Alberta Assessors' Association

POSITION PAPER
on

Bill 21
The *Modernized Municipal Government Act*

July 26, 2016

CONTENTS

EXECUTIVE SUMMARY

On May 31, 2016, *Bill 21, Modernized Municipal Government Act (MMGA)* was given first reading in the Alberta Legislature. Honourable Minister Larivee also committed to a review process that would "...engage Albertans and get this important piece of legislation right." The Alberta Assessors' Association is equally devoted to this mandate. To that end we are providing a formal response that will assist in developing legislation that further promotes clarity, accountability, equity, consistency, and transparency in the Assessment function.

The Alberta Assessors' Association recommendations are summarized below with more complete and explanatory information provided on the subsequent pages. The Association's major concerns are:

i. **Authority to collect information to prepare and defend an assessment (s. 295(1))** *(p.4)*
This portion of the proposed Bill 21 has endeavored to expand the type of information an assessor can request from a property owner and we support this policy change but recommend additional clarification:
- That "and" be removed as the inclusion of this word means that an assessed person must fail in both areas for a complaint to be dismissed;
- That information be gathered "for assessment purposes which includes preparing, testing or defending an assessment";
- That mass appraisal be incorporated as a definition;
- That the Provincial Assessor be required to copy the Municipality when sending a request for information; and,
- That any reference to s.295 be removed from complaints regulations (*Matters Relating to Assessment Complaints* s.5(3) and 9(3)).

ii. **Ability of an assessed person to request information from a municipality, or the Province, to understand how the assessment was prepared (s.299, 300)** *(p.5)*
There needs to be clear distinction between the information for an assessed person to understand their assessment and the disclosure of evidence for an appeal before a tribunal.
- That the regulations specify the type of information and the extent of "any other" information with distinctions based on the valuation standards;
- That the information required to be disclosed be limited to the assessed person's property;
- That any reference to s.299 be removed from complaints regulation (*Matters Relating to Assessment Complaints* s.5(4) and 9(4)

iii. **Ability of a municipality to request information from the Provincial Assessor, to understand how the assessment was prepared (s.299.1, 300.1)** *(p.7)*
The Provincial Assessor and the assessment of "designated industrial properties" is a significant policy change and a matter of ongoing dissention. The Association recommends:
- That the current process for property tax assessment remain within the purview of the most affected municipalities; and,
- That definitions and the *Construction Cost Reporting Guide* be clarified and standardized models be incorporated; failing this,
- That municipalities receive information for designated industrial properties within their jurisdiction; and,
- That the assessments prepared by the Provincial Assessor are audited.

iv. **Ability to correct the assessment roll (s.305)** *(p.8)*
The Association appreciates the amendments allowing corrections while a property is under complaint; however, ambiguity remains. The Association recommends
- That the legislation identify the type of errors that may be corrected, including an increase in the assessment.

v. **The review process for assessment complaints (s. 470)** *(p.9)*
Streamlining and simplifying the appeal process may be the intent of this amendment but the actual outcome may produce a more expensive and less efficient review of Board decisions by allowing questions of law, questions of fact and mixed questions of law and fact. The Association recommends, among other things,

- That judicial reviews be limited to interpretation or jurisdiction with deference to tribunals.

It is hoped that the Ministry will use this report in reconsidering some of the amendments so as to improve the application of the proposed legislation regarding the assessment of property for municipal tax purposes.

AUTHORITY TO COLLECT INFORMATION TO PREPARE AND DEFEND AN ASSESSMENT (S. 295(1))

Issue(s)

There is no requirement for assessed persons to provide information for "assessment purposes" including mass appraisal, even if such information would better inform the assessor.[1]

The inclusion of the word "and" in the proposed amendments suggests that an assessed person would have to fail to comply with both 295(1)(a) and (b) for the complaint to be dismissed.

There is no provision for use of the information collected to test or defend an assessment.

Background

In *Boardwalk Reit LLP v. Edmonton (City), 2008 ABCA 220*, the Court of Appeal criticized the City of Edmonton for arguing an assessed person's complaint was invalid for failing to comply with requests for information. The Court held that the information requested was not "necessary" for the assessment. This decision not only curtailed the completeness of the records that could be sought by a municipality, it has also been used to restrict the use of information collected by an assessor.

The result of this decision is that s.295 cannot be used to collect information needed for mass appraisal, as the Court has held such information is not necessary to prepare an assessment.

Tribunals have also trended towards leniency when an assessed person fails to comply with requests for information and other provisions of the MGA, notably timelines (deadlines). Assessed persons, in the too-broad interest of fairness, have been permitted the use of information that has not been disclosed, or not been disclosed in a timely manner to a municipal assessor, to appeal an assessment.

Recommendation(s)

The Alberta Assessors' Association recommends

THAT the word "and" between subsections 295(1)(a) and (b) be removed;

THAT subsection (a) "for the assessor to prepare an assessment" be deleted and new subsection (a) "for assessment purposes which includes preparing, testing or defending an assessment" be inserted;

THAT "mass appraisal" be included as a definition of "preparing" and "testing" in the *Modernized Municipal Government Act*; and,

THAT the Provincial Assessor be required to copy the municipality on disclosure requests, disclosed documents and any related correspondence.

[1] Excerpted from the Alberta Assessors' Association Municipal Government Act Review Report (Corrected), dated October 4, 2013, p. 7

ABILITY OF AN ASSESSED PERSON TO REQUEST INFORMATION FROM A MUNICIPALITY, OR THE PROVINCE, TO UNDERSTAND HOW THE ASSESSMENT WAS PREPARED (s.299, 300)

Issue(s)

Sections 299 and 300 have been amended substantially; however, there is no clear distinction between the information to be provided to an assessed person in further understanding a property assessment and the information that may be demanded/required for a complaint hearing before an assessment review board.

Background

The professional assessment community has long held the belief that Sections 299 and 300 should be limited to information to prepare an assessment for a specific property, rather than "*all documents, records and other information*" in the assessor's possession.

Tribunals, courts and compliance reviews have overwhelmed the municipal assessment community by issuing orders or decisions that are inconsistent from circumstance to circumstance due to the lack of specificity in the legislative terminology. It is impossible to anticipate the requests that may be forthcoming for an assessed property. This has resulted in time-consuming, onerous and unnecessary demands for information, not to understand the methodology used in determining value of a specific property, but often to confound the complaint process.

Additionally, while complainants are often successful, in the broad interest of fairness, in attempts to enter into evidence matters that were not disclosed on s.295 requests, assessors have not been afforded the same consideration with respect to information not disclosed in s.299 request. The result is that assessors may be doubly disadvantaged in the hearing process. This link between the exchange of information and the complaint/tribunal process must be eliminated in the *Matters Relating to Assessment Complaints Regulation Section 5(4 and 9(4).*

The changes proposed by Bill 21, *Modernized Municipal Government Act,* purport to limit the information an assessed person may access to demonstrate how an assessment is determined for a specific property, depending on the stipulations in the as yet undrafted regulations.

Recommendation(s)

The Alberta Assessors' Association recommends

> THAT the regulations related to the amendments to the Municipal Government Act proposed in Bill 21 Section 30 and 31 be specific to, and list by valuation standard, the type of "information" in the municipal assessor's possession (299(1)) and "any other information" (300(2)(f)).
>
> THAT the regulation limit the information to an assessed person's property;
>
> That the regulations address the extent of information to be provided for non-valuation decisions made by the assessor such as whether a property qualifies for an exemption;
>
> THAT there be a clear distinction in the regulations between the disclosure of information to prepare an assessment and the disclosure of evidence to defend or appeal an assessment by removing from *Matters Relating to Assessment Complaints* sections 5(3), 5(4), 9(3) and 9(4); and,
>
> That the regulations address whether a property owner can make a s.299 request with specific questions [they want answered].

ABILITY OF A MUNICIPALITY TO REQUEST INFORMATION FROM THE PROVINCIAL ASSESSOR, TO UNDERSTAND HOW THE ASSESSMENT WAS PREPARED
(s.299.1, 300.1)

Issue(s)

Bill 21 does not contain any provisions which would require the Provincial Assessor to provide the affected municipality with information about the designated industrial property in that municipality.

It is possible that two similar properties in the same municipality will be assessed differently, if one is considered designated industrial property and the other remains assessed by the municipal assessor as an improvement (structures / machinery and equipment).

Under the existing legislation the assessments for machinery and equipment are audited by the Province; however, this safeguard to ensure a consistent application of the legislation, is eliminated in the proposed *Bill 21*.

Background

Currently, in Alberta, a municipal council levies taxes sufficient to cover the costs of providing for municipal purposes (MGA Sec 3.). Additionally, municipalities are required to collect provincial education tax. Property taxation is the main source of income for municipalities, along with and to a lesser degree, the application of fees and charges. Municipal councils are held to account, both by their electorate and by the provincial government for effectively and efficiently managing municipal finances.

In order to collect taxes from properties, municipalities are responsible for preparing property assessments for taxation purposes for all property and improvements within municipal boundaries excluding Linear and property for which no assessment is to be prepared.

While the Bill 21, *Modernized Municipal Government Act*, permits an assessed person access to information relevant to the assessment of designated industrial property, the proposed changes leave municipalities with no way of accessing the records to confirm the information and assessment of properties assessed by the Provincial Assessor.

Many of the proposed designated industrial properties are assessed using the original construction costs as reported by the property owner. These original construction costs are then analyzed under the *Construction Cost Reporting Guide* to see if there are any excluded costs to be subtracted from the original construction costs. The analysis under the *Construction Cost Reporting Guide* involves a review of the supporting documents provided by the property owner, information obtained during meetings with the property owner, and the exercise of professional judgement by the assessor. Bill 21 requires amendment to ensure that the Provincial assessor provides this information to the affected municipality.

The confidentiality of the cost information should not be an issue. Section 301 requires a municipality to keep assessment information confidential, and this statutory obligation would include the municipality's employees. In addition, the assessors' professional association obligates its members to a confidentiality requirement in the Code of Conduct.

The second concern is that there will be different valuation standards for properties which are listed as designated industrial properties and those that are not. Currently, two similar properties within the municipality are subject to the same valuation standards. The types of properties which are to be listed as designated industrial property have not been determined, nor has the valuation standard(s) for designated industrial property. A serious potential exists for there to be two similar properties in the same municipality which are assessed differently.

The third concern is the elimination of the third party audit process for the assessment of machinery and equipment. Currently there is an assessment audit function for the assessment of machinery and equipment. The Province audits the assessments prepared by municipalities, which is one of the ways in which a consistent application of the legislation can be ensured. Most of the property currently assessed as machinery and equipment, would under Bill 21, be assessed by the Province as designated industrial property. The audit function is then eliminated.

Currently there are no quality standards or oversight set out for linear property assessments, whereas there are, for property assessed under the market valuation standard. It is not, then, unreasonable to suppose that there will be no quality standards or oversight of the process for assessing designated industrial properties.

This raises the question: Should a municipal Council be accountable to an electorate for property taxes it collects or does not collect when it is not responsible for and cannot verify the assessment of properties within its jurisdiction?

The Association reiterates its objection to the centralization of Industrial assessment and thus the need for a Provincial Assessor

Recommendation(s)

The Alberta Assessors' Association recommends

> THAT municipalities maintain responsibility for preparing the assessments of all property within the municipality (with the exception of linear property), along with the following legislative changes as outlined in the March 1, 2016, Report to the Stakeholder Advisory Committee on "The Creation of a Central Agency to Prepare Industrial Assessments" (Attachment 1).

Should these broad amendments (designated industrial properties assessed by the Provincial Assessor) proceed, the Alberta Assessors' Association recommends

> THAT the Provincial Assessor be required to copy the municipality on disclosure requests, disclosed documents and any related correspondence; and,
>
> THAT an arm's length audit process be implemented for verifying and reporting that the assessments prepared for designated industrial properties by the Provincial Assessor are correct and accurate.

ABILITY TO CORRECT THE ASSESSMENT ROLL
(s.305)

Issue(s)

The proposed amendments have not clarified the types of errors that may be corrected to avoid narrow interpretation of this section.

There is no provision stipulating that when reading s.305 together with s.467(1), a correction may be an increase to an assessment.

The proposed amendments confuse tax policy with assessment policy by requiring amended notices be sent for changes to taxable status (exemptions) or for tax deferrals.

Background

The amendments in Bill 21 to s.305 of the *Modernized Municipal Government Act (MMGA)* are positive. By allowing municipalities to correct and amend an assessment even if the property is under complaint significantly improves the accuracy of the assessment roll as well as efficiency in the assessment process.

However, the amendments are still ambiguous regarding what types of errors can be corrected as it is unclear whether assessors are able to amend property assessments beyond correcting for clerical mistakes or technical errors. Interpretations of the words 'error, omission or misdescription' have been narrowly interpreted by the courts.

The means to not only correct technical errors, but any error arising out of the assessment process would be an invaluable addition to the legislation. The legislation remains silent about the ability for an assessment to be increased. The *Capilano* decision, along with the *CNRL* decision, has made it obvious that the legislation is no longer being read with a view to getting the final assessment correct.

The *MMGA* requires clarification that an assessor can request the tribunal to increase an assessment, even in the absence of an amended notice, and that an amendment can both increase, or decrease an assessment.

The *MMGA* also requires that a change in status of a property be reported. Once the roll is corrected, an assessor must report the correction to the Minister. This process has added a function that pro-rates in the ministerial oversight that is both unnecessary and possibly inappropriate; the assessor is responsible to make changes to the roll, not the provincial assessment audit function. The audit report prepared by the Assessment Share Services Environment (ASSET) which provides a pro-rated value requires unnecessary administrative work for a municipality. It is actually the assessor's responsibility to effect pro-rated changes, not ASSET.

Recommendation(s)

The Alberta Assessors' Association recommends

> THAT a subsection (1.1) under s. 305 be added to state that an error in the information shown on an assessment roll includes an error in the assessed value where, in the opinion of the assessor, the assessment does not correctly reflect the valuation standard for the property as required by the regulations.
>
> THAT the function of ASSET that pro-rates an amended assessment be discontinued.

THE REVIEW PROCESS FOR ASSESSMENT COMPLAINTS
(s. 470)

Issue(s)

A judicial review can consider not only questions of law or fact, but also "mixed" questions of law and fact whereas statutory appeals only considered questions of law or jurisdiction.

The proposed amendments fail to articulate the standard of review.

No deference is afforded to assessment review board decisions as final and expert in the area of assessment appeals.

The deadline for filing a request for judicial review is sixty (60) days, extended from the original 30 days' time to file a statutory appeal.

Background

Standard of Review
The recent amendments have eliminated the statutory appeal of an ARB decision and instead placed into the legislation the judicial review of ARB decisions. It is assumed that this took place because matters that are currently going to Court are taking too long, and resulting in multiple court appearances for the same matter as a result of the leave requirement. In other words, the intent of this change appears to be an attempt to simplify matters being heard by the Courts, and have them heard in a more efficient manner.

The timeliness of matters getting before the Courts may be a result of the scheduling capacity within the system, rather than the number or type(s) of review/appeal.

While the general intent appears to be an attempt to solve one issue, the changes, as drafted, have not addressed this purpose of simplifying matters and indeed exacerbate these problems with unintended consequences. The Assessors' Association considers the current process wherein an appellant must be granted leave to appeal to the Court of Appeal as sufficient given that the standard for such appeals is jurisdiction and or reasonableness. Alternatively, for the reasons expressed below, we would suggest that the specific language should be incorporated into any such proposed amendments.

Courts often comment that more time is spent on arguments about what standard of review to apply rather than on the underlying issues. In each case that goes to the Courts, the first issue that needs to be determined is the standard of review and this lengthens the time in front of the Courts. Assessment review boards have been duly appointed by each municipality and trained to handle assessment hearings. They should therefore be given deference both on fact finding and on their interpretation of how the legislation should operate. This will provide clear direction to the Courts and ensure that the appropriate deference is given to the decisions of assessment review boards. This is also in accordance with recent Supreme Court authority that suggests that deference is presumptively given to tribunals.

Lack of a Privative Clause
When the legislation was amended in 2009 to add the statutory appeal, the privative clause was removed. Privative clauses are commonly legislated in order to show that the legislature intended to provide deference to the tribunal. The removal of the privative clause caused confusion in the Courts about the standard of review.

A decision of the assessment review board is final and not subject to appeal and shall not be altered or set aside in an application for judicial review or in any other proceeding unless the decision is unreasonable.

Time frame to file judicial review
The time frame for filing a statutory appeal was 30 days. Assessment matters are intended to be handled quickly and efficiently. While limiting the time to file for judicial review from 6 months to 60 days, the drafting could also be interpreted as extending the time frame to take matters to Court. Given the goal of efficiency a shorter time frame to take matters to Court would be desirable.

Judicial Reviews are broader than questions of law and jurisdiction
The statutory appeal was limited to questions of law or jurisdiction. There is no similar restriction fro. judicial review which can be for questions of law, fact or mixed fact and law. This has the potential to increase the number of matters going to Court.

Recommendation(s)

The Alberta Assessors' Association recommends

THAT the appeal process for Tribunal (ARB or MGB) decisions continue to include "seek leave to appeal" to the Court of Appeal as at present.

Alternatively

THAT a section on appeal, as stated, be inserted:

A decision of the assessment review board is final and not subject to appeal and shall not be altered or set aside in an application for judicial review unless the decision is unreasonable.

Or,

THAT in the alternative, should the above be considered unworkable, the following considerations be addressed and adhered to:

- The standard of review for the judicial review of assessment review board decisions should be legislated as the standard of reasonableness;
- The legislation should reinsert a privative clause into the legislation to ensure that appropriate deference is afforded to decisions of the assessment review board;
- The timeframe to file a judicial review should be changed from 60 days to 30 days; and,
- Legislative amendments are need to suggest that judicial review be limited to questions of law. While the Courts will still likely exercise their powers to hear other matters through judicial review, the inclusion of such a section should discourage frivolous appeals and attempts to simply re-argue matters before the Courts.

ATTACHMENT 1

CREATION OF A CENTRAL AGENCY TO PREPARE INDUSTRIAL ASSESSMENTS

ALBERTA ASSESSOR'S ASSOCIATION – REPORT TO THE STAKEHOLDER ADVISORY COMMITTEE

IN PREPARATION FOR THE MARCH ____, 2016 MEETING

BACKGROUND: The Stakeholders were asked to address the questions in the December 16, 2015 Discussion Document (a copy of which is attached). Those questions related to changing the *Municipal Government Act ("MGA")*, by creating a centralized assessment agency responsible for the preparation of the assessments of industrial property located in all municipalities.

The Discussion Document states that this issue was a consensus item among stakeholders.

EXECUTIVE SUMMARY: In coming to its recommendation below, the Association weighed:

(i) whether there was consensus among stakeholders;
(ii) the MGA objective to recognize local autonomy, and the goal of municipalities to maintain that autonomy;
(iii) the goals of all stakeholders, including industry, especially the desire for greater consistency in the preparation of industrial assessments, and the desire for additional training;
(iv) the problems identified in the December 16, 2015 Discussion Document;
(v) the Code of Conduct which binds Association members;
(vi) the most cost effective and timely option to maintain the local investment in resources needed to prepare assessments, while achieving the goals and addressing the problems identified;
(vii) the municipalities' need to obtain timely and responsive information from the assessment department for annual and long term budgeting; and
(viii) the requirement of some municipalities to retain assessors with knowledge of industrial assessments to annually audit the assessment prepared by a central agency, and from time to time file a complaint against their own assessment.

RECOMMENDATION OF THE ALBERTA ASSESSOR'S ASSOCIATION

The Association recommends that municipalities maintain responsibility for preparing the assessments of all property within the municipality (with the exception of linear property), along with the following legislative changes:

- The creation of an Assessment Commissioner with a mandate to provide ongoing training for assessors and industry representatives **[please see Appendix E];**
- The creation of an Advisory Board to the Commissioner **[please see Appendix E];**
- The creation of an Industrial Composite Assessment Review Board (or ICARB), **[please see Appendix E];**
- Amendments to the *Municipal Government Act, Construction Cost Reporting Guide ("CCRG"), and Machinery and Equipment Minister's Guidelines* to clarify definitions, clarify terminology, update anticipated age lives, update the assessment year modifier, and update depreciation tables **[please see Appendix D]**;
- Amend the *Machinery and Equipment Minister's Guidelines* to implement the well site standardization study completed in 2012. This will promote consistency, cost efficiencies, and allow local assessors to focus their expertise on property assessed using the CCRG **[please see Appendix D].**

ANALYSIS SUMMARY: In the course of preparing a response to this issue, a number of significant questions arose:

(a) **Was there consensus among municipalities and municipal organizations that a new agency should be created to prepare industrial assessments?**

The Association understands that industry supports industrial assessment prepared by a central agency. However, the Association has not seen the same position advanced by a majority of municipalities, or the municipal organizations like AAMD&C or AUMA. Moving to a centralized assessment authority would require municipalities to retain assessors with this type of expertise to annually audit the assessment prepared by the central authority, and from time to time, file a complaint about their own assessment.

(b) **What types of properties are included in the term "industrial property"?**

The term 'industrial property' is not defined in the legislation, or in the Discussion Document. This term could include an entire spectrum of properties assessed by the local assessor, from a tank at a wellsite, to a gas plant, a high throughput grain elevator, a chemical plant and an upgrader **[please see Appendix B]**. We are proceeding on the assumption that all of these types of properties would be assessed by a centralized authority.

(c) **Are the problems identified in the Discussion Document a priority for the majority of stakeholders?**

Having regard for the objectives of the *Municipal Government Act* and stakeholder goals, the Association agrees that finding solutions for the problems identified would support the majority of legislative and stakeholder goals. **[please see Appendix C]**

(d) **Would the creation of a centralized authority to prepare industrial assessments, solve the problems identified in the Discussion Document?**

The Association is of the view that changing 'WHO' assesses industrial property by creating a centralized authority will not solve the problems identified, and would be costly. It would result in the loss of local knowledge about properties, the loss of local autonomy, and require municipalities to audit the preparation of assessments by a central authority.

The problems identified in the Discussion Document need to be solved by changes to legislation and the creation of an Assessment Commissioner with a mandate to provide ongoing training **[please see Appendices D, E and F].**

(e) **What would be the most cost effective and timely manner to address the problems identified in the Discussion Document?**

The problems would need to be solved through a combination of methods, including, changes to legislation, the creation of an Assessment Commissioner, and the creation of a dedicated Industrial Composite Assessment Review Board ("ICARB"). There is a perceived lack of consistency in the interpretation and application of the legislation

regarding the assessment of industrial property. The Association agrees that there are a large number of areas where the wording of the legislation would benefit from clarification. Clarification of the legislation, coupled with training on the legislation, would address the perceived lack of consistency.

The CCRG and the *Machinery and Equipment Minister's Guidelines,* were initially written as guidelines - not regulations. Legislative drafting conventions have not been used, and this has led to uncertainty in the interpretation. Both of these regulations were written many years ago. They have not kept pace with modern construction methods, and were written prior to the scope of the large mega-projects. Consistency in the interpretation and application of the CCRG and the *Minister's Guidelines* would improve if these legislative changes were made.

The anticipated age lives and depreciation tables in the *Machinery and Equipment Minister's Guidelines* were initially developed for use in the 1984 Assessment Manual. As a result these tables are over 30 years old, and have not been updated. The Association believes that its members, the representatives of property owners, and assessment review board members, would benefit from ongoing training. **[please see Appendices D, E, and F]**

Stakeholders devoted considerable effort in 2012, along with industry and Municipal Affairs, to the development of standardized groupings of well site equipment. The aim was to have regulated rates developed for use in assessing these groupings. Implementing these changes would create efficiencies and promote consistency. The Association recommends that the standardized groupings be implemented to support local assessors and industry. The implementation of standardized grouping with regulated rates would improve consistency. We estimate that approximately 70 – 80 % of the industrial accounts on the assessment roll in most municipalities, would be affected by this standardization. Under the existing valuation standard, there is a high administrative burden on industry and assessors to maintain this inventory. Moving to standardized groupings of well site equipment would lessen this administrative burden on assessors and industry. If time and cost savings are achieved it would allow local assessors to focus their expertise on the preparation of assessments for property assessed using reported costs and the CCRG.

There is a perception sometimes expressed by industry representatives, that municipal assessors are pressured to make assessment decisions to achieve a tax outcome. The Association's members are bound by the Association's Code of Conduct and Professional Standards, and can be subject to a disciplinary action by the Association if there has been a breach of the Code of Conduct. The Code of

Conduct, the oversight by the Assessment Commissioner and the provincial audit unit, will ensure that assessments are prepared in accordance with the legislation.

CONCLUSION

The Association has considered its recommendation from the approach of finding solutions to the problems identified in the Discussion Document. We do not support the idea that moving to a centralized assessment authority will, on balance, solve the identified problems. Moving to a centralized authority will be costly and require a large investment in the creation of new computer systems, and resourcing the central authority with assessors and other experts. In the current economic times, this initiative does not seem a wise expenditure. There are other less costly, and more effective options, to address the problems identified.

Indeed moving to a central assessment authority would create new problems as municipalities would be required to closely scrutinize the assessments prepared by a central authority for correctness and equity. If the assessment is prepared by a central authority, then from time to time a municipality will file a complaint against their own assessment, or a municipality might seek to become an intervenor in a complaint filed by a property owner. The Discussion Document has not considered the role that the municipality would play if there was a central assessment authority preparing the industrial assessment for the municipality.

For some municipalities industrial properties form a large percentage of their assessment base. Municipalities rely heavily on the local assessor to prepare the assessment roll to meet both the timing requirements of the MGA, and the municipality's own timing requirements. For example, some municipalities send their assessment notices in early January, and others send a combined assessment and tax notice later in the spring. This flexibility would be much more difficult to accommodate with a central authority.

Municipalities rely on the local assessor to provide them with timely and responsive information to meet current municipal requirements for long term budgeting, and tax projections. The Association is concerned that these necessary reporting requirements have not been considered in the discussion of a centralized authority.

We look forward to developing a solution to the identified problems with the SAC.

We invite other stakeholders to contact the Association's representatives, through the Association's office, if they have any questions.

Alberta Assessor's Association – February 16, 2016

Lawrence Butchart – President, and John Lindsay - President Elect

Stakeholder Advisory Committee Representatives

Karen Burnand, Rural Director, and Brian Lutz, Urban Director