



Local Assessment Review Board Hearing

Roll: 2104337540

Legal Description: [REDACTED]

Lot 5 Block 1 Plan 0414447

Appellant: Gert Villani, Helen Nollet, Lien Villani, Simon Cani

Presented By: Devyn Murray AMAA

Table of Contents

Assessment Issues.....	3
Legislation and Assessment Background	3
Description of Subject Property.....	5
Assessment Recommendation.....	6
Sales (Fairness) Comparables.....	7
Summary	8
Appendix A: Legislation.....	9

Assessment Issues

The appellant has brought forward the following issues which will be discussed in this report.

1. The annual increase of taxes has nearly reached 20%.

Legislation and Assessment Background

Assessed values are prepared on an annual basis. To establish values, the Assessment Department is legislated to use up to 36 months worth of sales information. In this case 36 months (3 years) of data was used. The hard date cut offs of the legislation leads to information being used one year and not the next. When older information is no longer a part of the process and new information is introduced, it can result in larger assessment changes than the real estate market indicates year over year.

The Assessment Department is required by legislation to consider areas in use and apply the relevant valuation standards of market value for residential and agricultural use value for farm properties. The Assessment Department must assess 3 acres of land at market value if it is being used for residential purposes. The balance of the property is assessed at farmland rates. The Assessment Department compares this property to other acreages of a similar size to establish the assessed value of the market area and home(s).

Assessments in the province of Alberta have an effective valuation date of July 1 of the assessment year. The physical condition of the property is based on December 31, also of the assessment year. Assessments must be prepared using mass appraisal and be representative of market value. An assessment is deemed to be reasonable when it falls within five percent of market value indicators. This is established in the Matters Relating to Assessment and Taxation Regulation. The full excerpt can be found in Appendix A.

The following court case outlines how the appellant should use their evidence to establish doubt on the assessed value through the burden of proof. The Alberta Queens Bench in “**Calgary (City) v Alberta (Municipal Government Board), 2010, ABQB 719**”, paragraph 161, outlines the burden of proof that must be followed.

The ultimate burden of proof or onus rests on the Appellant, at an assessment appeal, to convince the MGB their arguments, facts and evidence are more credible than that of the Respondent. However, if the Applicant leads sufficient evidence at the outset to establish a prima facie case, the evidentiary onus shifts to the Respondent. In order to establish a prima facie case, the Appellant must convince the MGB panel that there is merit to the appeal.

The Appellant must establish that it is more probable than not that the assessed value is incorrect or inequitable. Once the evidentiary onus shift occurs, then the validity of the assessment is in question. In order to rebut the Appellants prima facie case, and in order to raise a legitimate inference that the assessment is correct, the Respondent must lead evidence to counter the Appellant’s evidence. At the end of the hearing, the MGB considers all the evidence presented and determines which party has

established their case on a preponderance of evidence. In theory this means the party with the strongest case should succeed.

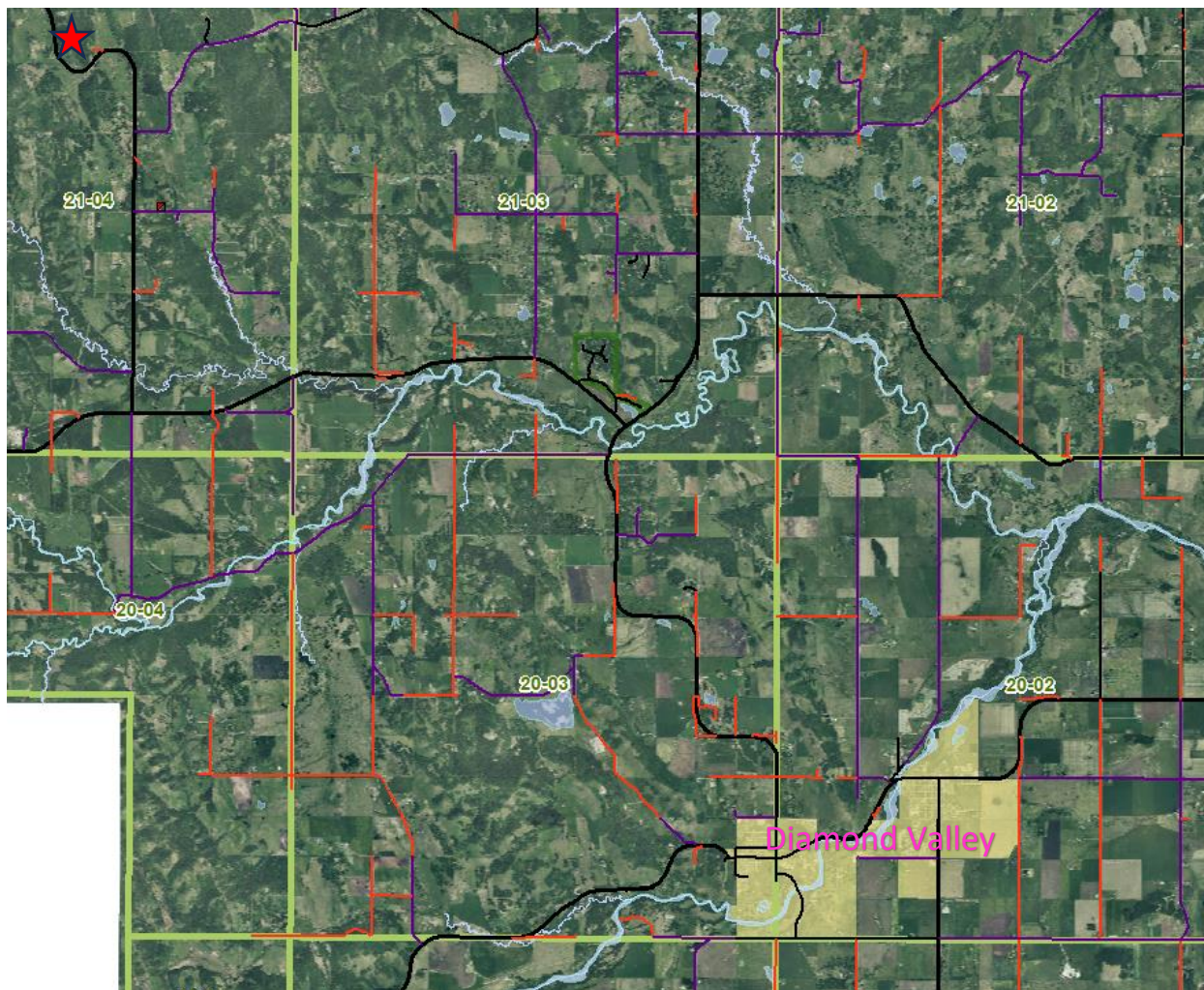
As outlined in Matters Relating to Assessment Complaints (MRAC) both parties must present evidence in sufficient detail to allow the other party to respond to, or rebut, the presented evidence. This is also a requirement of any rebuttal evidence submitted by the complainant. MRAC details this in Section 5, clause 2, sub (c) states the complainant must disclose to the respondent and the review board all evidence they intend to disclose at the hearing in rebuttal..."(b) in sufficient detail to allow the respondent to respond to or rebut the evidence at the hearing." This section affords the respondent the opportunity to address any or all rebuttal information presented by the complainant at the hearing.

Additional and expanded legislation can be found in Appendix A: Legislation.

Description of Subject Property



This parcel is 31.37 acres and is located approximately 38 kilometers north-west of Diamond Valley along Highway 762. The parcel is improved with a residence with a triple attached garage, seasonal cottage, and a shop. The residence is 4,308 square feet in size, built in 2008. The attached garage is 923 square feet, and the cottage is 236 square feet that was built in 1980. The shop is 2,400 square feet and was built in 1983. The assessment reflects a three-acre market site with the remaining 28.37 acres set to regulated farmland rates.



The subject is denoted by the red star at the top left of the picture.

Assessment Recommendation

The assessed value on the property in complaint is \$959,070.

The increase in taxes is not something the Assessment Department can address. It is the duty of the assessor to assess properties based on market transactions to arrive at a fair and equitable assessment. The subject property's assessment did increase year over year; however, year over year increases is also not an issue that can be addressed through the appeal process.

The appellant must be able to establish that it is more probable than not that the assessment is incorrect. The appellant has not provided any information through initial disclosure to establish that the assessment is incorrect.

The Assessment Department recommends the board confirm the assessment as is.

Sales (Fairness) Comparables

The main component required to determine an appropriate assessment is how the assessment compares to market value. Assessments are representations of market value, which is determined by using sales of similar properties, that have been marketed and sold with no undue pressure between a willing buyer and a willing seller.

There were some sales comparables sent to the appellant during the inquiry period. They are in Appendix B. The comparables cover a wide range in terms of parcel size, residence size and outbuildings.

Summary

The Assessment Department maintains that the assessment is fair and equitable. The appellant has not disclosed any information concerning market value. The burden of proof rests on the appellant to establish probable doubt that the assessment is not a reflection of market value. This threshold has not been reached and the assessment should be confirmed.

The Appellant has brought forward issues regarding the increase in taxes year over year. The Assessment Department is not responsible for levying taxes and tax increase concerns are not to be addressed at Assessment Review Board Hearings.

The Assessment Department requests the board to confirm the assessment of \$959,070 given the information that has been presented.

Appendix A: Legislation

s.284(1)c “**property**” means

- (i) a parcel of land
- (ii) an improvement, or
- (iii) a parcel of land and the improvements to it

MGA s.284(1)c

s.289(2) Each assessment must reflect

- (a) the characteristics and physical condition of the property on December 31 of the year prior to the year in which the tax is imposed under Part 10 in respect of the property, and
- (b) the valuation and other standards set out in the regulations for that property.

MGA s.289(2)

s.295(1) A person must provide, on request by the assessor, any information necessary for the assessor to prepare an assessment or determine if property is to be assessed.

MGA s.295(1)

s.1(g) “mass appraisal” means the process of preparing assessments for a group of properties using standard methods and common data and allowing for statistical testing

MRAT s.1(g)

s.5 An assessment of property based on market value

- (a) must be prepared using mass appraisal,
- (b) must be an estimate of the value of the fee simple estate in the property, and
- © must reflect typical market conditions for properties similar to that property

MRAT s.5

s.6 Any assessment prepared in accordance with the Act must be an estimate of the value of the property on July 1 of the assessment year

MRAT s.6

s.9(1) When an assessor is preparing an assessment for a parcel of land and the improvements to it, the valuation standard for the land and improvements is market value

MRAT s.9

s.14(1) In this section, “property” does not include regulated property.

(2) In preparing an assessment for property, the assessor must have regard to the quality standards required by subsection (3) and must follow the procedures set out in the Alberta Assessment Quality

Minister’s Guidelines. (3) For any stratum of the property type described in the following table, the quality standards set out in the table must be met in the preparation of assessments:

Property Type	Median Assessment Ratio	Coefficient of Dispersion
Property containing 1, 2 or 3 dwelling units	0.950 - 1.050	0 - 15.0
All other property	0.950 - 1.050	0 - 20.0

(4) The assessor must, in accordance with the procedures set out in the Alberta Assessment Quality Minister’s Guidelines, declare annually that the requirements for assessments have been met.

MRAT s.14

s.5(1) In this section, “Complainant” includes an assessed person or taxpayer who is affected by a complaint who wishes to be heard at the hearing.

(2) If a complaint is to be heard by a local assessment review board panel, the following rules apply with the respect to the disclosure of evidence:

(a) the complainant must, at least 21 days before the hearing date, (i) disclose to the respondent and the local assessment review board the documentary evidence, a summary of the testimonial evidence, including any signed witness reports, and any written argument that the complainant intends to present at the hearing in sufficient detail to allow the respondent to respond to or rebut the evidence at the hearing, and (ii) provide to the respondent and the local assessment review board an estimate of the amount of time necessary to present the complainant’s evidence;

(b) the respondent must, at least 7 days before the hearing date, (i) disclose to the complainant and the local assessment review board the documentary evidence, a summary of the testimonial evidence, including any signed witness reports, and any written argument that the respondent intends to present at the hearing in sufficient detail to allow the complainant to respond to or rebut the evidence at the hearing, and (ii) provide to the complainant and the local assessment review board an estimate of the amount of time necessary to present the respondent’s evidence;

(c) the complainant must, at least 3 days before the hearing date, disclose to the respondent and the local assessment review board the documentary evidence, a summary of the testimonial evidence, including any signed witness reports, and any written argument that the complainant intends to present at the hearing in rebuttal to the disclosure made under clause (b) in sufficient detail to allow the respondent to respond to or rebut the evidence at the hearing.

MRAC s.5