

**KNEEHILL COUNTY  
COMPOSITE ASSESSMENT REVIEW BOARD  
DECISION WITH REASONS**

In the matter of the complaint against the Property assessment as provided by the *Municipal Government Act*, Chapter M-26.1, Section 460(4).

**between:**

***Dan and Laureen Frere, Owners - COMPLAINANT***

**and**

***Kneehill County - RESPONDENT***

**before:**

***Board Chair, PRESIDING OFFICER  
Ken Hoppins, MEMBER  
Ron Willson, MEMBER***

This is a complaint to Kneehill County Composite Assessment Review Board (CARB) in respect of Property assessment prepared by the Assessor of Kneehill County and entered in the 2010 Assessment Roll as follows:

**ROLL NUMBER: 34242243000, Plan: 9811790, Lot 1**

**LOCATION : NE 22 – 34- 24 - 4**

**HEARING NUMBER:**

**ASSESSMENT: \$407,670**

This complaint was heard on the 13 day of October, 2010 at the Kneehill County Council Chambers, 232 Main Street, Three Hills, Alberta.

Appearing on behalf of the Complainant:

- *Ms. L. Frere – Joint Owner*

Appeared on behalf of the Respondent:

- *Mr. F. Grills - Assessor*

Attending: ARB Clerk, Mr. M. Morton and assisting, Ms. L. Watt

**Property Description and Background:**

The subject property near Huxley, Alberta consists of 10.03 acres and is improved with a 195.90 square meter residence and a number of other buildings. The initial assessment for 2009 was \$294,360 reflecting 3 acres and the residence at market value with the balance of the acreage assessed as farmland and no assessment of the other various buildings on site. After a visit to the property for the 2009 assessment, an adjustment was made to reflect market value for all the subject lands and improvements at \$346,860. The 2010 assessment increased the 2009 value by \$60,810 to \$407,670. The primary concerns as expressed by the Complainant relate to values placed on the barn, shop and tool shed attached to the shop.

The CARB has carefully considered all of the evidence and arguments advanced by the parties; however this decision will only make reference to the evidence and argument which the Board found to be most significant.

**Jurisdictional Matter:**

Local Assessment Review Board (LARB) vs Composite Assessment Review Board (CARB)

The CARB asked the parties to speak to a question as to why the CARB may have jurisdiction in this matter. The Assessor indicated that because a portion of the subject property is being used for business purposes, it is his opinion that in accordance with Section 460.1 (1) and (2) of the Municipal Government Act (Act), this complaint is properly before a CARB. The Complainant indicated that she had no legal position in this regard and was prepared to have the CARB hear and decide the matters in the complaint. The CARB decided it would accept jurisdiction and proceed.

**Issue:**

What is the best estimate of the market value for the barn, shop building and tool shed as of July 1, 2009 considering their physical condition as of December 31, 2009?

**Board's Findings with Respect to the Issue in Dispute:**

The market values for the three buildings referred to above have been reduced by \$9,850.

**Summary of Party's Positions**

**Complainant**

The Complainant indicated that a number of questions that were not answered at the time of the

complaint have since been answered. The Complainant stated that based on some of the Assessor's comparables, there is a better understanding of the market value that the Assessor has placed on their residence at this point. However, the assessment has been amended three times and the market seems to have decreased since the last assessment; yet the Assessor has increased the overall assessment by \$60,810. With regards to the Assessor's statement that access to the buildings has been denied, the Complainant indicated that on the Assessor's first visit there had been no notice and because of the care and attention required by the children, the Complainant was not able to allow access to the residence nor to find the necessary keys to allow access to the various buildings. As well, the Complainant was not able to leave the house to accompany the Assessor. The Assessor called Mr. Frere at a later date to make arrangements to inspect the property and Ms. Frere was expecting the Assessor to come but he did not. Ms. Frere was not sure why the Assessor did not come but suggested that it appears that there was some misunderstanding between her husband and the Assessor, as there is no intention not to allow the Assessor to inspect the property.

The Complainant argued that the values placed on some of the out buildings seem unrealistic. The hip-roof barn has a dilapidated loft with a very narrow stairway and a rotting floor which has holes in it and is unsafe. Due to its condition, this portion of the building can not be used and has no value. The entire barn is not in use. The Assessor has also attached a value to an old porch, now a woodshed, which has been placed as a lean-to on the shop building. It was not known as to whether this shed has a foundation or floor. The Complainant stated that the shop building is only 75% complete, has only a wood stove, partial interior walls and was built on an old foundation of a previous building that had burned. Further, the Assessor has the shop building as being 1632 sq. ft. when it is actually only 1536 sq. ft. The Complainant requested that the CARB consider the issue relating to these buildings and reduce the assessment of them accordingly.

## **Respondent**

The Respondent indicated that this property is zoned agricultural district as is most of the County. The original 2009 assessment had been prepared with only the 3 acres and residence at market value and the balance of the land and buildings assessed as a farm operation. The Assessor stated that during an inspection in 2009, Ms. Frere indicated that no farming was being done at that time and it was also learned that a business was being operated from the shop building. An amended assessment was done to reflect these changes resulting in all the land and improvements being valued at their market value. The 2010 assessment was increased to reflect the upward change in the Kneehill market July 1, 2008 to June 30, 2009. While the Complainant believes there was a recession, the local market tends to lag behind the movement of the Calgary market by a year or more. The Assessor indicated that access was denied to the property by the Freres and therefore certain details about the property could not be investigated.

The Shop building square footage of 1632 sq. ft. includes the tool/wood shed and therefore has been assessed with the same parameters as the shop itself. The barn is 4000 sq. ft. on each floor and whether it is assessed as a two story building or a barn with a loft the assessment is practically the same. Even though the Perry appraisal has not placed any value on the barn it nevertheless has value as covered storage.

The Respondent brought forward five comparables to show that the subject assessment is correct and equitable with the assessment of similar properties within the County. Four of these comparables had also sold over the period 2007 – 2009. The Assessor argued that he had followed the legislative requirements in reaching the current assessment of the subject property and based

on the facts presented, requested that the CARB confirm the assessment.

### Findings and Reasons:

The Complainant had not introduced any evidence to effectively challenge the market value of the residence and the land itself. While the comparables offered by the Assessor were not similar to the subject in all respects, the CARB accepts these comparables as they show that the market value of the subject is in the range of other country residential properties.

In answer to a question by the CARB regarding the current use of the lands not part of the building site, the Complainant indicated that hay is grown and harvested by a neighbour. The Complainant either receives a portion of this hay for its own use or alternatively it is sold. This is no different than what has happened over the past several years. The Respondent indicated that this was not his understanding, however for the 2010 assessment year the complaint did not raise this as an issue. While the Respondent is correct that the farm status matter can not be addressed at this point as the Complainants did not raise the non-farm status issue in their complaint for 2010, the CARB suggests that this issue should be revisited in the future.

The CARB carefully reviewed the nature and condition of the three buildings raised as a concern by the Complainant and found her testimony to be compelling. The CARB agrees with the Respondent that there is some value in the barn as storage, given the condition of the second floor or loft there should be no value attached to that portion. The CARB has therefore reduced the assessment of this building to one half or to \$2,000. The CARB also finds no appreciable value in the old wood shed as a separated lean-to on the shop and has calculated its value as part of the shop building to be \$1472. This value has been reduced to \$0. After this value is subtracted from the shop building the shop assessment becomes \$23,548. The CARB also accepts, based on the testimony of the Complainant, that the shop is approximately 75% complete and it has therefore reduced the assessed value by 25% or \$5,887 leaving an amended value of \$17,661 for the shop building.

### Decision Summary

Based on a careful review of all of the evidence provided by the parties the CARB has decided to reduce the value of the barn by \$2,000, the wood shed by \$1,472 and the shop building by \$5,887. These reductions have been rounded to a total reduction of \$9,500. **The 2010 assessment for the subject property is therefore set at a value of \$398,170.**

It is so ordered.

Dated this 10th day of November 2010.



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**Paul G. Petry**  
**Presiding Officer**

**An appeal may be made to the Court of Queen's Bench in accordance with the Municipal Government Act as follows:**

**470(1)** *An appeal may be made to the Court of Queen's Bench on a question of law or jurisdiction with respect to a decision of an assessment review board.*

**470(2)** *Any of the following may appeal the decision of an assessment review board:*

- (a) the complainant;*
- (b) an assessed person, other than the complainant, who is affected by the decision;*
- (c) the municipality, if the decision being appealed relates to property that is within the boundaries of that municipality;*
- (d) the assessor for a municipality referred to in clause (c).*

**470(3)** *An application for leave to appeal must be filed with the Court of Queen's Bench within 30 days after the persons notified of the hearing receive the decision, and notice of the application for leave to appeal must be given to*

- (a) the assessment review board, and*
- (b) any other persons as the judge directs*