



Alberta Assessors' Association E-Clipboard

Promoting *QUALITY* through membership excellence

www.assessor.ab.ca

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Creation of a Central Agency to Prepare Industrial Assessments

In April of 2015 at the AAA Convention, Assistant Deputy Minister Bev Yee announced her intention to create a Stakeholder Advisory Committee (SAC) and the first meeting was held on July 7, 2015. Subsequent meetings were held on September 9, 2015 and December 16, 2015. The next meeting is scheduled for March 23, 2016. All of the minutes and full terms of reference are posted in [Documents](#) on the AAA's secure members' website.

The potential for a creation of a central agency to prepare industrial assessments has been identified as the initial priority for the SAC. Municipal Affairs and the members of the SAC, have agreed that membership engagement is of vital importance with this item and have requested, through the AAA, to solicit feedback from the membership. Working Groups have also been and are being formed to devote additional analysis to the SAC's priority areas, including an AAA Working Group on the creation of a central agency for the preparation of industrial property assessments.

The membership was invited to provide comment on the issue by email in advance of the AAA Working Group meeting. The AAA Working Group met on February 19 and its recommendation was delivered to the Executive Committee on February 26, 2016 who supported the recommendations of the AAA Working Group and appreciated the analysis and research.

Following considerable analysis, the AAA Working Group found little value in moving to a centralized model for the preparation of industrial property assessments. The conclusions drawn from the analysis indicate a centralized assessment authority will not wholly solve the issues identified by both assessors and industry and, in all likelihood, will add its own complexities and inception difficulties.

Members are urged to review the letter to Minister Larivee, the report and recommendations which can be accessed by choosing "ASB Stakeholder Advisory Group on Assessment and Taxation (SAC)..." which will take you directly to the report in the "Documents" tab on the Members Only section of the website (linked below):

AAA Position on the Creation of a Central Agency for the Preparation of Industrial Assessments

Comments are welcome via Comments@assessor.ab.ca with the subject line reading "Creation of a Central Agency for the Preparation of Industrial Assessments."

Oil bust could mean skyrocketing property taxes

Some Alberta municipalities are being hit hard as oil companies stop paying



By Jennifer Blair, Reporter

With oil prices bottoming out around \$30 a barrel, oil companies are scrambling to save money — sometimes at the expense of farmers.

“Some companies are just deciding not to pay the annual rentals,” said Daryl Bennett, who represents the Action Surface Rights Association in southern Alberta.

Last year, the Surface Rights Board had more than 750 new applications and gave landowners over \$1.5 million to repay defaulted rents, said Bennett, who spoke at the recent Alberta Federation of Agriculture annual general meeting.

“That’s just the tip of the iceberg. There should have been thousands and thousands of new applications.” But while lost rents are a short-term frustration for farmers, the long-term effect this will have on rural municipalities is much bigger.

“If you as a landowner don’t get paid by a company, it’s not that big of a deal. The minister of finance will ensure that you get your money,” he said. “The implication to counties and municipalities is what you should be concerned about.”

Right now, counties in Alberta get two streams of oil and gas revenues. The first is through linear property assessments.

“That’s generally all the pipelines, power lines, that type of stuff. Currently, there’s \$845 million being assessed to the operators in the province that goes to counties,” said Bennett.

“A lot of these companies that are going bankrupt are not paying their linear assessments to their counties and municipal districts.”

And 25 per cent of the linear tax assessment goes toward education

Counties also do local tax assessments, which fund their operating budgets. “An oil lease is assessed at higher rates than you are for your property taxes, and that’s collected by the municipality.” In some municipalities, between 60 to 90 per cent of their total budget depends on oil and gas tax revenues. For instance, oil and gas tax revenues make up 68 per cent of the budget for the County of Taber.

“The County of Taber has estimated that if it was to lose its linear assessments paid by oil and gas, it would have to increase its property taxes by 350 per cent on everybody else to make up that loss,” said Bennett. “They’re going to have their budgets drastically cut in some cases. Then what do they do? Do they raise taxes or do they lay off people?”

Reduced oil and gas tax revenues will create a “snowball effect” in these counties — “they lay off more people, those people don’t pay taxes, real estate prices go down, property assessments go down, and it just continues on and on.”

And counties are starting to get worried, he added.

“Some of these companies that have gone bankrupt owe \$15 million to \$20 million to various counties.”

Until the oil market corrects itself, Alberta’s farmers will need to tighten their belts, regardless of whether they rent land to oil companies, said Bennett.

“As landowners, you can get your revenues back, but I think you need to be concerned about what’s happening in the industry and how this may impact your property taxes and the abilities of your counties and municipalities to function as they have in the past.”

With thanks to <http://www.albertafarmexpress.ca/>



<http://www.albertafarmexpress.ca/>

TOOLS For Practicing Assessment in Alberta Online

Please contact Membership@assessor.ab.ca if you are interested in a spring/summer Tools course. Our next scheduled offering is the fall semester, beginning in late August. However, some members have expressed interest in an earlier start date. We require at least 10 candidates or members in order to run the course and have been asked to create a wait-list for an earlier offering. Tools for Practicing Assessment in Alberta is the legislative knowledge course requirement for Candidate members pursuing accreditation. It is recommended that Candidates have at least one year of experience, two is preferred, in assessment prior to taking the course.

Notice of Annual General Meeting

The Association Bylaws state:

A written notice stating the day, hour and place of an Annual General Meeting or Special Meeting, shall be served either personally or by sending such notice to each regulated member at the last address of that member known to the Association Registrar through the post, by facsimile or by email, at least ten days before the date of a meeting.

Official notice and direction to receive your packages will follow for the planned April 28, 2016 Annual General Meeting. If you have not already done so, please update your contact information. As most of our messages are sent via email, a current email address is most critical.

Get Your Skates on for the Battle of Assessors Hockey Game

Captain Eddie needs players. You need a white and a dark jersey, a helmet, skates (of course) and whatever else helps your game - within reason, of course. The cost is \$10 and you will be playing at the River Cree Sports LP Twin Rinks (north rink) at 3:45 p.m. on April 27. A special request goes out for referees also. If you are interested, please contact membership@assessor.ab.ca.

Nominations Open

Yes, it is that time! The Nominating Committee, chaired by Collin Hindman, is collecting nominations for:

[President-Elect](#)

[Vice President](#)

[Urban Director](#)

[Financial Director](#)

If you have an interest, or know someone with an interest, please contact any members of the Nominating Committee directly collin.hindman@edmonton.ca lwehlage@benchmarkassessment.ca bboomer@rdcounty.ca

...and Volunteers Needed

Annually, the President and President-Elect review the Committee membership and attend to vacancies in preparation for the upcoming year. The number of vacancies varies from year to year, but there are always vacancies. The time commitment also varies for each committee, often depending on projects or emergent issues. If you are interested in serving on one of the Association's committees, please contact the Association office (info@assessor.ab.ca or 780-483-4222) for information or to add your name to the list of available volunteers.

Institute of Municipal Assessors (IMA) Webinar(s)

The Ontario Institute of Municipal Assessors is offering webinars that have been developed by the International Property Tax Institute in partnership with IMA to Alberta members. Each hour of web-based learning is eligible for AAA learning credits. Please refer to IMA's information page attached at the end of this newsletter. Upcoming offering(s):

⇒ March 22, 2016 - Identification and Separation of Intangible Value - Valuation for Property Tax

To register for this WEBINAR go to: <http://www.theima.ca/home.cfm?id=1217>

Please note: Webinar connection information will be forwarded to you after receipt of payment.

Employment Opportunities

New postings since the last eClipboard:

- Sturgeon County—[Assessment Student](#), March 4, 2016
- Clearwater County, [Accredited Assessor](#) - Open until a suitable candidate is found
- City of St. Albert - [Assessor II](#)—March 8, 2016
- SAMA—[Appraiser—Industrial Unit](#)—March 11, 2016

Check the [Current Job Postings](#) for these and other competitions.

Random Quote

Expecting the world to treat you fairly because you are good is like expecting the bull not to charge because you are a vegetarian. - Unknown



Institute of Municipal Assessors and



International Property Tax Institute e-Learning for Assessors and Valuers

The Institute of Municipal Assessors (IMA) and International Property Tax Institute (IPTI), offer an e-learning platform designed to provide a cost effective and content-rich online learning opportunity for continued education in the field of property appraisal and taxation. CPD credits available upon successful completion of each course.

Course Name	Description	CPD Credits	Fee (+ tax)
Valuation of Office Buildings for Mass Appraisal	Designed to provide an introduction to office building valuation for assessment purposes using the direct capitalization method	5 hours	\$140
Essential Statistics for Mass Appraisal	Introduces concepts of descriptive and inferential statistics using examples from the assessment field to the statistics without the use of software	6 hours	\$145
Principles and Concepts of Municipal Taxation	Provides assessors, municipal representatives and taxpayers with an understanding of basic principles and concepts of municipal assessment and taxation	4 hours	\$130
Mass Appraisal and Single Property Appraisal of Residential Properties	Focuses on the differences between mass appraisal and single property appraisal concepts; highest and best use; data collection; fundamental market analysis; measuring mass appraisal performance; the appeal process and use of technology.	5 hours	\$140
Mass Appraisal 102: Valuation of Multi-Residential Property for Mass Appraisal	This course provides an introduction to multi-residential property valuation for assessment purposes as well as a practical valuation guide for multi-residential properties. It focuses on data collection, analysis of the information, developing valuation parameters, the valuation process, estimating market value and ensuring quality of assessment values.	5 hours	\$140
Property Tax Policy	Covers property tax policy principles and issues from an international perspective. The course provides a relevant conceptual framework containing essential elements of tax policy considerations and options and presents internationally grounded guidelines for making policy choices regarding the role property tax can play in financing local governments.	4 hours	\$130