



May 28 Webinar



Task Force on Property Assessment and Tax Policy

- Objectives and Draft
Recommendations

2012

Discussion Topics

- Objectives and Scope of Issues
- Guiding Principles and Recommended Changes
- Next Steps

Phase 1 - 27 Initial Recommendations on Property Assessment

- Many issues were dismissed without investigation/dialogue.
- 27 recommended changes were approved at AUMA's 2010 convention and forwarded to the Minister of Municipal Affairs.
- Will be considered during review of Municipal Government Act.

Phase 2 Objectives

- Opportunity to address remaining issues through a second phase of work:
 - ▶ Tax policies for farm property
 - ▶ Tax concessions for industrial property
 - ▶ Other assessment and taxation issues (e.g., complaint system, business tax provisions, supplementary assessment and taxation provisions, grants in lieu of taxes, non-residential and condominium classes/subclasses, etc.)

Model for Developing Recommendations

Identify
Issues
Through
Dialogue
with AB
Assessors
and
Members

Establish Task Force (Assessors and urban
Eos, administrators)

Development of
Further
Recommendations
in 2012

Define
Principles
Based System

Dialogue With
Members and
Assessors

Research and
Options Analysis

General Approach

- The Task Force views assessment as being separate from tax policies.

Fairness and Equity Principle

- By appraising property objectively, equitably, and uniformly, the assessment forms the basis for the distribution of the property tax burden
- All property is assessed annually at market value or market value principles of the property tax burden.

Fairness and Equity Recommendations

- ▶ Assess farm land on basis of market value
- ▶ Assess and tax farm residences on basis of market value
- ▶ Enable one-time bylaw for supplementary assessment and taxation and apply to all property (including linear) and to changes in land values due to use

Fairness and Equity Recommendations

- ▶ Enable additional subclasses for taxation of non residential property
- ▶ Ensure a grant in lieu of taxes is paid on all property owned by the Province
- ▶ Ensure privately owned property leased by Crown is taxed

Fairness and Equity Recommendations

- ▶ Provincial responsibility for delinquent taxes on leased Crown-Owned Property
- ▶ Establish consistent and equitable approach for property taxes for seniors (e.g., full municipal levy on seniors accommodation)

Fairness and Equity Recommendations

- ▶ Use actual equalized assessments for calculating education property tax requisitions and, if necessary, cap to address excessive increases in property values

Open and Transparent Principle

- Property owners understand how property is assessed and taxed.
- Property assessment is predictable and stable.

Open and Transparent – General Concepts

- ▶ assessment and tax processes function independently
- ▶ clear documentation
- ▶ rationalize and review tax exemptions on regular basis

Add These Properties to Assessments

- ▶ buildings and structures used for farming operations
- ▶ incomplete industrial property (use physical condition)
- ▶ rural gas distribution systems
- ▶ electric power distribution systems held by rural electrification associations

Add These Properties to Assessments

- ▶ linear property used for farming operations
- ▶ oil sands trucks and shovels
- ▶ dams and the land they are located on

Assessments to be Reviewed

- ▶ Review assessment and taxation of “for profit” water and waste water systems
- ▶ Assess oil and gas wells using up to date regulated rates)

Other Recommendations

- ▶ Require consultation on property assessment and tax legislation, policy, and processes

Sufficient Capacity & Resources Principle

- Sufficient Capacity and Resources, Provincially and Locally, to Administer the Property Assessment and Taxation System
 - Property is assessed in a consistent and accurate manner.

Sufficient Capacity Recommendations

- ▶ Clearly defined roles and responsibilities
- ▶ Sufficient resources for assessment
- ▶ Training and advisory services, internships and succession planning
- ▶ Legislated positions of assessment commissioner and chief provincial assessor

Review and Improve Assessment Complaint Process

- ▶ Reduce complaint period (30 days)
- ▶ Faster disclosure of complainant's evidence
- ▶ Require meeting with assessment authority prior to scheduling a hearing
- ▶ Award costs on a consistent basis
- ▶ Improve complaint form and disclosure provisions

Review and Improve Assessment Complaint Process

- ▶ Enable corrections during a complaint
- ▶ Review fees (reflect admin costs)
- ▶ Training for assessment review boards
- ▶ Quality assurance reviews of board decisions

Other Recommendations

- ▶ Update definition of farming operations and include income requirement
- ▶ Update other definitions (section 1, 284, 297, 317, 322) relating to regulated property
- ▶ Use mass appraisal approach for assessment and business tax

Other Recommendations

- ▶ Cap the residential/farmland education property tax requisition
- ▶ Discontinue charging municipalities for the preparation of linear assessments
- ▶ Enable electronic administration of property assessment and taxation



Next Steps

- Feedback Through Webinars and Mayors Caucus
- Finalization of Task Force Recommendations and Review by AUMA Board
- AUMA Board provides policy paper and resolution at 2012 Convention

Questions/Feedback

- Please email sbohaichuk@auma.ca by June 15.

THANK YOU!