

# Assessment Bulletin

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## Farm Building Classification

Some assessors in urban municipalities have asked for clarification from Municipal Affairs regarding the classification of farm buildings, other than farm residences, under section 297 of the *Municipal Government Act* (MGA). **This is not an issue for farm buildings in rural areas as they are exempt from assessment and taxation.**

In accordance with section 297 of the MGA, the assessor must assign the following assessment class:

*class 2 - non-residential*

Under section 1(h) of the Matters Relating to Assessment and Taxation Regulation (AR 220/2004), "farm building" means any improvement other than a residence, to the extent it is used for farming operations.

Under section 1(i) of AR 220/2004, "farming operations" are defined as the raising, production and sale of agricultural products and includes:

- (i) horticulture, aviculture, apiculture and aquaculture,
- (ii) the production of livestock as defined in the *Livestock and Livestock Products Act*, and
- (iii) the planting, growing and sale of sod.

Within the context of section 297(4)(b) of the MGA, farm buildings are considered to be property where industry, commerce or another use (farming operations) takes place. Consequently, the assessment of farm buildings falls under class 2 - non-residential.

If you have any questions regarding this bulletin, please contact the Assessment Services Branch at (780) 422-1377. For toll-free access, call 310-0000, then dial (780) 422-1377.