

EQUALIZED ASSESSMENT PANEL TECHNICAL COMMITTEE APPOINTED

The first meeting was held in Edmonton on August 17, 2001 and the agenda covered items to orient and prepare the committee for dealing with a large number of items on an aggressive schedule.

This committee will provide technical advice to the Steering Committee developing the details of plans to implement the recommendations of the Equalized Assessment Panel (EAP). The Technical Committee will be the sounding board for the ASSET plans.

The committee now has a lot of business to deal with in a short period of time. The legislative items deal with quality standards and changes in process timelines. Application and business related items deal with code standardization.

The ideal technical committee members are considered by their association or employer to be individuals adept at working in a team environment with knowledge and expertise in assessment or local government administration, particularly tax and assessment.

The appointees and whom they represent are:

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Roy Fegan	City of Calgary	Roy.Fegan@gov.calgary.ab.ca
Brian Ferguson	AMA	brian.ferguson@gov.ab.ca
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James Robertson	AUMA	jrobertson@auma.ab.ca
George Rogers	AUMA	grogers@city.leduc.ab.ca
Morgan Strate	AAMD&C	bmark1@telusplanet.net
Steve White	(Chairman)	steve.white@gov.ab.ca

At the first meeting the technical committee decided to communicate with stakeholders with bulletins using the Assessment Services Branch mailing list. Items will be communicated after they have been approved by the **ASSET** steering committee.

The technical committee will provide an opportunity for assessment stakeholders to provide critical input into the **ASSET** project. This group will be responsible for providing advice on matters related to requirements, implementation, operation and support of this project.

Specifically the committee will:

- Provide technical input on legislative changes required as a result of the Equalized Assessment Panel recommendations,
- Provide input/advice on the collection and use/sharing of data elements,
- Provide input/advice on computer system issues, including user interfaces and training,
- Provide input/advice on strategies for the successful communication of the ASSET project to municipalities and other stakeholders, and
- Provide input/advice on identifying and addressing municipal concerns related to the **ASSET** project.

ASSET STEERING COMMITTEE APPOINTED

The appointees and whom they represent are:

Rich Mah – AUMA
Larry Goodhope – AAMD&C
Brad Pickering – AMA
Steve White – AMA
Stan Hayter – AMA executive Project Director

This committee will govern the project, ensure the grant money is spent appropriately and ensure the project objectives are met. Their first meeting was held on June 6, 2001.

At the first meeting the Steering Committee was introduced to the mandate as provided through the EAP recommendations. The **ASSET** Business context was discussed relative to 3 business strategies. The need for legislative change for **ASSET** was introduced. These required legislative changes were delineated from other LGS initiatives in the statute and regulatory review.

ASSET architecture was outlined. Time lines were discussed. Estimated expenditures for the various components defined.

Challenges were acknowledged.

The outcomes of the meeting were:

Endorsement of the DMR contract for **ASSET**
(DMR is the Alberta Municipal Affairs contractor)

EDS development of Land Titles data base approved
(EDS is the Alberta Registries contractor)

Permission for other contracts given

Technical Committee formation put in motion

Meeting schedule defined.

Background

The **ASSET** project takes its direction from the equalized assessment panel's recommendations in their July 2000 report. In particular they have recommended:

- Open access to the equalized assessment data and the ASB audit and equalization process.
- They have recommended that municipalities share sales data to improve sample sizes.
- Changing the process so that both the local and cost shared assessment use the current assessment roll.
- Audit and equalize prior to education taxation
- Narrowing the acceptance range of medians and setting the quality standard at 1.000.
- Consultation with the Technical Committee on the contents of the annual audit report

The **ASSET** project will facilitate the implementation of these recommendations.

The other recommendations such as annual review of regulated rates, stratification, the audit guide, auditor roles vs. advisor roles, real growth and assessment value growth, five year cycle for audits, audit unit resources, and equalized assessment guides are outside the scope of **ASSET** and are or will be handled by the units responsible for day to day operations. These non-technical recommendations are also out of scope for the technical committee.

Minister's approval of the report was received this month and the department is sending out copies of the report to stakeholders.

Summary of Equalized Assessment Panel Recommendations

Number	Recommendation
1	Subject to freedom of information and privacy legislation, all assessment information, as prescribed by the Minister and in the possession of either provincial or municipal assessment officials should be made available in a manner sufficient to satisfy the need to verify assessment quality and equalization accuracy. (See Recommendation No. 7),
2 A i	Set the quality standard for median assessment ratios at 1.0, and,
2 A ii	Allow a narrow range for overall median assessment ratios of 0.95 to 1.05.
2 B	Create and distribute an Alberta assessment quality control guide, incorporating applicable portions of the IAAO Standard on Ratio Studies.
2 C	Create and distribute two equalized assessment guides, one to provide a general explanation of the process to municipal officials and the second to provide detailed direction to assessors and ASB staff respecting the actual equalization process.
3	Annually review, and where necessary adjust, the regulated rates for farmland, linear properties and machinery and equipment to current levels, as considered appropriate by the Minister.
4 A i	When both accuracy and confidence permit, use the live assessment roll for each municipality for the purpose of establishing the amount of the education requisition and the required property tax levy. Adjust the education requisition for the subsequent year to reflect any adjustments that result from the application of the equalization process on the prior year's live assessment roll.
4 A ii	In the longer term, levy the education requisition on each municipality's annual live assessment roll, that has been previewed, audited and adjusted, where necessary, to provincial standards prior to the issuance of assessment notices to the public and the official return of the completed live assessment roll.
4 B	Information provided by municipalities to ASB about the annual live assessment roll should distinguish real growth from the affect of market value changes so as to allow ASB to audit and separate real growth from aggregate growth or decline in assessment values. (See Recommendation No. 7)
5	A central computerized data sharing system be established, containing the assessment data base and supporting information for all municipal assessments, provincial regulated assessments and all sales data of real property, with provisions for sufficient access to data by all stakeholders (municipal and provincial) to conduct the necessary audit, equalization, and quality control processes. (See also Recommendation No. 7)

Number	Recommendation
6 A i	For all municipalities, use complex stratification, including substrata on property characteristic variables, <u>where data is sufficient</u> , for both quality audit purposes and for determining median ASRs.
6 A ii	For all municipalities, provide for the use of sales and other data from other comparable municipalities, and/or expand the historical timeframe to include additional sales, and/or provide for the use of independent appraisals to increase sample sizes where necessary.
6 B i	Increase the frequency of detailed audits, so as to ensure the five year cycle will be attained and perform detailed audits on Calgary and Edmonton assessments in 2001 or 2002.
6 B ii	Review the resources of the audit unit to determine if they are sufficient to meet the unit's responsibilities.
6 C i	Review the role of auditors as advisors to local assessing authorities to determine whether this role should continue, or alternatively be assigned to another unit/section with Assessment Services Branch
6 C ii	If auditors retain the role of advisors to local assessing authorities, differentiate advisor vs. auditor roles and ensure that no auditor performs both roles for the same municipality.
6 C iii	Review the resources available to ensure they are sufficient to perform both the advisory and auditing functions without conflict between the two roles.
6 D	The Assessment Services Branch should produce an annual report covering the results of its review of the ratio studies done by all municipalities and all equalization adjustments made as a result of its audits of those studies. The report should provide sufficient detail respecting market trends and related matters, such that municipal official and other readers can determine the basis for any year over year changes in either assessed values or equalized assessment in each municipality. Specifications for the annual report could be developed in consultation with the technical committee proposed in Recommendation No. 7
7	That a ten member expert technical committee be formed to advise the Minister on the technical aspects of the implementation of the recommendations of the Panel in this report and other similar matters.

**Proposed
ASSET Key Dates**

The target date for the implementation of **ASSET** is January 2003. Implementation dates for different components of the project that will affect municipalities are outlined in the table below. It is important to note that these dates may be subject to change as the technical working group reviews components of the project.

Date	Event
July 31, 2001	Municipal Affairs will move Assessment Information System (AIS), which is the assessment audit database, to the secure internet site. This will allow municipalities to view the 1995 to 2000 audit submissions.
Fall 2001	Municipal Affairs will provide details of ASSET data reporting requirements to CAMA providers and municipalities so that they can update their systems.
December 31, 2001	2002 non-linear assessments must reflect characteristics and physical condition of properties as of December 31, 2001
April 1, 2002	Municipalities will report entire assessment roll and data.
April 1 – December, 2002	Municipalities will report ARB, MGB, s.305, and s.368 changes to the 2002 tax roll as they occur.
April 1 – December, 2002	Municipalities will report changes to assessment roll numbers as they occur and the supplementary assessment when it is complete.
January – December, 2002	Municipalities: <ul style="list-style-type: none"> • Monitor RPTD documents for accuracy and indicate overrides to sales verification codes and adjustments; • Report appraisals, manufactured home sales and other indicators of value; and • Report corresponding property characteristics.
January – December, 2002	Municipalities will prepare the 2003 assessment roll based on a July 1, 2002 valuation date and conditions as of December 31, 2002. Models to be developed in the fall and final inspections in November and December (projected as of December 31). Target range for appropriate models will be medians of .95-1.05.
January 1-30,	Municipalities will use ASSET or their own CAMA

Date	Event
2003	systems to run the prescribed ratio study algorithm to determine the medians for each market area. These medians will then be used to adjust the assessments on the CAMA systems to the assessment level quality standard.
January 31, 2003	Municipal assessor must submit assessment roll and declare it to be in compliance with the MGA and its regulations.
February 1- February 28, 2003	Municipal Affairs will audit municipal assessments using the prescribed ratio study algorithm to determine that assessment levels meet the quality standard. Assessment Audit and the municipality will work together to resolve any non-compliance issues. Remedial action will be taken if necessary.
March 1, 2003	Municipal Affairs will adjust the assessments to the standard for cost sharing purposes if necessary.
January – December, 2003	Municipalities will report ARB, MGB, s.305, and s.368 changes to the 2003 assessment roll as they occur.
January – December, 2003	Municipalities will : <ul style="list-style-type: none"> • Monitor RPTD documents for accuracy and indicate overrides to sales verification codes and adjustments; • Report appraisals, manufactured home sales and other indicators of value; and • Report corresponding property characteristics.