

# Assessment Bulletin

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EQUALIZED ASSESSMENT PANEL TECHNICAL COMMITTEE

EAP Technical Committee Recommendation

**Item:** 7

**Title:** Liability Coding Requirements

**EAP Recommendation:** 4A

**Question:**

What liability code set will accommodate the summarization and apportionment of the equalized assessment for cost-sharing purposes?

**Background:**

The equalized assessment is an integral component of the formula used for calculating provincial and local requisitions. Today the equalized assessment is produced using summarized assessment and valuation data reported by municipalities.

**Recommendation:**

Municipalities will be required to use the attached draft standardized liability code system as a basis for submitting their assessment data to the ASSET system. This will allow ASSET to summarize the assessment data that is used to generate the equalized assessment. The attached document illustrates the concept of the data that will be required to prepare equalized assessments.

**Recommendation Background:**

Stakeholders, including representatives from Calgary, Wood Buffalo, Drumheller, and Vermilion, met to discuss liability coding for generating the equalized assessment. The participants agreed that standardizing the liability coding requirements would be advantageous.

The attached draft standardized liability coding requirements were developed for the ASSET computer system in conjunction with the Education Tax and Equalized Assessment Unit of Alberta Municipal Affairs. It contains the taxation-related details that are required to prepare the equalized assessments (for example, ownership, liability code, school support, other requisitioning bodies, and exemption status). The assessments must be reported using the standardized codes for the education requisition, school support declarations, liability status, and ownership. The formal data structure the municipalities will be required to use in reporting these details has not been finalized.

**Recommended**

**Accepted**

  
\_\_\_\_\_  
Steve White  
EAP Technical Committee Chair

  
\_\_\_\_\_  
Brad Pickering  
ASSET Steering Committee Chair

Feb. 8, 2002  
Date

Feb 13/02  
Date

Attachment

## **Guidelines for Liability Coding**

### **Purpose:**

The liability coding requirements have been developed to prepare the equalized assessments under ASSET.

### **Transitional Plan:**

For 2003 the "Assessable Party", "Property Description", "Liability Code", "School Support" and "Requisitioning Areas" fields must be reported with the assessment on ASSET. Municipalities will have until 2004 to provide data on "Exemption Qualifications".

### **Assessable Person**

The purpose of this field is twofold. Firstly, this information will be used to identify who is liable for the assessment. Secondly, it will serve to identify corporately owned property that has not declared school support and as a result would not be required to pay the "Special School Tax Levy" (School Act, section 190(1)).

"Individual" means the owner of property, or property held under lease, license or permit from the municipality, crown in right of Alberta or Canada

- \*C "Corporation" means a body incorporated under the Business Corporations Act.
- \*M "Municipal Property" means property held by a municipality.
- \*P "Provincial Property" means property held by the Crown in right of Alberta upon which a grant in lieu of tax is paid.
- \*F "Federal Property" means property held by the crown in right of Canada upon which a grant in lieu of tax is paid.

\*Important: The holder of a lease, licence or permit is to be recorded as the assessed person in respect of the assessed property.

## Property Description

For purposes of preparing the equalized assessment and provincial education requisition it is essential that the assessment of a property, or portion thereof, be assigned one or more of the following property descriptions. For example, an industrial property with an machinery and equipment component will have two property descriptions; "NR" and "ME" and an assessed value assigned to each component.

"R" Residential has the meaning given to it in the MGA section 297 4(c)

Farmland has the meaning given to it in the MGA, section 297 4(a)

Non Residential (excluding linear) any non residential assessment as per the MGA section 297(4)(b) excluding linear.

"NRL" Non Residential - Linear as per MGA section 284k

"NRR" Non Residential Railway has the meaning given to it as per the MGA sections 284 (s), (t), (u) and (v).

"NRC" Non Residential Co-Generating refers to the property described in the MGA, section 297(4) (a.1) (ii).

Machinery and Equipment has the meaning given to it in section 297 4 (a.1)

## Liability Code

"Liability Code" identifies to what extent the property is subject to taxation and equalized assessment.

identifies those properties that are subject to the municipal levy and all other requisitions.

identifies those properties that are subject to school tax only.

identifies those properties that are subject to municipal tax only.

identifies properties that are assessable however, exempt from taxation.

“X” identifies properties that are subject to the municipal tax but excluded from the equalized assessment. I.E. Student dormitories MGA, section 317(d), Seniors Accommodation Units MO L:003/02 and self contained senior citizen housing accommodation MO H:016/96. . These properties will not be included in the equalized assessment due to statutes that prescribe their removal from the equalized assessment.

## School Support

The school support notice of the assessed person as in accordance with the School Act, section 156(1) and 157(1). Municipalities will be required to report the % of declared assessment (notice of school support), as well as the codes that will identify the applicable school jurisdiction. Municipal Affairs will provide the appropriate school codes.

**S** This field displays that all or a portion (expressed by a %) of an individual or corporation 's property is assessable for separate school purposes.

Important: Written notice must given by a individual or corporation in order for a property to be recorded as assessable for separate school purposes.

**P** This field displays that all or a portion (expressed by a %) of an individual or corporation 's property is assessable for public school purposes.

Important: If an individual has not given notice of school support then that property is assessable for public school purposes.

**U** This code will be assigned to all municipal, provincial and federal properties. As well, corporately owned properties that have not declared (given notice of school support). As these properties assessment cannot be apportioned between declared and undeclared the percent (%) expressed must be 100%.

## Requisitioning Bodies

These fields will identify which requisitioning body jurisdiction the property resides. Municipal Affairs will provide the appropriate codes to be applied to these requisitioning jurisdictions.

- “F” Management Body – identifies the management body in which the property resides.
- “S ASFF: School Alberta School Foundation Fund – this identifier should be applied to all municipal, provincial and federal properties. Also, this identifier would apply to corporately owned property if there is no notice of school support (school declaration).
- School Public – identifies the public school district, division or regional division in which the property resides.
- School Separate – identifies the separate school district, division or regional division in which the property resides.
- \* “A” Ambulance - identifies the ambulance authority in which the property resides.
- Recreational - identifies the recreational area in which the property resides.
- \*\*“H” Health – identifies the regional health authority in which the property resides.
- \*\*“P” Fire - identifies the fire protection area in which the property resides.

\*optional

### Notes:

The Equalized Assessment Report will be a summary of each municipality's assessment using on the liability codes.

Presentation material for conferences will have examples.

\* Optional

## LIABILITY CODING REQUIREMENTS

DRAFT – FEBRUARY 8, 2002

| Assessable Party         | Property Description                 | Liability Code                                    | School Support  | Requisitioning Areas                                     | Exemption Reason |
|--------------------------|--------------------------------------|---|-----------------|--|------------------|
| I<br>Individual          | R<br>Residential                     | T<br>Subject to all Requisitions                  | S<br>Separate   | F<br>Management Body<br>(providing lodge accommodation)  | 351 (b)          |
| C<br>Corporate           | F<br>Farmland                        | S<br>Subject to School Tax (only)                 | P<br>Public     | S ASFF<br>Undeclared<br>(Alberta School Foundation Fund) | 361 (a-c)        |
| M<br>Municipal Property  | NR<br>Non Residential                | M<br>Subject to Municipal Tax                     | U<br>Undeclared | SP<br>School Public                                      | 362 (1) (a-p)    |
| P<br>Provincial Property | NRL<br>Non Residential Linear        | E<br>Exempt from Taxation                         |                 | SS<br>School Separate                                    | 364              |
| F<br>Federal Property    | NRR<br>Railway                       | X<br>Subject to Municipal Tax, but exempt from EA |                 | * A<br>Ambulance   | 317 (d)          |
|                          | NRC<br>Non-Residential Co-Generating |   |                 | * R<br>Recreation Areas                                  | AR318            |
|                          | ME<br>Machinery & Equipment          |   |                 | * H<br>Health Regions                                    | MO L:003/01      |
|                          |                                      |   |                 | * P<br>Fire Protection Area                              | MO H:016/96      |