

Qualifications of Assessor Regulation

This is just a reminder that the full force of the Qualifications of Assessor Regulation AR54/99 comes into effect on January 1, 2001.

By this time, all municipalities should have provided to the Minister of Municipal Affairs the name of their designated assessor. Under the regulation, that assessor must have one of the three qualifications recognized by the regulation or must have received equivalency to those designations from the Minister.

The three approved designations are:

- (a) Accredited Municipal Assessor of Alberta (AMAA) under the Municipal Assessor Regulation (AR 84/94),
- (b) Certified Assessment Evaluator (CAE) issued by the International Association of Assessing Officers, or
- (c) Accredited Appraiser Canadian Institute (AACI) issued by the Appraisal Institute of Canada.

Please refer any questions on this requirement to the Assessment Services

Branch Holiday Closures

The Assessment Services Branch will be closed from December 25-27, 2000 and on January 2, 2001 for the holiday season.

**MERRY CHRISTMAS
FROM THE
ASSESSMENT
SERVICES BRANCH**

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Assessment Review Board Training

Assessment review boards (ARBs) play a key role in Alberta's assessment process. It is important that the work of the boards is conducted in a fair, professional and timely manner in all of Alberta's municipalities.

The Assessment Services Branch of Alberta Municipal Affairs is hosting a series of seven Assessment Review Board workshops in various locations throughout the province in the spring of 2001. These free workshops will provide participants with an understanding of the process and structure of the assessment function within Alberta and will outline the board's role and responsibilities in the appeal process.

Each of the workshops will run from 9:00 a.m. to 3:30 p.m. (except Airdrie, which begins at 9:30 a.m.). Course materials and lunch will be provided to participants.

For the first time this year, participants will be able to register electronically. A form for registrations is being distributed, but if you would like a copy in advance, it can be sent to you. Registrations must be received two weeks prior to the workshop date in order to confirm registration.

Any questions can be directed to Karac Hendriks-West of Alberta Municipal Affairs at 780-415-8394 or karac.hendriks-west@ma.gov.

Message from the Executive Director

Over this past year, the Assessment Services Branch has gone through many changes. We have done some restructuring and reorganization and attempted to reform and realign our focus and goals.

While making these changes, we have attempted to maintain business as usual in a somewhat unusual and changing environment. The patience that our stakeholders have shown over the past year, and their concerted efforts to help us address issues and move forward towards solutions, is greatly appreciated by the staff of the Assessment Services Branch.

The issuance of our first *Advisory Aspects* in this new format seems to be a fitting way to end this most eventful year and a positive accomplishment with which to move into a new year.

Renewed and improved relations with all of our stakeholder groups bodes well for a productive year in 2001. We wish a Merry Christmas and Happy New Year to all our colleagues in



municipalities around the province, within other provincial departments and in the associations with

ARB Training Dates and Locations, Spring 2001

Date	Municipality	Location
February 13	Leduc	Best Western Denham Inn - 5207 - 50th Ave
February 27	St. Paul	Recreation Center - 5310 - 48th Ave
March 13	Airdrie	Woodside Clubhouse - 525 Woodside Drive
April 10	Stettler	Recreation Center - 6202 - 44th Ave
May 1	Lethbridge	Top of the Grandstand - 3401 South Parkside Drive
May 15	Medicine Hat	Callaghan Inn - 954 - 7th St S.W.

Assessment Standards Name Change

Effective immediately, the unit of the Assessment Services Branch that was known as Assessment Standards, has been renamed to reflect the tasks that it actually works on. The new name of the unit is the 'Assessment and Property Tax Policy Unit'. Larry Collins, Director, suggests that the name change will eliminate some confusion, as the unit does not in fact set standards, but rather it works on policy for both the

Linear Update

The Linear Property Assessment Unit of the Assessment Services Branch is preparing the linear property assessment for the 2001 tax year.

The Pipeline section of the unit is processing Energy and Utility Board (EUB) records and information received from industry that will form the basis for the assessment.

The 2000 tax year marked the first time EUB pipeline data was used to prepare the assessment. Although there were a few bumps along the way, using EUB records to prepare the assessments has proven successful.

Thank you to all municipalities and industry stakeholders for their participation and patience during this transition year.

The Telecommunication and Electric Power section of the unit is reviewing requests for information returns filed by telecommunication and electric power companies. The section is cross-referencing the information returns with copies of building and development permits submitted by municipalities, and validating that the content of each return is complete.

The section is also preparing the electric power generation assessment for the 2001 tax year using new depreciation rates, and has been assigned the responsibility for all electric

(Continued next column)

Audit Unit Update

Staff Update

Two people have left the Audit Unit to pursue other opportunities. Glen Snelgrove left to become the assessor for Crowsnest Pass, and Sherry Lucas has moved to Saskatoon. We wish them well in their new endeavours.

Darryl Menzak joined the Audit Unit in September. Darryl previously worked in the Standards Unit as the Legislative Advisor and is now auditing in the Edmonton and Red Deer areas.

2001 Assessment Audit Forms

There are no change to the annual audit forms for 2001. Please note that the audit forms and declarations are due by April 1, 2001. If you require a copy of the forms, please contact the Audit Unit.

A Guide to Assessment Audit

The firm of Almy, Gloudemans, Jacobs & Denne Property Taxation and Assessment Consultants (AGJ&D) assisted the Assessment Services Branch to develop detailed audit procedure guides

for assessors and municipal officials. A stakeholder work group will review the guides in early 2001.

Central Database

In their report submitted to the Minister of Municipal Affairs, the Equalized Assessment Panel (EA Panel) identified the need for a central computerized assessment database. The EA Panel determined from stakeholder input that the province requires reliable and current data to ensure the equalized assessment process is fair, and that equalized assessment information is made available to all municipalities in the province.

The department is identifying the systems requirements for assessment information, and development of a building permit data warehouse. The preliminary proposals for the system include using current-year data to calculate annual education requisitions, providing two-way electronic access for the assessment audit and equalized assessment processes, and providing municipal access to province-wide assessment

(Linear Update Continued)

power generation assessment. In the past, the municipal assessor prepared the assessment for all new generation facilities constructed since 1997. Once again, the unit is asking for the participation and patience of all assessment stakeholders during the implementation phase of the new rates and the transition to our new responsibilities.

One final note: To enable the municipality to record information on the assessment roll in accordance with Section 308(2.1) of the Municipal Government Act (MGA), the date for preparation of the assessment roll pursuant to Section 302 of the MGA for linear property described in

Assessment Principles Course Update

The Assessment Services Branch has been working with the staff and instructors of Lakeland College to update and formalize the delivery of the Assessment Principles 320 (AP 320) course that is delivered to second year Assessment and Appraisal students at Lakeland College.

The completion of Assessment Principles 320 has been a long-standing requirement of all aspiring assessors studying at Lakeland College. The course has traditionally been taught by department staff, and the students have welcomed the opportunity to interact with practising professionals.

To combine and enhance the teaching and learning experience with the realities of the profession, AP 320 incorporates multi-media components, interactive exercises, and an exam that is directly connected to the objectives and materials that are being taught. Topics that are covered in the course include:

- ◆ Assessment Legislation
- ◆ Assessment Audit
- ◆ Equalization of Assessment
- ◆ Education Taxation

◆ Assessment Profession

The contents and concepts of this course are introduced, fostered, and enhanced by thorough study based on a fictitious special municipality - Rurbanville, Alberta. The imaginary town's newspaper, the *Rurbanville Ribbon*, covers events of local interest. Combined with the newspaper, Radio Free Rurbanville provides a broad perspective on the local news. These vehicles are used to supplement the students' experiences and learning as they develop, adjust, and calculate the Rurbanville assessment roll.

Students are learning concepts and practising skills associated with the profession of assessment, as they learn with the assistance of the Alberta Municipal Affairs instructors. As an example of the complexity of the realistic situation; when a disastrous fire destroys part of downtown of Rurbanville, a problem for the education tax requisition is created. The education requisition for the tax year is based on properties that have burned down and therefore no longer exist.

Throughout the development and production process, one fact remains constant - the laws and regulations underlying Rurbanville are the same as those that apply to real municipalities in Alberta.

Legislation Changes and Updates

Appended to this issue of *Advisory Aspects*, you will find two new regulations. The *Assessment Complaints and Appeals Regulation* comes into effect on January 1, 2001, and the *Regional Shopping Centre Allocation of Assessment Regulation*, came into effect on November 24, 2000. Copies of these regulations are available from the Queen's Printer. The copyright notice included here binds both regulations.



Alberta Queen's Printer

Copyright in the Statutes and Regulations, whether in print or electronic format, belongs to the Province of Alberta. No person may reproduce copies of Alberta Statutes and Regulations for any purpose without the prior consent of the Queen's Printer for Alberta.

The official Statutes and Regulations should be consulted for all purposes of interpreting and applying the law.

Official copies of Alberta

legislation are available in print and electronic format from the Queen's Printer, online at www.gov.ab.ca/qp, or at the addresses outlined to the left.

Queen's Printer Bookstore, Edmonton
11510 Kingsway Avenue, Edmonton, AB

Phone: 780-427-4952

Fax: 780-452-0668

Queen's Printer Bookstore, Calgary

Ministerial Orders 2000

Following is a list of all of the Ministerial Orders (MOs) that have been signed in 2000, along with the originator of the MO request. This list includes a brief description of the reason for the order, and the date on which the order was signed.

Complete details of any of these orders can be provided by the Assessment Services Branch.

MO NO.	FILE	DESCRIPTION	DATE SIGNED
L:003/00	Leduc County	Assessment Roll Extension	01/14/00
L:004/00	MD of Rocky View, No. 44	Assessment Roll Extension	01/14/00
L:005/00	Red Deer County	Assessment Roll Extension	01/24/00
L:006/00	Red Deer County	Equalized Information Submission Extension	01/24/00
L:007/00	Lac Ste. Anne County	Assessment Roll Extension	02/09/00
L:008/00	Lac Ste. Anne County	Equalized Information Submission Extension	02/09/00
L:014/00	Municipal Government Act	Equalized Assessment Adjustments – All Municipalities	02/09/00
L:015/00	Sturgeon County	Assessment Roll Extension	02/09/00
L:016/00	Sturgeon County	Equalized Information Submission Extension	02/09/00
L:018/00	Ponoka County	ARB Decisions Extension - Hobbema Healing Centre	02/15/00
L:019/00	Parkland County	Assessment Roll Extension	02/09/00
L:020/00	Municipal Government Act	2000 Assessment Audit Reporting Deadline ADM's Extension Authority	03/23/00
L:023/00	Municipality of Crowsnest Pass	Assessment Roll Extension	02/17/00
L:026/00	Municipal Government Act / City of Calgary	MGB Decision Extension – 2000 Equalized Assessment	02/23/00
L:027/00	Municipal Government Act / City of Edmonton	MGB Decision Extension – 2000 Equalized Assessment	02/23/00
L:028/00	Municipal Government Act	2000 Equalized Assessment Adjustments	02/16/00
L:030/00	City of Calgary	Assessment Roll Extension	02/18/00
L:031/00	Village of Lomond	Assessment Roll Extension	02/23/00
L:032/00	County of Barrhead No. 11	Assessment Roll Extension	02/23/00
L:034/00	Village of Hill Spring	Assessment Roll Extension	03/02/00
L:039/00	Town of Chestermere	Assessment Roll Extension	03/08/00
L:040/00	MD of Wainwright No. 61	Assessment Roll Extension	03/08/00
L:041/00	MD of Wainwright No. 61	Equalized Information Submission Extension	03/08/00
L:042/00	Town of Raymond	Assessment Roll Extension	03/08/00
L:043/00	Village of Andrew	Assessment Roll Extension	03/08/00
L:044/00	City of St. Albert	Assessment Roll Extension	03/08/00
L:045/00	City of St. Albert	Equalized Information Submission Extension	03/08/00
L:046/00	County of Two Hills No. 21	Assessment Roll Extension	03/08/00
L:047/00	Starland County	Assessment Roll Extension	03/08/00
L:048/00	Village of Milo	Assessment Roll Extension	03/08/00
L:049/00	Village of Heisler	Assessment Roll Extension	03/08/00
L:050/00	Village of Heisler	Equalized Information Submission Extension	03/08/00
L:051/00	City of Grande Prairie	Assessment Roll Extension	03/08/00
L:052/00	County of Forty Mile No. 8	Assessment Roll Extension	03/08/00
L:053/00	City of Medicine Hat	Assessment Roll Extension	03/08/00
L:054/00	Town of Fort Macleod	Assessment Roll Extension	03/08/00
L:055/00	Town of Strathmore	Assessment Roll Extension	03/08/00
L:056/00	Town of Bruderheim	Assessment Roll Extension	03/08/00
L:057/00	Mountain View County	Assessment Roll Extension	03/08/00
L:058/00	Town of Redcliff	Assessment Roll Extension	03/08/00
L:059/00	Regional Municipality of Wood Buffalo	Assessment Roll Extension	03/08/00
L:060/00	MD of Provost No. 52	Assessment Roll Extension	03/08/00
L:061/00	County of Wetaskiwin No. 10	Assessment Roll Extension	03/08/00
L:062/00	Town of Black Diamond	Assessment Roll Extension	03/08/00
L:063/00	MD of Ranchland No. 66	Assessment Roll Extension	03/08/00
L:064/00	Town of Turner Valley	Assessment Roll Extension	03/08/00
L:065/00	County of Grande Prairie No.1	Assessment Roll Extension	03/08/00
L:066/00	Village of Stirling	Assessment Roll Extension	03/08/00
L:068/00	City of Calgary	Equalized Information Submission Extension	04/04/00
L:069/00	Municipal Government Act	Allocation of Assessment Extension Duggan Mall – Camrose, Abottsfeld Mall – Edmonton, and Westbrook Mall – Calgary	04/11/00
L:071/00	Town of Bonnyville	Equalized Information Submission Extension	03/16/00
L:072/00	SV of Bonnyville Beach	Equalized Information Submission Extension	03/16/00
L:073/00	Village of Derwent	Equalized Information Submission Extension	03/16/00
L:074/00	Village of Myrnam	Equalized Information Submission Extension	03/16/00
L:075/00	MD of Bonnyville No. 87	Equalized Information Submission Extension	03/21/00
L:076/00	Town of Lac La Biche	Equalized Information Submission Extension	03/16/00
L:077/00	SV of Pelican Narrows	Equalized Information Submission Extension	03/16/00
L:078/00	Village of Glendon	Equalized Information Submission Extension	03/16/00

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MO NO.	FILE	DESCRIPTION	DATE SIGNED
L:079/00	Village of Plamondon	Equalized Information Submission Extension	03/16/00
L:080/00	Lakeland County	Equalized Information Submission Extension	03/16/00
L:081/00	Town of St. Paul	Equalized Information Submission Extension	03/16/00
L:082/00	SV of White Gull	Equalized Information Submission Extension	03/16/00
L:083/00	Village of Marwayne	Equalized Information Submission Extension	03/16/00
L:084/00	Village of Vilna	Equalized Information Submission Extension	03/16/00
L:085/00	Improvement District No. 24	Equalized Information Submission Extension	03/16/00
L:086/00	Town of Wainwright	Assessment Roll Extension	03/16/00
L:087/00	Town of Wainwright	Equalized Information Submission Extension	03/16/00
L:088/00	Village of Kitscoty	Assessment Roll Extension	03/16/00
L:089/00	Village of Kitscoty	Equalized Information Submission Extension	03/16/00
L:090/00	Town of Two Hills	Assessment Roll Extension	03/16/00
L:091/00	Town of Two Hills	Equalized Information Submission Extension	03/16/00
L:092/00	Village of Edgerton	Assessment Roll Extension	03/16/00
L:093/00	Village of Edgerton	Equalized Information Submission Extension	03/16/00
L:094/00	Cypress County	Assessment Roll Extension	03/16/00
L:095/00	Cypress County	Equalized Information Submission Extension	03/16/00
L:096/00	Village of Rockyford	Assessment Roll Extension	03/16/00
L:097/00	Lakeland County	Assessment Roll Extension	03/16/00
L:098/00	Town of Bonnyville	Assessment Roll Extension	03/16/00
L:099/00	MD of Bonnyville No. 87	Assessment Roll Extension	03/21/00
L:100/00	SV of Bonnyville Beach	Assessment Roll Extension	03/16/00
L:101/00	City of Airdrie	Assessment Roll Extension	03/16/00
L:102/00	Town of Taber	Assessment Roll Extension	03/16/00
L:103/00	County of Barrhead No. 11	Equalized Information Submission Extension	03/16/00
L:106/00	Town of Sexsmith	Assessment Roll Extension	03/27/00
L:107/00	Town of Sexsmith	Equalized Information Submission Extension	03/27/00
L:108/00	City of Red Deer	Assessment Roll Extension	03/27/00
L:109/00	City of Red Deer	Equalized Information Submission Extension	03/27/00
L:110/00	Municipal Government Act	Linear Property Assessment Fees	04/11/00
L:113/00	Municipal Government Act	Equalized Information Submission Extension	04/11/00
L:115/00	Municipal Government Act	MGB Decision Extension – Various Appeals	04/07/00
L:117/00	Municipal Government Act	Linear Property Report Submission Extensions	04/14/00
L:118/00	MD of East Peace No. 131	Assessment Roll Extension	04/11/00
L:119/00	MD of East Peace No. 131	Equalized Information Submission Extension	04/11/00
L:120/00	Town of Killam	Equalized Information Submission Extension	04/11/00
L:121/00	Town of Sedgewick	Equalized Information Submission Extension	04/11/00
L:122/00	Town of Viking	Equalized Information Submission Extension	04/11/00
L:123/00	Town of Provost	Equalized Information Submission Extension	04/11/00
L:124/00	Village of Galahad	Equalized Information Submission Extension	04/11/00
L:125/00	Village of Forestburg	Equalized Information Submission Extension	04/11/00
L:126/00	Lamont County	Assessment Roll Extension	04/11/00
L:127/00	Smoky Lake County	Assessment Roll Extension	04/11/00
L:128/00	Jasper Improvement District	Assessment Roll Extension	04/11/00
L:129/00	MD of Big Lakes	Assessment Roll Extension	04/11/00
L:130/00	MD of Brazeau No. 77	Assessment Roll Extension	04/11/00
L:131/00	MD of Lesser Slave River No. 124	Assessment Roll Extension	04/11/00
L:132/00	MD of Mackenzie No. 23	Assessment Roll Extension	04/11/00
L:133/00	MD of Opportunity No. 17	Assessment Roll Extension	04/11/00
L:134/00	Cold Lake	Assessment Roll Extension	04/11/00
L:135/00	Town of Drayton Valley	Assessment Roll Extension	04/11/00
L:136/00	Town of Elk Point	Assessment Roll Extension	04/11/00
L:137/00	Town of Lamont	Assessment Roll Extension	04/11/00
L:138/00	Town of Lamont	Equalized Information Submission Extension	04/11/00
L:139/00	Town of Mundare	Assessment Roll Extension	04/11/00
L:140/00	Town of Rainbow Lake	Assessment Roll Extension	04/11/00
L:141/00	Town of Smoky Lake	Assessment Roll Extension	04/11/00
L:142/00	Village of Breton	Assessment Roll Extension	04/11/00
L:143/00	Village of Thorhild	Assessment Roll Extension	04/11/00
L:144/00	Village of Warspite	Assessment Roll Extension	04/11/00
L:153/00	Municipal Government Act	MGB Decision Extension – 1999 Linear Appeals	04/28/00
L:154/00	City of Calgary	Assessment Roll Extension	04/18/00
L:181/00	County of Two Hills No. 21	Assessment Roll Extension	04/28/00
L:214/00	Municipal Government Act	Equalized Assessment Adjustments – Selected Municipalities	06/23/00
L:215/00	City of Edmonton	ARB Decisions Extension	08/08/00
L:216/00	Municipal Government Act	MGB Decision Extension – Various Appeals	07/05/00
L:220/00	I.D. 9	Equalized Assessment Adjustment	06/30/00
L:227/00	City of Calgary	ARB Decisions Extension	08/04/00
L:238/00	Municipal Government Act / City of Edmonton	MGB Decision Extension – 1999 Equalized Assessment	09/06/00
L:239/00	Municipal Government Act	MGB Decision Extension – 1999 / 2000 Linear Appeals	09/06/00
L:238/00	Municipal Government Act	Assessment Complaints and Appeals Regulation	11/22/00
L:272/00	City of Calgary	Equivalency under Qualifications of Assessor Regulation	12/08/00

Industrial Property Assessment Review



Hand-in-hand with the revision and update of the *Special Property Assessment Guide* (SPAG), now known as the *Industrial Property Assessment Guide* (IPAG), the Assessment and Property Tax Policy Unit of the Assessment Services Branch is reviewing the process for the assessment of industrial property which is currently valued through the use of regulated rates. The review will then move on to property types that are valued through cost and depreciation analysis. Specifically, the assessment process for these regulated property types is under review:

- 1 Linear Property, including:
 - ◆ Electric Power Systems;
 - ◆ Telecommunications Systems, including:
 - Telephone
 - Cable Television.
 - ◆ Pipeline, including:
 - Pipe
 - Wells
 - Wellsite Land.
- 2 Machinery and Equipment; and
- 3 Railway.

The purpose of this review is to develop revised cost manuals for these designated types of property. The process is now well under way with the initial research being conducted between December 2000 and January 2001. Final results for some property types are expected beginning in early fall of 2001. More manuals will be completed over the following 12 to 14 months since each property type will be investigated separately. The completed cost manuals will be released one at a time as they are reviewed.

Robert Brown of RLB Consulting will be assisting the staff of the unit with the first two steps in the review process. These steps involve researching jurisdictions across North America to see if there are regulated cost manuals that are already in existence that can be reviewed. If these manuals can be found and they are appropriate, they will be adapted for use in the Alberta context. If no such manuals exist, new regulated cost manuals will need to be developed for use in Alberta.

A subset of the review, that being the development of regulated rates for the types of property mentioned earlier, is in progress and is expected to be complete in the spring of 2002.

The Industrial Review process is being led by the Assessment and Property Tax Policy Unit. Comments

Recommended Procedure For Grain Terminal Assessment



High-throughput grain terminals are replacing the traditional grain elevators in the agricultural sector. These facilities ship, store and receive commodities. They also provide services previously available only at large port facilities. The new services provided by high-throughput terminals are:

- ◆ Blending, which involves the controlled mixing of known products to form a new product of given specifications,
- ◆ Cleaning, which involves separation and removal of undesirable components from the commodity, and
- ◆ Drying, which involves the removal of moisture from tough or damp commodities to bring the moisture content to a specified standard.

The Assessment Services Branch (ASB) has consulted with the Western Grain Elevator Association and local assessors. The branch has determined that some activities taking place at high-throughput terminals are manufacturing and processing in nature. Therefore, it is the branch's position that some components of the terminals should be classified as machinery and equipment for assessment purposes. The components not considered machinery and equipment should continue to be assessed as buildings and structures.

Although high throughput terminals are similar in what they do and how they look from a distance, they can also be very different in their respective configurations. Therefore, a detailed listing of all the variations and combinations of processing and storage equipment is not practical for this guideline. However, terminals generally fit into one of three separate categories of how the terminal functions.

The components of high-throughput terminals, for assessment purposes, should be categorized as either machinery and equipment, or buildings and structures. Listed below are the three categories that have been identified as typical. Assessors and industry stakeholders are strongly encouraged to work together to determine the appropriate breakdown based on the guidelines listed below.

Machinery and Equipment

Category 1

If the terminal's activities include cleaning, blending and drying, the following components should normally be assessed as machinery and equipment:

- ◆ All cleaners
- ◆ All dryers
- ◆ All non-condominium bins that are less than 550 tonnes (20,000 bushels) in capacity used in connection with the processing operation. These are usually located in the workhouse area of the terminal.
- ◆ A pro-rated portion of the commodity handling equipment. This is calculated based upon the ratio of total bin capacity made up by bins less than 550 tonnes (small bins) to the total storage capacity of the terminal.

Consider, for example, a terminal with a total capacity of 600,000 tonnes. The small bins found in this terminal total 150,000 tonnes in capacity. This would indicate that 25% of the commodity handling equipment would be designated as machinery and equipment, with the remaining 75% being designated as buildings and structures. All low-volume condominium bins should be excluded for this calculation.

- ◆ Computer and software equipment should be prorated at the same percentage of as the commodity handling equipment.

Machinery and Equipment, Category 2

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If the terminal's activities include drying and blending or blending only, the following should normally be assessed as machinery and equipment:

- ◆ All dryers
- ◆ 60% of non-condominium bins that are less than 550 tonnes (20,000 bushels) in capacity used in connection with the processing operation. These are usually located in the workhouse area of the terminal.
- ◆ A pro-rated portion of the commodity handling equipment. This is calculated based upon the ratio of total bin capacity made up by bins less than 550 tonnes (small bins) to the total storage capacity of the terminal.

Consider, for example, a terminal with a total capacity of 600,000 tonnes. The small bins found in this terminal total 150,000 tonnes in capacity. In this category, only 60% of the small bin capacity should be used in the ratio. This would indicate that 15% of the commodity handling equipment should be designated as machinery and equipment, with the remaining 85% designated as buildings and structures. All low-volume condominium bins should be excluded for this calculation.

- ◆ Computer and software equipment should be prorated at the same percentage as the commodity handling equipment.

Machinery and Equipment, Category 3

If the terminal's activities include cleaning and blending, the following should normally be assessed as machinery and equipment:

- ◆ All cleaners
- ◆ All non-condominium bins that are less than 550 tonnes (20,000 bushels) in capacity used in connection with the processing operation. These are usually located in the workhouse area of the terminal.
- ◆ A pro-rated portion of the commodity handling equipment. This is calculated based upon the ratio of total bin capacity made up by bins less than 550 tonnes (small bins) to the total storage capacity of the terminal.

Consider, for example, a terminal has a total capacity of 600,000 tonnes. The small bins found in this terminal total 150,000 tonnes in capacity. This would indicate that 25% of the commodity handling equipment should be designated as machinery and equipment, with the remaining 75% being designated as buildings and structures. All low-volume condominium bins should be excluded for this calculation.

- ◆ Computer and software equipment should be prorated at the same percentage as the commodity handling equipment.

NOTE: For all three categories, electrical components (i.e., distributors or wiring) should be included as machinery and equipment at the same percentage as the commodity handling equipment.

Buildings and Structures

The following components should be classified as buildings and structures. Not all of the items listed will occur in every terminal.

- ◆ All condominium storage bins
- ◆ All residual storage bins over 550 tonnes (20,000) bushels in capacity
- ◆ Residual commodity storage bins
- ◆ Residual commodity handling components

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- ◆ All commodity loading equipment and towers
- ◆ All free standing warehouse structures and tanks
- ◆ Receiving probe (generally located on exterior of building)
- ◆ Storage bin probes
- ◆ Receiving scales, scale house, pits, and related components
- ◆ Office and warehouses
- ◆ Residual computer equipment and software

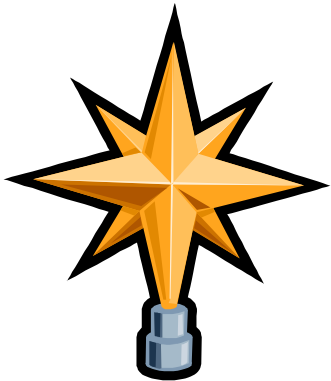
Age Life Tables

The following are suggested age life guidelines for grain terminal components.

Machinery and Equipment

Cleaners (high speed)	20 years
Dryers (high speed)	20 years
Steel storage bins	50 years
Concrete storage bins	60 years
Computers and software	20 years
Commodity handling equipment	20 years

Buildings and Structures



*All the best of the
holiday season to
you and your
families from the staff
and management of the
Assessment Services
Branch*

