

# A sessment Bulletin

IB Bulletin No. 16-03  
September 2016

## **2016 Updates Alberta Assessment Quality Minister's Guidelines and Recording and Reporting Information for Assessment Audit and Equalized Assessment Manual**

The Minister of Municipal Affairs has approved Ministerial Order No. MAG:026/16, (**September 2016**). This order establishes the 2016 Alberta Assessment Quality Minister's Guidelines (Guidelines), and the 2016 Recording and Reporting Information for Assessment Audit and Equalized Assessment Manual (Manual). The order is effective for the 2017 and subsequent tax years.

There are no policy changes to the 2016 Alberta Assessment Quality Minister's Guidelines, but there is a clarification related to the assessor's duty to provide information.

The Ministerial Order, the guidelines, the manual, and the respective concordance table outlining the changes and clarifications to the guidelines and manual are available on the Municipal Affairs' website at [www.municipalaffairs.alberta.ca](http://www.municipalaffairs.alberta.ca), under Municipalities and Communities/Property Assessment and Taxation.

If you have any questions regarding this bulletin, please contact the Assessment Services Branch at [lgsmail@gov.ab.ca](mailto:lgsmail@gov.ab.ca) or toll-free at 310-0000, then 780-422-1377.

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**2016 Recording and Reporting Information for Assessment Audit and Equalized Assessment Manual  
Concordance Table**

<b>Page</b>	<b>Original</b>	<b>Rationale</b>
1 RnR	<p><b>1.0 2015 RECORDING AND REPORTING OF ASSESSMENT AUDIT AND EQUALIZED ASSESSMENT INFORMATION</b></p> <p>Submissions of data from municipalities to Alberta Municipal Affairs form the heart of the annual audit program, which checks for compliance with regulated assessment standards. <b>It is strongly recommended that the municipality assign the assessor the duty of submitting the information described in this manual on behalf of the municipality</b></p>	See below
<b>Page</b>	<b>Proposed</b>	<b>Rationale</b>
1 RnR	<p><b>1.0 2015 RECORDING AND REPORTING OF ASSESSMENT AUDIT AND EQUALIZED ASSESSMENT INFORMATION</b></p> <p>Submissions of data from municipalities to Alberta Municipal Affairs form the heart of the annual audit program, which checks for compliance with regulated assessment standards. <b>It is the duty of the assessor to submit the information described in this manual on behalf of the municipality.</b></p>	To better reflect the requirement in MRAT 14, AQMG and RnR 2.0

<b>Page</b>	<b>Original</b>	<b>Rationale</b>
82 RnR	<p><b>3.5 STRATIFICATION</b></p> <p>The next important step in the annual audit ratio study is stratification, which involves grouping properties based on their use or on other factors such as geographic location.</p>	See below
<b>Page</b>	<b>Proposed</b>	<b>Rationale</b>
82 RnR	<p><b>3.5 STRATIFICATION</b></p> <p>The next important step in completing ratio studies is stratification, which involves grouping properties based on their use or on other factors such as geographic location.</p>	Clarification of opening paragraph.

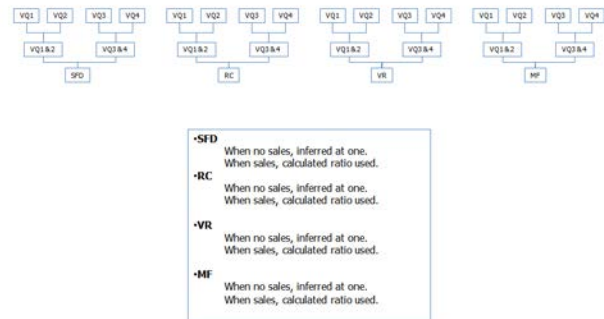
**2016 Recording and Reporting Information for Assessment Audit and Equalized Assessment Manual  
Concordance Table**

<b>Page</b>	<b>Original</b>	<b>Rationale</b>
83 RnR	<p><b>3.5 STRATIFICATION</b></p> <p>Assessments will be stratified by quartile for the purposes of the annual audit, and for the calculation of assessment levels used to prepare the equalized assessments of non-regulated property.</p> <p>For every municipality quartiles are determined for the actual use groups and the total assessment attributes for each property that is provided in the municipality's annual return, except exempt and special purpose property, which is not considered when establishing the quartiles.</p>	See below
<b>Page</b>	<b>Proposed</b>	<b>Rationale</b>
83 RnR	<p><b>3.5 STRATIFICATION</b></p> <p>Assessments will be stratified by actual use group and quartile for the purposes of the annual audit, and for the calculation of assessment levels used to prepare the equalized assessments of non-regulated property.</p> <p>For every municipality quartiles are determined for the actual use groups and the total assessment attributes for each property that is provided in the municipality's previous year's annual return, except exempt, special purpose and regulated property, which is not considered when establishing the quartiles.</p>	Clarification of how assessment will be stratified by actual use group.

<b>Page</b>	<b>Original</b>	<b>Rationale</b>
83 RnR	<p><b>3.5.2 STRATIFICATION FOR ASSESSMENT AUDIT AND EQUALIZED ASSESSMENT PURPOSES</b></p> <p>Quartiles are calculated for each group of properties listed in Table 7, Actual Use Groups except Special Purpose (SPEC).</p>	See below
<b>Page</b>	<b>Proposed</b>	<b>Rationale</b>
83 RnR	<p><b>3.5.2 STRATIFICATION FOR ASSESSMENT AUDIT AND EQUALIZED ASSESSMENT PURPOSES</b></p> <p>Quartiles are calculated for each group of properties listed in Table 7, Actual Use Groups except Special Purpose (SPEC). Vacant industrial will combine with vacant commercial and improved industrial will combine with improved commercial, if less than 15 sales exist in the actual use group once quartiles combine.</p>	New, explanation of how groups will be collapsed for Vacant industrial.

**2016 Recording and Reporting Information for Assessment Audit and Equalized Assessment Manual  
Concordance Table**

Page	Original	Rationale
84 RnR	<b>3.5.2 STRATIFICATION FOR ASSESSMENT AUDIT AND EQUALIZED ASSESSMENT PURPOSES</b> The decision as to which strata to combine depends on the type of properties involved, the relative market values, and the sample sizes. For example, warehouses and office properties can be more readily combined than offices with oil and gas properties.	See below
Page	Proposed	Rationale
84 RnR	<b>3.5.2 STRATIFICATION FOR ASSESSMENT AUDIT AND EQUALIZED ASSESSMENT PURPOSES</b> The decision as to which strata to combine depends on the type of properties involved, the relative market values, and the sample sizes. The following tables and diagrams illustrate the actual use groups and the scheme for combining strata during the annual audit.	Replace example with figures that better illustrate the scheme for combining strata.

Page	Original	Rationale
85 RnR	<b>3.5.2 STRATIFICATION FOR ASSESSMENT AUDIT AND EQUALIZED ASSESSMENT PURPOSES</b> none	See below
Page	Proposed	Rationale
85 RnR	<b>3.5.2 STRATIFICATION FOR ASSESSMENT AUDIT AND EQUALIZED ASSESSMENT PURPOSES</b> Figure 4 Residential Combining Scheme Figure Added  <p>The diagram shows four groups of strata, each with four boxes labeled VQ1, VQ2, VQ3, and VQ4. Arrows from these boxes point to four categories: SFD, RC, VR, and MF. A legend box below the diagram defines the conditions for each category:</p> <ul style="list-style-type: none"> <li><b>-SFD</b> When no sales, inferred at one. When sales, calculated ratio used.</li> <li><b>-RC</b> When no sales, inferred at one. When sales, calculated ratio used.</li> <li><b>-VR</b> When no sales, inferred at one. When sales, calculated ratio used.</li> <li><b>-MF</b> When no sales, inferred at one. When sales, calculated ratio used.</li> </ul>	New figure added to clarify how properties combine in annual audit and equalization ratio study.

**2016 Recording and Reporting Information for Assessment Audit and Equalized Assessment Manual  
Concordance Table**

Page	Original	Rationale
87 RnR	<b>3.5.2 STRATIFICATION FOR ASSESSMENT AUDIT AND EQUALIZED ASSESSMENT PURPOSES</b> Not applicable	See below
Page	Proposed	Rationale
87 RnR	<p><b>3.5.2 STRATIFICATION FOR ASSESSMENT AUDIT AND EQUALIZED ASSESSMENT PURPOSES</b></p> <p>Figure 5 Non-Residential Combining Scheme Figure Added</p> <p>*SPEC - inferred at one.          *IMNRES            when no sales, inferred at one.            when sales, calculated ratio used.          *VNRES            when no sales, inferred at one.            when sales, calculated ratio used.</p>	New figure added to clarify how properties combine in annual audit and equalization ratio study.

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Concordance Table**

<b>Page</b>	<b>Original</b>	<b>Rationale</b>				
125 RnR	<b>3.6.6 INSPECTION TYPES</b>  <i>Table 1 Inspection Types</i>	See below				
<b>Page</b>	<b>Proposed</b>	<b>Rationale</b>				
125 RnR	<b>3.6.6 INSPECTION TYPES</b>  <i>Table 2 Inspection Types</i>	New inspection codes added to clarify acceptable inspection types.				
	<table border="1"> <tr> <td>GIS/AERIAL</td> <td>Aerial Photography or Imagery</td> </tr> <tr> <td>FARM/FIELD</td> <td>Onsite Inspection of Farm Land</td> </tr> </table>		GIS/AERIAL	Aerial Photography or Imagery	FARM/FIELD	Onsite Inspection of Farm Land
GIS/AERIAL	Aerial Photography or Imagery					
FARM/FIELD	Onsite Inspection of Farm Land					

<b>Page</b>	<b>Original</b>	<b>Rationale</b>
131 RnR	<b>3.6.11 LIABILITY CODE</b> <b>Table 17</b>	See below
<b>Page</b>	<b>Proposed</b>	<b>Rationale</b>
131 RnR	<b>3.6.11 LIABILITY CODE</b> <b>Table 17</b> <b>Additional Tax Exemption Code</b> <b>AR232/2006</b> <b>Rivers District CRL area–City of Calgary</b> <b>AR57/2010</b> <b>Belvedere CRL area – City of Edmonton</b> <b>AR173/2010</b> <b>Quarters Downtown CRL area–City of Edmonton</b> <b>AR204/2012</b> <b>Town of Cochrane CRL</b> <b>AR141/2013</b> <b>Capital City Downtown CRL-City of Edmonton</b> <b>GIPOT (Grant in lieu of Property Tax)</b>	Ministerial Order removes Grants In Place Of Tax properties out of Equalized Assessment.

**2016 Recording and Reporting Information for Assessment Audit and Equalized Assessment Manual  
Concordance Table**

<b>Page</b>	<b>Original</b>			<b>Rationale</b>
140 RnR	<b>3.6.11 LIABILITY CODE</b>			See below
	<b>Table 20</b>			
	<b>Ministerial Order</b>	<b>MO- MAG:015/16</b>	Removes GIPOT properties from the Equalized Assessment	<b>MO-MAG:015/16</b>
<b>Page</b>	<b>Proposed</b>			<b>Rationale</b>
140 RnR	<b>3.6.11 LIABILITY CODE</b>			Ministerial Order removes Grants In Place Of Tax properties out of Equalized Assessment.
	<b>Table 20 Grant in lieu of Property Tax (GIPOT)</b>	<b>Removal of section 317 b from MGA</b>	Removes GIPOT properties from the Equalized Assessment	