

Assessment Bulletin

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EAP Technical Committee Recommendation

Item: 13

Title: Growth Model Principles

EAP Recommendation: 4B

Question: How are assessment growth studies/models to be performed in Alberta?

Background:

EAP Recommendation 4B states "Information provided by municipalities to ASB about the annual live assessment roll should distinguish real growth from the affect of market value changes".

What is known about growth studies is:

- Growth data statistics are required for studies conducted by municipalities and the Assessment Services Branch.
- Based on the ASB's survey of municipalities and information received from CAMA vendors, some CAMA systems are not setup to calculate the growth statistics.
- There isn't a provincial standard methodology for calculating growth statistics.
- ASSET does have information that could be used to model for growth data statistics.

Recommendation:

ASB should develop a standard provincial model that uses the information available in ASSET to estimate assessment changes that are due to increases/decreases in:

- property inventory,
- market and regulated value for each municipality.

The growth model should be available to all municipalities through ASSET.

Recommendation Background:

The methodology should be open and transparent and applied consistently across all municipalities. It should deal with issues such as annexation and zoning, assessment method and legal land plan changes. Since not all municipalities have the ability to perform growth studies and the approach to studies can vary between municipalities, the studies for inter municipality purposes should be a provincial responsibility.

The province should develop the growth model and have it reviewed and approved by the technical committee. Results from municipalities currently doing growth studies should be used to calibrate the provincial model.

The growth study methodology should be reviewed over time as the data inventory and the quality of data is built up.

Real growth is an increase or decrease to a municipality's assessment base caused by subdivision, new/additional construction, demolition or a physical change to a property.

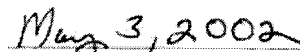
Assessment value change is an increase or decrease to a municipality's assessment base caused by market or regulated property value changes without any physical or subdivision changes to a property.


Recommended

Accepted


Steve White
EAP Technical Committee Chair


Brad Pickering
ASSET Steering Committee Chair


Date


Date