

A ssessment Bulletin

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The Assessment Services Branch of Municipal Affairs appreciates the contributions of stakeholders to modernize and update the *Municipal Government Act* (MGA) and regulations.

The changes from this legislation will come into effect on January 1, 2018. Some of the changes are highlighted in this bulletin.

If you have any questions, please contact an advisor with the Assessment Services Branch at lgsmail@gov.ab.ca, or at 780-422-1377 (toll-free from anywhere in Alberta by first dialing 310-0000).

Centralized Industrial Assessment

- The municipal assessor will prepare the 2017 property assessment valuations for taxation in 2018.
- The provincial assessor will prepare and send the assessment notices for the 2018 tax year.
 - Definition of designated industrial property. [s.284\(1\)\(f.01\)](#)
- Railway is included in the definition of linear property.
 - Definition of linear property. [s.284\(1\)\(k\)](#)

Definitions of Regulated Property

- In effect for the 2018 assessment year, 2019 tax year. [MRAT 2018 s.39\(4\)](#)
- Assessments prepared for the 2018 tax year were prepared using the definitions in the *Municipal Government Act* (MGA), 2000, Chapter M-26.
- **Railway**
 - Railway is linear property.
 - In the right-of-way, railway includes grading, ballast and improvements and land. [MRAT 2018 2\(1\)\(j\)](#)
 - Outside of the right-of-way, includes grading, ballast and improvements and **excludes land.** [MRAT 2018 2\(1\)\(j\)](#)
- **Substations**
 - The land and buildings at substations will be assessed by the provincial assessor. [MRAT 2018 2\(1\)\(d\)](#)
- More information on the definitions will be provided in later bulletins.

Farm Buildings

- The phase out of taxation on farm building assessments in urban municipalities is in effect for the 2018 tax year. The tax exemption has increased and applies to 60 per cent of the assessment for the 2018 tax year under Matters Relating to Assessment and Taxation, 2018 (MRAT, 2018). [MRAT 2018 30\(b\)](#), [30\(c\)](#), [30\(d\)](#), [30\(e\)](#), [30\(f\)](#)

Woodlots

- Woodlots with an approved woodland management plan are included in the definition of farming operations. [MRAT 2018 2\(1\)\(f\)\(iv\)](#)
- A registered forester or the Woodlot Association of Alberta will approve the woodland management plan.
- It is anticipated assessors, when working with property owners, will ask for a copy of the woodland management plan.
- A registry of woodland management plans does not exist at this time.

Assessment Sub-classes

- Effective for the 2018 tax year, councils at their discretion may create sub-classes for non-residential property using the Matters Relating to Assessment Sub-classes Regulation (MRAS). [MGA s.297 \(2.1\)](#) and [MRAS \(AR 202 / 2017\)](#)
- MRAS is in effect for the 2018 tax year. [MRAS s.4](#)
- The Assessment Sub-classes are:
 - Vacant non-residential property [MRAS s.2\(1\)\(a\)](#) and
 - Small business property [MRAS s.2\(1\)\(b\)](#).
 - Excludes designated industrial property. [MRAS s.2\(3\)](#)

- Fewer than 50 full-time employees across Canada or a lesser number of employees as set out in a municipal bylaw as of December 31 or an alternative date established in a municipal bylaw. [MRAS s.2\(3\)\(b\)](#)
- Other non-residential property. [MRAS s.2\(1\)\(c\)](#)
- A municipality may, through bylaw, prescribe procedures to allow for the administration of this bylaw. Procedures that may be prescribed include determining and counting the number of full-time employees and the frequency of that count. [MRAS s.2\(5\)](#)
- Small business tax rate must be between 0.75 and 1 times the other non-residential rate. [MRAS s.3\(2\)](#)
- Machinery & Equipment tax rate must be the same as the other non-residential tax rate. [s.354\(3.1\)](#), [MRAS s.3\(1\)](#).

Access to Information

- The assessor may inspect property and receive information from the property owner for the purpose of carrying out the duties and responsibilities of the assessor under Parts 9 to 12 of the MMGA, and the regulations. [s.294](#), [s.295](#)
- The municipality is not required to respond to a request for information under section 299 when a complaint has been filed until the complaint has been heard and decided by the assessment review board. [s.299\(3\)](#)
- Municipalities may ask the provincial assessor for information on designated industrial properties. [s.299.2](#)
- Details about the information to be provided are found in the Matters Relating to Assessment and Taxation (MRAT). The sections in MRAT 2018 that are applicable to access for information are not in effect until the 2019 taxation year. [MRAT 2018 s.39\(2\)](#)

Changes to Notices

- The addition of a notice of assessment date. [s.308.1](#)
- Assessment notices must be sent at least seven days prior to the notice of assessment date. [s.310 \(3\)](#)
- A requisition tax rate for the preparation of designated industrial property assessments must be included on the tax notices. [s.359.3](#)
- Property owners must be provided with a tax receipt on request. [s.342](#)
- If asked, the assessor must provide a certification of mailing date. [s.310\(4\)](#)
- Information about the complaint deadline has moved from section 309 to section 284(4). [s.309 to s.284\(4\)](#)

Amended Notices

- The assessor may amend an assessment that is under complaint. [s.305 \(1.1\)](#)
- The assessor must send a copy of the amended notice to the assessment review board within one day of mailing the assessment notice to the property owner. [MRAC 2018 s.14](#)

Exemptions

- Conservation reserves have been added to exemptions based on use of property. [s.361](#)
- Continue to use the current Community Organization Property Tax Exemption Regulation (COPTER) for the 2018 taxation year, as it will be extended to December 31, 2018. It is expected that the new COPTER will come into force on January 1, 2019.
- Provincial corporations as defined in the *Financial Administration Act* are now taxable. Any property held by a Provincial corporation, including portions of existing Crown property, should be recoded as taxable. This change does not affect the tax status of

Provincial committees as defined in the *Financial Administration Act*, or of federal Crown corporations. s.362(1)

- Councils may make a bylaw to exempt or defer property taxes for brownfield properties. s.364.1

Supplementary Assessments for DI properties

- In order to impose supplementary tax on designated industrial properties, councils must in their supplementary bylaw include all other property. s.369(2.01)

Administration of Assessment Review Boards (ARBs)

- The Municipal Government Board will hear complaints on designated industrial property. s.488(1)(a)
- Councils appoint members of an assessment review board and must designate one of those members as the Chair. s.454.1(1), 454.1(2)
- Only one member of a local assessment review board (LARB) or composite assessment review board panel may be a councillor. s.454.11(1). s.454.21(2)
- A one-member panel of a LARB must not be a councillor. s.454.11((2)(a))

Transitional Provisions

- Transitional provisions have been drafted to support the transition to centralized industrial assessment and the implementation of a hybrid model of centralized industrial property assessments for 2018. This will mean the municipally prepared assessment of designated industrial property can be used by the provincial assessor for preparing the 2017 taxable provincial assessment roll. MRAT 2018 s.39(1) and (4)
- The instructions of Part 5.1 about assessment information from the existing MRAT must be retained for the 2010 to 2018 taxation years. This preserves stakeholder rights in terms of access to assessment information. MRAT 2018 s.39(2) and 39(3)
- The new modified instructions of Part 6 about assessment information distinguishes between the municipality and the provincial assessor and is intended to apply to assessments prepared in 2018 for taxation in 2019.

Administrative Housekeeping

- The instructions of the Extension of Linear Property Regulation AR 207/2012 are no longer needed, as they have been updated and relocated to the new Matters Relating to Assessment and Taxation Regulation, 2018. MRAT, 2018 s.1(k)(ii) and (iii); s.2(a),(b),(c),(d) and s.2(h)(iii)
- The instructions of this regulation and that of new s.362.1 of the reviewed and updated MGA, maintain the status quo for electric power system properties to ensure continued equity of assessment and taxation treatment.