary is appealing that decision. The issue was whether the reduction is correct, fair and equitable in comparison with similar properties.

The assessor stated that the business is well located in a warehouse/retail/office type of area. The building was assessed at \$7.00 per square foot, the ARB reduced it to \$5.00 per square foot. Comparables were presented to illustrate that the reduction was excessive.

The appeal was denied.

MGB 247-98**Union Pacific Resources Inc. (formerly Norcen Energy Resources Ltd.)
and****The Minister of Municipal Affairs-Assessment Services Branch**

Linear assessment notices were sent to the appellant in February 1998. Errors were discovered and the company informed Alberta Municipal Affairs. The Department told the appellant that an amended notice was being prepared and requested a list of suggested changes to include in the new notice. When the amended notice was mailed, none of the changes were included.

The appellant filed an appeal on 3,320 individual linear appeal applications. On each line pipe appeal application, the reason for appeal was "the pipeline is non-operational". For each well appeal application, the reason for appeal was "improper well status/not operated by Norcen". The Board received a letter from the Department suggesting that this was a blanket appeal and was invalid. The issues of the appeal were:

1. Is the filing of the 3,320 individual appeal notices an abuse of the appeal process, and are the appeals valid?
2. Is the Board restricted to the reasons for appeal stated in the Notice of Appeal?

The Department submitted that the reasons for the appeal are not specific. The appellant is trying to avoid the appeal process by using one general reason for all appeals. The agent for the appellant has advised the Department that there are other reasons for appeal, and the Department argued that additional grounds should not be allowed as the appeal filing date has passed.

The Board accepted each appeal and scheduled a merit hearing. In addition, the parties were told that there would be a cost hearing. Without hearing specific information, the Board could not determine whether this was a blanket appeal. In addition, the Board was concerned about the abuse of the appeal system and stated that at the end of the hearing, the Board will address the issue of costs.

MGB 249-98**Paralee Property Tax Consultants Ltd. on behalf of Carl D. Rusnell
and****City of Edmonton**

The property under appeal was an office/warehouse constructed in 1980. The issue was whether the property was correctly assessed.

The appellant gave an overview of the property and presented a number of issues to demonstrate that values for this type of property have dropped. Based on information relating to previous assessments as well as comparable market sales data, the assessment should be reduced.

The Board denied the appeal on the land assessment, but allowed the appeal on the improvement assessment.

MGB 250-98**TransAlta Utilities
and****The Crown in the Right of the Province of Alberta as represented by the Minister of
Municipal Affairs**

TransAlta Utilities Corp. filed a complaint concerning linear property assessments for 133 municipalities throughout the province. This hearing was held to address any preliminary matters, determine the timelines, the nature of document exchange, and the requirement of notice to affected municipalities.

Both parties agreed that the arguments for all 133 municipalities would be essentially the same and that about four municipalities would be selected as typical examples of the issues surrounding the appeal. The remaining municipalities would accept the Board's decision.

A schedule and timelines for notification, exchange of information and the dates set for the merit hearing were set.

MGB 252-98**Amending Board Order**

Amends Board Order MGB 244/98

MGB 256-98**J.T. Consulting on behalf of POCO Petroleum Ltd.****and****Municipal District of Greenview No. 16**

The 13 roll numbers under appeal represent satellite battery sites set up for metering purposes as required by the Alberta Energy Utilities Board. The issue of the appeal was that the Board must determine if the components assessed (including the buildings at each specific satellite test battery site) are within the definition of "linear property" or are they excluded from the definition and assessable as "improvements".

The appellant submitted that each satellite battery site is for metering purposes only. It was the appellant's position that a permanent process should occur before an improvement is classed as machinery and equipment. The equipment and the buildings housing it are incidental for production and should be included in the standardized well head assessment as per the Assessment Commissioner's Bulletin 2/86. They are assessable as standardized linear property not machinery & equipment.

The appeal was denied. The Board was satisfied that all equipment identified is properly assessed as machinery & equipment and the buildings housing the equipment are assessable as improvements.

MGB 258-98
Rendez-Vous Inn Ltd.
and
Town of St. Paul

The subject of this appeal is a parcel of land on the east side of the Town of St. Paul. The issues of the appeal were:

1. Should this parcel be assessed entirely at its agricultural use value or should the first three acres be assessed at market value and the balance at agricultural use value?
2. Can the parcel be serviced by using water and sewer distribution lines located adjacent to it?

The appellant's position was that the land had always been used for agricultural purposes. There are no buildings on the property.

The appeal was denied.

MGB 259-98
Paralee Property Tax Consultants Ltd. on behalf of Ince Holdings Ltd. and Cannon Properties Ltd.
and
City of Edmonton

The property under appeal consists of three lots containing five buildings. Three of the buildings are industrial steel warehouse structures built in the 1950's. A fourth building is similar, but built in 1978. The remaining building is an open storage shed. The issue of the appeal was whether the assessment is correct when compared to similar properties.

The appellant submitted that the amount of physical, functional, and economic obsolescence applied to the property is insufficient due to its poor condition.

The Board denied the appeal against the land assessment, but allowed the appeal on the improvement assessment.

MGB 260-98
Donald Edward Demetrick
and
County of St. Paul No. 19

The land under appeal was a 78 acre parcel and covered with native bush and grass. The appellant uses it occasionally to graze horses and firewood is harvested and sold occasionally. The issue of the appeal was whether the parcel is used for farming operations.

The appellant argued that the land should be assessed at its agricultural use value because he harvests wood from it. The ARB erred in saying that harvesting trees are not included in the definition of a "farming operation". The interpretation of the regulation should be broad enough to include the parcel as land used for farming operations.

The respondent replied that the property is not a farm and was assessed at market value. The trees grow naturally and the sod is native grass.

The appeal was allowed. The land is used occasionally to graze horses, and the raising of horses is part of the production of livestock. The Board was satisfied that the parcel was used for farming operations and should be assessed at its agricultural use value.

MGB 262-98

**Paralee Property Tax Consultants on behalf of Papirnyk Holdings Inc.
and
City of Edmonton**

This appeal involves two properties. The first was land and building leased by Canada Safeway. The second property is a parcel of land next to the vacant Safeway store. Safeway has built a new store, but maintains the lease to prevent competitors from moving into the area. The issue of the appeal was whether the property's assessment is equitable in comparison with similar property.

The appellant's agent stated that both properties are located in an area that experiences high vacancy rates. The vacancy rates of the neighbourhood and the vacant nature of the property has led to a loss in market value. The appellant produced sales and income information for similar properties to demonstrate that both the land and improvement assessments of both parcels were too high.

The appeal was allowed.

MGB 263-98

**El Dorado Vegetable Farm Ltd.
and
Municipal District of Cypress No. 1**

The El Dorado Vegetable Farm Ltd. grows and markets vegetables. Two operating systems are used to upgrade carrots from field to market quality. The first system is known as the Summer Line where carrots are washed, graded, inspected, and packaged. The carrots are sent directly to market with a minimum of storage. The second system is known as the Winter Line. There, carrots are washed, graded, and stored. In addition, carrots that are broken, oversized or odd shaped are processed at the "Cull Processing Line". This line consists of conveyors, sizers, cutters, peelers, colour sorter and packaging equipment.

All vegetable bulk storage areas, farm shop, and office are assessed as farm buildings. The building and facilities for the Summer, Winter and Cull Lines are assessed at commercial land and buildings and machinery and equipment. El Dorado appealed its assessment in 1986 and argued that the carrot quality upgrading facilities were an extension of the operations of the farm. This issue went before the Assessment Appeal Board and resulted in Board Order 47/86. The Board confirmed that the facilities were classified correctly. The subject of this appeal is the criteria used to determine what constitutes a farm operation as opposed to agricultural processing, and how is that criteria applied to the assessment of this property?

The appellant argued that the Summer and Winter Lines are necessary to make the carrots marketable. The facilities are an extension of vegetable farming and should be considered as farm operations for assessment purposes. The appellant agreed that the Cull Processing Line converts rejected carrots into a new product but this increases farm efficiency and the yield of a marketable crop. Increasing crop yield through the Cull Processing Line is a farm operation and should be assessed as such.

The Board determined that all land, buildings and equipment associated with the Summer and Winter Line should be assessed as farm land, buildings, and equipment. A portion of the land and building and all equipment associated with the Cull Line Processing is to be

assessed as commercial land and improvement with the equipment assessed as machinery and equipment.

MGB 265-98

**Mohawk 97 Street Service/731066 Alberta Ltd.
and
City of Edmonton**

This was business assessment appeal. The property is a convenience store and service station located on the corner of 97 Street and 108 A Avenue. From June to November 1997, 97 Street was completely closed, rendering the site inaccessible to automobile traffic. The lease is based on a base sum plus a percentage of sales. While the road was closed, business dropped drastically. The issue of the appeal was whether the City applied the assessment based on a percentage of gross annual rental value.

The appellant requested that 75% of the business tax be credited, because sales for the year were less than 50% of average annual sales and the City erred in calculating the income potential during the construction period.

The Board allowed the appeal. It was the Board's opinion that the construction significantly reduced the income potential of the gas station and resulted in a reduction of the gross annual rental value of the business. This reduction should have been included in the City's assessment analysis when determining the gross annual rental value.

MGB 266-98

Amending Board Order

The City of Edmonton has requested a time extension on Board Order MGB 212/98.

MGB 268-98

**Royal LePage Tax Consulting on behalf of Norcen Energy Resources Ltd.
and
County of Smoky Lake No. 13**

The properties under appeal are gas wells with skid mounted separators. The issue of the appeal was whether the components are within the definition of linear property or should they be assessable as machinery & equipment.

The appellant submitted that according to Board Order 143/97, some items should be struck from the roll because they are already assessed as linear property. MGB 143/97 held that while separators and the buildings housing them are assessable as machinery & equipment, other equipment is considered part of the transportation system and are captured in the regulated rates for linear property.

The appeal was denied. All equipment between the inlet and outlet valve falls to the "not including" portion of the definition of linear property. The Board is satisfied that the equipment is properly assessed as machinery and equipment.

MGB 271-98
Long Valley Grazing Association
and
Municipal District of Peace No. 135

The property under appeal consists of 5212 acres along the Peace River and is assessed under 38 roll numbers. The carrying capacity is expressed in Animal Unit Months (AUM). An AUM is the amount of pasture required to sustain a cow and calf for one month. In 1991, the carrying capacity of the lease was reduced from 1043 AUM to 590 AUM. The issue in this appeal was whether the assessed value of the land reflects the carrying capacity set by Alberta Forestry Public Lands Division.

The appellant stated that there is a large difference between the current carrying capacity of the land and the assessed rate. Before 1991, the difference was small, but when the carrying capacity was lowered, the assessment was almost double the carrying capacity.

The appeal was allowed. The Board decided that the assessment must be based on the carrying capacity set by Alberta Forestry Public Lands Division.

MGB 272-98
City of Calgary
and
Royal LePage Property Tax Consultants

A hearing was scheduled for October 28, 1996. Requests for a postponement by both parties were granted and a new hearing was scheduled for September 10, 1997. The respondent withdrew the appeal on September 9. On September 11, the City filed an application for costs. The respondent's request for a hearing to determine the Board's jurisdiction to award costs resulted in MGB 62/98. The issues of this appeal were whether the Board has jurisdiction to award costs on an appeal that has been withdrawn, and if the last minute withdrawal warrants costs.

On the issue of jurisdiction, the City stated that it did not file an application for costs until after the Notice of Withdrawal was issued. The City learned of the withdrawal through a phone call from the Board and did not receive formal notification until September 17. There was no opportunity to request costs prior to the withdrawal. On the issue of cost application, the city argued that it should be compensated for the time spent in preparing for the appeal as well as punitive costs.

The Board decided that it has jurisdiction to decide on the application for costs. However, no costs were awarded.

MGB 274-98
Amoco Canada Petroleum Company Ltd.
and
Municipal District of Greenview No. 16

A merit hearing was set for December 8-11, 1998. The Board was advised by the appellant that they would have difficulty meeting the respondent's expectations regarding the exchange of information. The purpose of this hearing was to determine the information that was to be exchanged and final dates for the exchange.

MGB 275-98

**Rickard Realty Advisors Inc. on behalf of Gibralt Capital Corporation
and
City of Edmonton**

This was an appeal of a decision of the 1997 Assessment Review Board. The property under appeal contains a Domo Gas Bar and a liquor store. The property has suffered from underground contamination near the gas storage tanks. The issues of the appeal were whether the soil contamination affects the property's value and does the contamination limit the cash flow obtainable from the property; and what is an appropriate capitalization rate?

The appellant presented two valuation methods used in determining market value for the property. In addition, the property has suffered from hydrocarbon contamination which has prevented the appellant from obtaining financing or selling the property.

The appeal was denied.

MGB 276-98

**Richard Harris, owner of Where It's Art
and
City of Calgary**

The subject of this appeal was the business assessment for a retail store located in Marlborough Mall.

The appellant stated that the store is not in a desirable location. In addition, the premises are very narrow and suffer from poor visibility. Because of these reasons, the business pays significantly reduced rent. The appellant argued that the retail space is worth less than what it is being assessed.

The appeal was allowed.

MGB 282-98

**Paralee Property Tax Consultants on behalf of Nilsson Livestock Ltd.
and
City of Calgary**

The property under appeal was a 5 storey suburban office building constructed in 1973. The ARB confirmed the land assessment and reduced the improvement assessment. When the Paralee Property Tax Consultants filed an appeal to the MGB, the City of Calgary filed a cross appeal. The issues of the appeal were:

The appellant argued for a reduction based on chronic vacancy problems, functional and locational obsolescence. In addition, a small portion of the building is occupied by World Vision Canada, New Hope Community Church, and United Bible Society, and the appellant requested a partial tax exemption under section 362(1)(k) of the MGA. The space is used for clerical/administrative functions, accumulating and disseminating religious information and volunteer prayer meetings.

The land assessment was confirmed. The appellant's appeal of the improvement assessment was allowed. The cross appeal was denied, and so was the appeal for a partial tax exemption.

MGB 284-98
PanCanadian Petroleum Ltd.
and
County of Newell No. 4

PanCanadian Petroleum Ltd. filed an appeal in June 1996, and a hearing was set for September 24, 1996, at which time the appellant asked for a postponement. The postponement was granted and the hearing was scheduled for August 11 and 12, 1997. At this hearing, the appellant stated that site inspections were required and sufficient time was needed to discuss documentation and review new material. The hearing was re-scheduled for September 28 and 29, 1998. This time, the respondent indicated that they were close to resolution and the dispute may be settled, and at least four days would be needed for the hearing. An administrative hearing was held on November 2, 1998 at which time the Board set out dates by which information must be exchanged between the two parties and scheduled a merit hearing for January 1999.

MGB 285-98
TransAlta Utilities Corporation
and
The Crown in Right of the Province of Alberta as represented by the Minister of Municipal Affairs

The property under appeal is the TransAlta Utilities Corporation Wabamun Thermal Plant located within the boundaries of the Village of Wabamun. The facility is comprised of part linear assessment and part buildings and structures. On the same day that TransAlta filed its appeal, the Village of Wabamun also filed a complaint on the same facility.

An administrative hearing was convened to address any preliminary matters, determine the timelines, the nature of document exchange and the requirements of notice to any affected parties.

MGB 288-98
AEC Valuations (Western) Inc. on behalf of the University of Alberta
and
City of Edmonton

The property under appeal was the "HUB" complex located on the University of Alberta campus. The complex consists of three components: university, commercial, and student housing. The assessment is split between each use and a proportionate land assessment. The appeal relates to the student housing portion only which is assessed pursuant to a City of Edmonton bylaw. The issue was whether land is included in the legislative provisions which allow a municipality to make student dormitories taxable.

The appellant stated that university property used for education purposes is exempt from taxation. Therefore, any property owned by the University and subject to taxation is an exception to that. The Act defines student dormitories as a "housing unit" and therefore only the housing unit can become taxable. If the words in the statutes are given their plain and ordinary meaning, "housing unit" includes buildings but does not include land. The taxation of the land is inconsistent with other practices of the City, such as machinery and equipment, where it is exempted, but not a proportionate share of the land. Another example is the Royal Canadian Legion where property used for liquor service is taxable, but not a proportionate share of the land assessment.

The appeal was denied.

MGB 293-98**Dezman Cowan Real Property Appraisal Ltd. on behalf of NAV CANADA
and
County of Leduc No. 25**

This was an appeal of a decision by the 1997 Assessment Review Board. The issues of the appeal were:

- a) The assessment amounts are incorrect, do not reflect market value, and are not fair or equitable.
- b) The land and improvement assessments should be exempted from taxation under section 362(1)(n)(iii) of the MGA and regulation 125/95. The property is used for a charitable and benevolent purpose that is for the benefit of the general public and owned either by the Crown in the right of Canada or by a non-profit organization.
- c) That NAV CANADA is exempt from taxation pursuant to section 362(1)(a).
- d) The property be exempted from assessment and taxation as it contains spaces used as a school.
- e) That a portion of the improvement which is leased to the Department of National Defense be exempt from assessment and taxation.
- f) That any assessment and taxation may not be levied by the MGA and the MGB whose jurisdiction is contained in the MGA. NAV CANADA is a federally incorporated company, and the MGA cannot alter the status and essential powers of NAV Canada.

The appeal, with respect to exemption from assessment and taxation was denied. The assessment was reduced for the improvement portion of the property occupied by the Department of National Defense. The Board adjusted the total assessment of the land and improvements.

This appeal was too lengthy and complex to summarize in a few paragraphs. If you want a copy of the Board Order, call Ruth Cassady, Assessment Services, at 422-1377, and one will be mailed to you, or visit the MGB's web site at www.gov.ab.ca/ma/mgb.

MGB 294-98**Derbyshire Consultants (Western Canada) Limited on behalf of F.R. Webster & Company
Ltd.
and
Town of Banff**

This was an appeal of a decision of the 1997 Assessment Review Board. The property under appeal was the Traveller's Inn, an 89 room hotel. The issues of the appeal were:

1. Should there be additional obsolescence?
2. Is the assessment fair and equitable considering the condition of the property?
3. Is the assessment summary provided by the assessor to the appellant in accordance with the statutory requirements?

