

## **REGIONAL MUNICIPALITY OF WOOD BUFFALO CARB BOARD ORDER 024-2010**

**IN THE MATTER OF A COMPLAINT** filed with the Regional Municipality of Wood Buffalo Assessment Review Board pursuant to Part 11 of the *Municipal Government Act* being Chapter M-26 of the Revised Statutes of Alberta 2000 (Act).

**Between:**

**CANADIAN HELICOPTERS LTD. - Complainant**

- a n d -

**THE REGIONAL MUNICIPALITY OF WOOD BUFFALO – Respondent**

**Before:**

J. KRYSA, Presiding Officer  
S. ODEMUYIWA, Member  
D. KERR, Member

A hearing was held on November 3, 2010 in the Regional Municipality of Wood Buffalo in the Province of Alberta to consider a complaint about the assessment of the following property tax roll number:

Roll No.	Assessed value	Owner
8330002110	\$1,030,980	Canadian Helicopters Ltd.

### **PART A: BACKGROUND AND DESCRIPTION OF PROPERTY UNDER COMPLAINT**

The subject property is a 5,471.98m<sup>2</sup> parcel of land, improved with a 288.0m<sup>2</sup> wood frame industrial warehouse structure with a 55.6m<sup>2</sup> mezzanine area, a 5.5m track runway and monorail hoist assembly, and an above grade fuel tank. The improvements were constructed in 1998 and have been assessed by means of the cost approach to value, at an aggregate value of \$284,985. The land is leased from the Airport Authority of the Regional Municipality of Wood Buffalo, and has been assessed at a value of \$745,995.

### **PART B: PROCEDURAL or JURISDICTIONAL MATTERS**

The Assessment Review Board derives its authority to make this decision under Part 11 of the Act. No specific jurisdictional or procedural issues were raised during the course of the hearing; however, the Respondent conceded that the improvement assessment was incorrect due to a small calculation error, and put forward a recommendation to the Board, to revise the improvement component from \$284,985 to \$283,959, resulting in a revised total assessment of \$1,029,950.

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### **PART C: ISSUES**

The Assessment Review Board considered the complaint form together with the representations and materials presented by the parties. The matters or issues raised on the complaint form are as follows:

**Issue:** The increase in assessed value from \$226,380 to \$1,030,980 in a one year period is excessive. We ask that the increase be phased in over a 3 year period.

The Complainant set out a requested assessed value of \$750,000 in section 5 of the complaint form.

#### **Submissions:**

The Complainant submitted a letter dated September 21, 2010, setting out the total assessed value of the property for taxation in 2009, at \$226,380 in contrast to the current assessed value of the property for taxation in 2010, at \$1,030,980; an increase of 455%, and argued that an increase of that magnitude during current difficult economic times was unjust and unfair [C1, pp.1-5].

In response to questions from the Board, the Complainant conceded that the current assessed value was likely not in excess of the actual current market value of the property.

The Respondent stated that the property was assessed by means of the cost approach to value; estimating the value of the land as though vacant, plus the value of the improvement after deducting all forms of depreciation.

With respect to the Complainant's issue regarding the significant increase from the previous taxation year, the Respondent submitted that as a result of a deficiency of sales in the past years, due in part to the large number of land leases that are rarely transferred, the market data required to accurately estimate the value of non-residential land located in the rural areas of the municipality was unavailable. As a result, land assessments during prior assessment years reflected minimal increases, notwithstanding the significant increase in the market value during the same time period.

#### **Decision:**

The Board finds that the Respondent's recommendation, set out in Part B, accurately reflects the market value of the subject property.

The Board notes that the Complainant stated he had no objection to the assessed value and conceded the assessed value was an accurate reflection of the market value of the subject property.

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The legislated requirements are set out as follows:

*Municipal Government Act, Revised Statutes of Alberta 2000, Chapter M-26*

**289 (2)** Each assessment must reflect

- (a) the characteristics and physical condition of the property on December 31 of the year prior to the year in which a tax is imposed under Part 10 in respect of the property, and
- (b) the valuation and other standards set out in the regulations for that property.

*Matters Relating to Assessment and Taxation Regulation, Alberta Regulation 220/2004*

**6 (1)** When an assessor is preparing an assessment for a parcel of land and the improvements to it, the valuation standard for the land and improvements is market value unless subsection (2) or (3) applies.

Notwithstanding that the legislative requirements may not have been met in prior years, with an apparent benefit to the assessed person in this instance, the Board is persuaded by the Respondent's evidence that the legislative requirements have been met in the preparation of the current assessment. With respect to the Complainant's request that the assessment increase be phased in, the Board finds that the legislation is silent on that matter, and therefore does not give the Assessor or the Board, jurisdiction to pro-rate an assessment increase over a period of time.

### **PART D: FINAL DISPOSITION OF COMPLAINT**

The assessment is revised from \$1,030,980 to \$1,029,950.

Dated at the Regional Municipality of Wood Buffalo in the Province of Alberta, this 23<sup>rd</sup> day of November, 2010.

A handwritten signature in cursive script, appearing to read 'J. Krysa', is written over a horizontal line.

J. Krysa  
Presiding Officer

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### APPENDIX "A"

#### DOCUMENTS RECEIVED AND CONSIDERED BY THE ASSESSMENT REVIEW BOARD

<b>NO.</b>	<b>ITEM</b>
1. Exhibit C1	Complainant's Submission
2. Exhibit R1	Respondents Submission

### APPENDIX "B"

#### ORAL REPRESENTATIONS

<b>PERSON APPEARING</b>	<b>CAPACITY</b>
1. C. Barraclough	Representative of the Complainant
2. J. Towns	Representative of the Respondent
3. J. Baldwin	Representative of the Respondent

*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.*

*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).*

*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.*