

**CONSOLIDATION OF
2002 MINISTER'S GUIDELINES
REGARDING THE ASSESSMENT
OF
FARM LAND
LINEAR PROPERTY
MACHINERY AND EQUIPMENT
RAILWAY**

(2002 Alberta Farm Land Assessment Manual)

(2002 Alberta Linear Property Assessment Manual)

(2002 Alberta Machinery and Equipment Assessment Manual)

(2002 Alberta Railway Assessment Manual)



ALBERTA
MINISTER OF MUNICIPAL AFFAIRS

MLA, Fort McMurray

DUPLICATE

MINISTERIAL ORDER NO. L:143/02

I, Guy Boutilier, Minister of Municipal Affairs, pursuant to sections 3(2), 5(2), 6(2), and 7(2) of the Matters Relating to Assessment and Taxation Regulation (AR 289/99) make the following order:

- The 2002 Alberta Farm Land Assessment Minister's Guidelines,
- The 2002 Alberta Linear Property Assessment Minister's Guidelines,
- The 2002 Alberta Machinery and Equipment Assessment Minister's Guidelines, and
- The 2002 Alberta Railway Assessment Minister's Guidelines,

as set out in the attached consolidated document, are established.

Dated at Edmonton, Alberta, this 28 day of November, 2002.

Guy Boutilier
Minister of Municipal Affairs

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Consolidation of 2002 Minister's Guidelines Regarding Farm Land, Linear Property, Machinery and Equipment and Railway Assessment

GENERAL

APPLICATION

This consolidation consists of the following:

- (a) *2002 Alberta Farm Land Assessment Minister's Guidelines*
- (b) *2002 Alberta Linear Property Assessment Minister's Guidelines*
- (c) *2002 Alberta Machinery and Equipment Assessment Minister's Guidelines*
- (d) *2002 Alberta Railway Assessment Minister's Guidelines*
- (e) *2002 Alberta Farm Land Assessment Manual* updated, in the case of land used for farming operations, attached as Appendix I
- (f) *2002 Alberta Linear Property Assessment Manual*, in the case of linear property in a municipality, attached as Appendix II
- (g) *2002 Alberta Machinery and Equipment Assessment Manual*, in the case of machinery and equipment in a municipality, attached as Appendix III
- (h) *2002 Alberta Railway Assessment Manual*, in the case of railway property in a municipality, attached as Appendix IV
- (i) *2002 Construction Cost Reporting Guide*, attached as Appendix V.

GENERAL DEFINITIONS

In these Guidelines,

- (a) **Act** means the *Municipal Government Act* (SA 1994 cM-26.1)
- (b) **assessment year** means the year prior to the taxation year
- (c) **assessor** means:
 - (i) in respect of Linear Property, the person designated by the Minister to carry out the duties and responsibilities of an assessor under the Act, and
 - (ii) with respect to property other than Linear Property, the person appointed by the municipality to the position of designated officer to carry out the duties and responsibilities of an assessor under the Act,

and includes any person to whom those duties and responsibilities are delegated by the person referred to in subclause (i) or (ii).

- (d) **regulation** means the *Matters Relating To Assessment and Taxation Regulation* (AR 289/99), as amended.

PART 1: ALBERTA FARM LAND ASSESSMENT MINISTER'S GUIDELINES

1.001 DEFINITIONS

In this Part,

- (a) **agricultural use value** means the value of a parcel of land based exclusively on its use for farming operations;
- (b) **assessment year modifier** means the factor which is applied to the value of land used for farming operations in order to determine its value in the assessment year;
- (c) **farming operation** has the meaning given to it in the Act;
- (d) **field** means a separately valued area within a parcel of land that is used for farming operations.

1.002 CALCULATION OF AGRICULTURAL USE VALUE

The agricultural use value of land used for farming operations shall be calculated by

- (a) using the agricultural use value base rate table in Schedule A of the *2002 Alberta Farm Land Assessment Manual* updated to establish the property's agricultural use value base rate;
- (b) multiplying the agricultural use value base rate by the appropriate Assessment Year Modifier prescribed in Schedule B of the *2002 Alberta Farm Land Assessment Manual* updated to determine the agricultural use value base rate per acre for the assessment year;
- (c) multiplying the agricultural use value base rate per acre by a Final Rating Factor prescribed in Schedule C of the *2002 Alberta Farm Land Assessment Manual* updated to determine the agricultural use value per acre for the field;
- (d) multiplying the agricultural use value per acre for the field by the number of acres in each field to determine the agricultural use value of the field;
- (e) adding together the agricultural use value for each field to determine the agricultural use value of the parcel;
- (f) multiplying the agricultural use value of the parcel by the Farm Service Centre Rating factor prescribed in Schedule D of the *2002 Alberta Farm Land Assessment Manual* updated.

PART 2: ALBERTA LINEAR PROPERTY ASSESSMENT MINISTER'S GUIDELINES

2.001 DEFINITIONS

In this Part,

- (a) **assessment year modifier**, means the factor which is applied to the base cost of linear property in order to adjust its base cost to the assessment year;
- (b) **base cost** means the cost of an improvement, as prescribed in the *2002 Alberta Linear Property Assessment Manual*;
- (c) **linear property** has the meaning given to it in the Act.

2.002 CALCULATION OF ASSESSMENT

The assessed value of linear property in a municipality, excluding wellsite land, shall be calculated by:

- (a) establishing the base cost as prescribed in Schedule A of the *2002 Alberta Linear Property Assessment Manual*;
- (b) multiplying the base cost by the appropriate Assessment Year Modifier prescribed in Schedule B of the *2002 Alberta Linear Property Assessment Manual*, to adjust the base cost to the assessment year;
- (c) multiplying the amount determined in clause (b) by the appropriate depreciation factor prescribed in Schedule C of the *2002 Alberta Linear Property Assessment Manual*;
- (d) if applicable, adjusting the amount determined in clause (c) for additional depreciation as prescribed in Schedule D of the *2002 Alberta Linear Property Assessment Manual*.

2.003 ASSESSED VALUE OF WELLSITE LAND

The assessed value of wellsite land shall be the amount prescribed in Schedule E of the *2002 Alberta Linear Property Assessment Manual*.

2.004 MINISTERIAL PRESCRIPTION

For the purposes of these Guidelines and section 2(b) of the Regulation, it is hereby prescribed that the cost of all computer software, including both basic software and applications software, intended for or used in connection with the monitoring, control or operation of any assessable property shall be included in the base cost of the property which is otherwise assessable.

PART 3: ALBERTA MACHINERY AND EQUIPMENT ASSESSMENT MINISTER'S GUIDELINES

3.001 DEFINITIONS

In this Part,

- (a) **assessment year modifier**, means the factor which is applied to the base cost of machinery and equipment in order to adjust its base cost to the assessment year;
- (b) **base cost** means the cost of an improvement, as prescribed in the *2002 Alberta Machinery and Equipment Assessment Manual*;
- (c) **machinery and equipment** has the meaning given to it in the Act;

3.002 CALCULATION OF ASSESSMENT

The assessed value of machinery and equipment in a municipality shall be calculated by:

- (a) establishing the base cost as prescribed in Schedule A of the *2002 Alberta Machinery and Equipment Assessment Manual*;
- (b) multiplying the base cost by the appropriate Assessment Year Modifier prescribed in Schedule B of the *2002 Alberta Machinery and Equipment Assessment Manual* to adjust the base cost to the assessment year;
- (c) multiplying the amount determined in clause (b) by the appropriate depreciation factor prescribed in Schedule C of the *2002 Alberta Machinery and Equipment Assessment Manual*;
- (d) if applicable, adjusting the amount determined in clause (c) for additional depreciation as prescribed in Schedule D of the *2002 Alberta Machinery and Equipment Assessment Manual*.

3.003 ADDITIONAL ADJUSTMENT

In addition to the assessment calculation prescribed in Section 3.002 the assessed value of machinery and equipment shall be further adjusted by a factor as prescribed in Section 15(2)(b) of the Regulation.

3.004 MINISTERIAL PRESCRIPTION

For the purposes of these Guidelines and section 2(b) of the Regulation, it is hereby prescribed that the cost of all computer software, including both basic software and applications software, intended for or used in connection with the monitoring, control or operation of any assessable property shall be included in the base cost of the property which is otherwise assessable.

PART 4: ALBERTA RAILWAY ASSESSMENT MINISTER'S GUIDELINES

4.001 DEFINITIONS

In this Part,

- (a) **assessment year modifier**, means the factor which is applied to the base cost of railway in order to adjust its base cost to the assessment year;
- (b) **base cost** means the cost of railway, as prescribed in the *2002 Alberta Railway Assessment Manual*;
- (c) **railway** has the meaning given to it in the Act.

4.002 CALCULATION OF ASSESSMENT

The assessed value of railway in a municipality shall be calculated by:

- (a) establishing the base cost as prescribed in Schedule A of the *2002 Alberta Railway Assessment Manual*;
- (b) multiplying the base cost by the appropriate Assessment Year Modifier prescribed in Schedule B of the *2002 Alberta Railway Assessment Manual* to adjust the base cost to the assessment year;
- (c) multiplying the amount determined in clause (b) by the appropriate annual traffic factor prescribed in Schedule C of the *2002 Alberta Railway Assessment Manual*.

