



**Local Assessment Review Board Hearing**

**Roll: 1929070000**

**Legal Description: S-7-19-29-4**

**Appellant: Brenda Prestie**

**Presented By: Teresa Lemon, AMAA**

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## Assessment Issues

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

1. The Appellant believes the total assessed value is too high due to its proximity to the Rimrock Feedlot.
2. The Appellant indicates the dying trees decrease the property value.
3. The Appellant believes the location of the property along a designated Industrial through route is a factor decreasing the value of their property.
4. The Appellant indicates proximity to an asphalt plant negatively impacting the property value.

The Appellant has requested the assessed value to be \$522,080 as a result of the four issues.

## 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 must reflect the following:

- The market conditions of July 1 of the assessment year.
- The property characteristics and physical condition on December 31 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 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.*

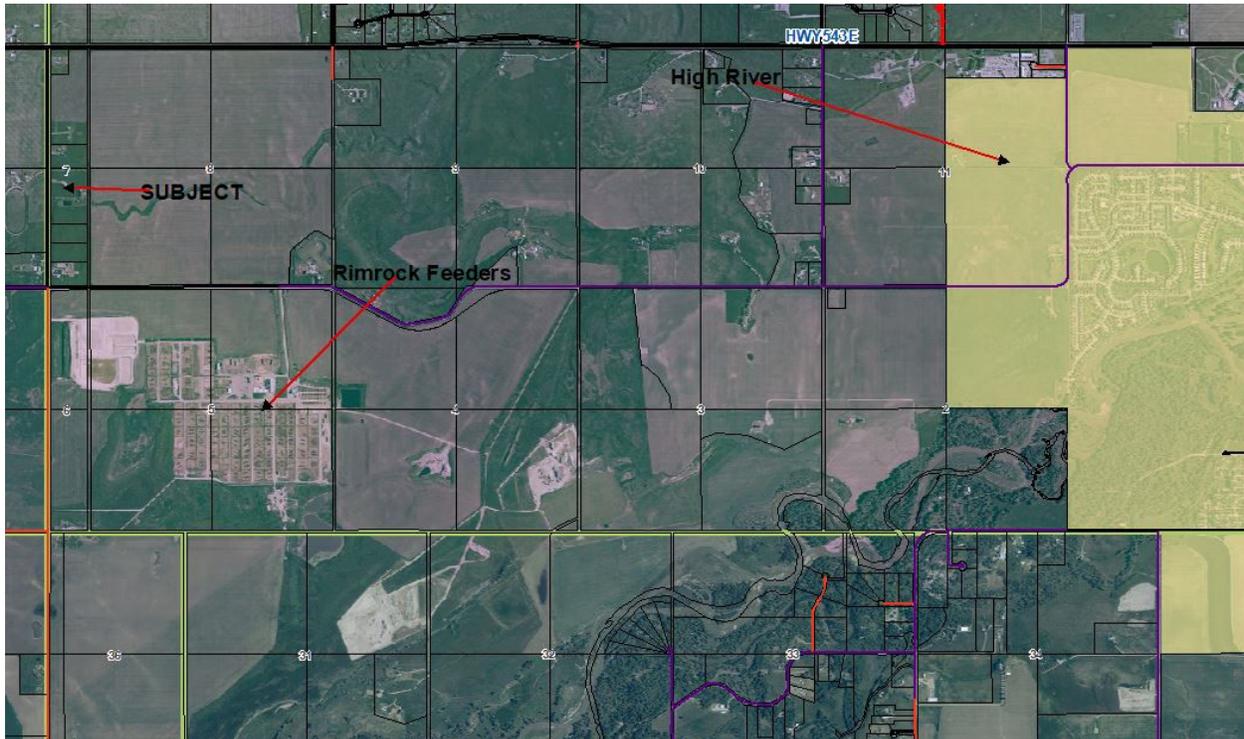
*The Appellant must establish that it is more probable than not that the assessed value is incorrect or inequitable. Once the evidentiary onus shift occurs, then the validity of the assessment is in question. In order to rebut the Appellants prima facie case, and in order to raise a legitimate inference 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

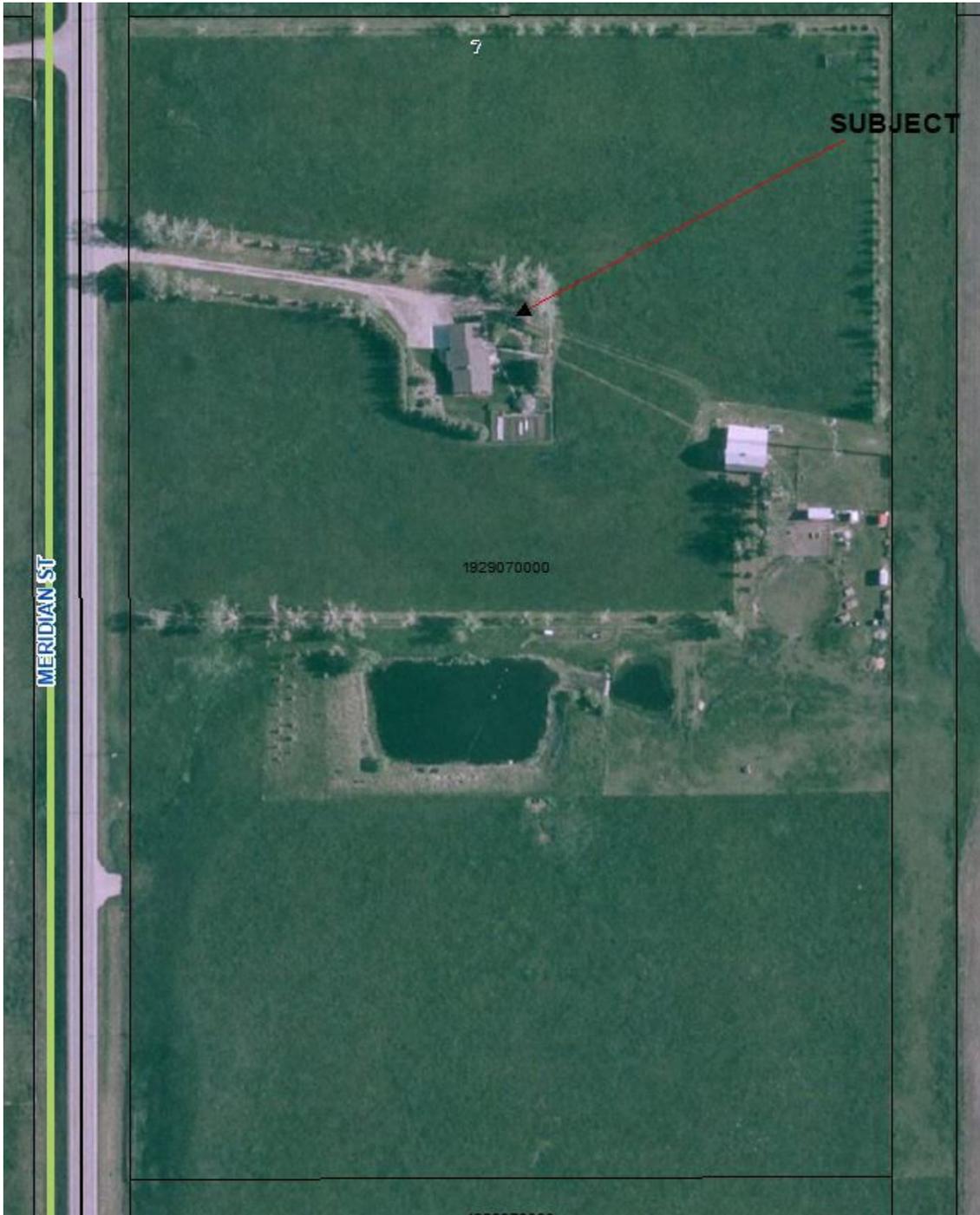
This subject property is located approximately 3.5 miles West of the Town of High River and ½ mile south of Hwy 543E as seen on Map 1.



Map 1: AERIAL MAP OF SUBJECT PROPERTY LOCATION

The parcel as seen in Map 2 is a 22.72 acre relatively flat site with partial mountain view and a few mature trees. Access to the property is off the paved Meridian Street. A gravel laneway heads east to the bungalow style residence, attached garage, barn, small shed and two horse shelters. In the north half of the parcel is the 1989 one storey residence of 1,250 square feet and a 510 square foot 1989 garage. The residence has forced air heat, 7 plumbing fixtures, and an open front veranda. The garage has a concrete floor, insulated and finished interior walls and electrical services. Photos of the property and improvements can be found in Appendix B.

The property is assessed with 3 acres at market value and the remaining 19.72 acres at regulated farmland rates. The owners indicate the agricultural use on the property to be horses grazing.



Map 2: Subject Property

## Assessment Recommendation

The assessed value on the property in complaint is \$627,080.

The Assessment Department conducted a site inspection to review attributes and property characteristics on October 3, 2024. No changes resulted from the inspection. Although the owners are in the process of removing some trees, there were a few mature trees onsite as of the physical condition date of December 31, 2023 (MGA s.289(2)(a)).

Further review of the issues was completed by the Assessment department which results in the recommendation of a revised assessed value of \$569,850.

## Sales (Fairness) Comparables

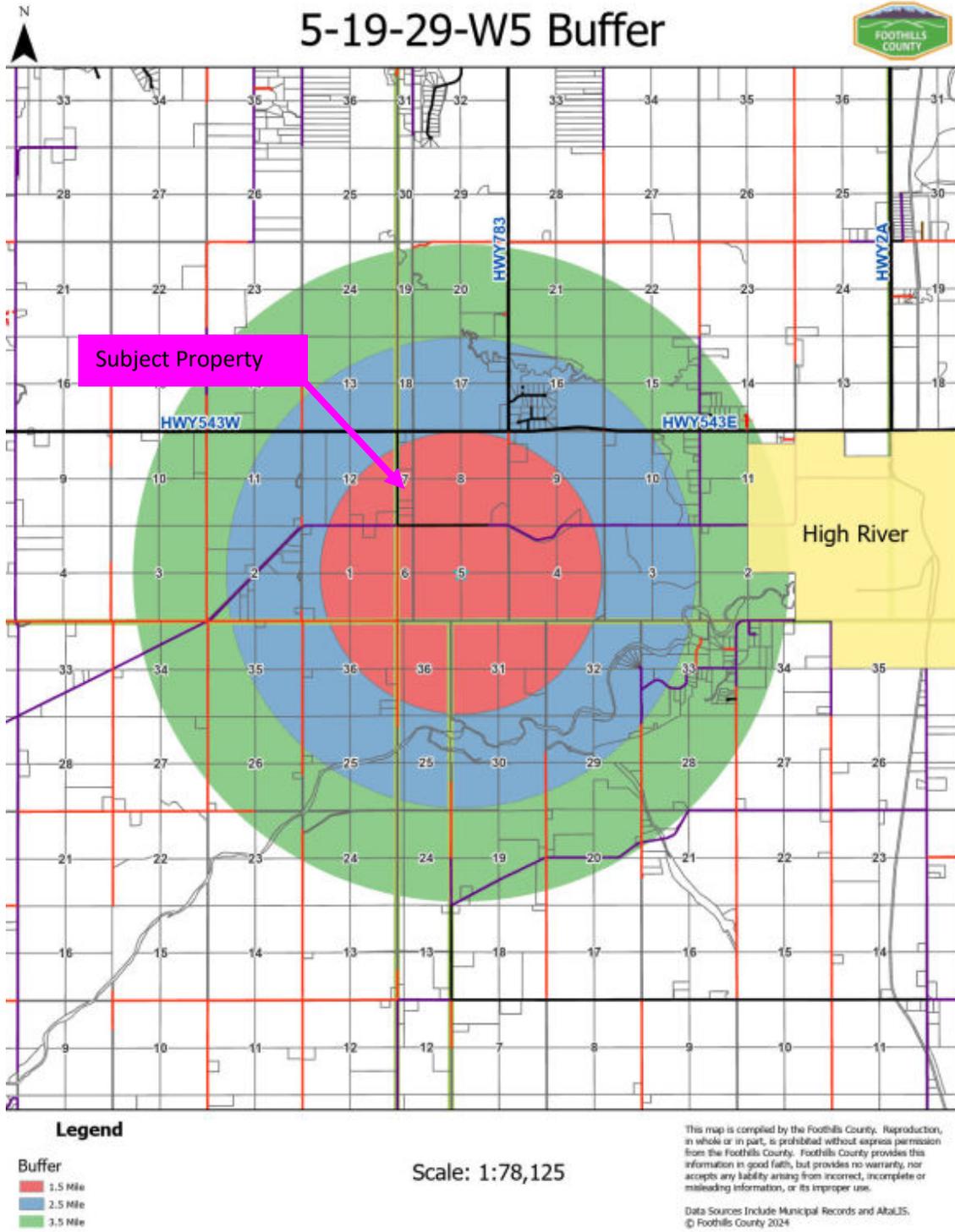
Assessments are representations of market value, which is determined by using sales of similar properties, that have been marketed and sold with no undue pressure between a willing buyer and a willing seller.

The land influences the complainant brought forward include; proximity to a feedlot, proximity to an asphalt plant, location along a designated truck route.

As part of the determining assessed values statistical measuring of attributes and characteristics are completed. Items measured are determined through communication with market participants, such as sellers, buyers and realtors.

The assessment department is tracking, measuring and applying adjustments for proximity to: feedlots, highways and gravel pits. The current amount of adjustment applied for properties in proximity to feedlots is -10% for properties within 1 mile of the feedlots and EcoAg facility; -5% for properties within 2 miles and no adjustment for properties within 3 miles. The current adjustment amounts for proximity to highways varies depending on the distance to and type of highway. Properties within 1 mile of a gravel pit have an adjustment applied for this influence.

Map 3 indicates the location of the subject property in relation to the Rimrock feedlot. The feedlot is located in section 5 of township 29 range 29 west of the 5<sup>th</sup> meridian or the center of the red highlighted on the map.

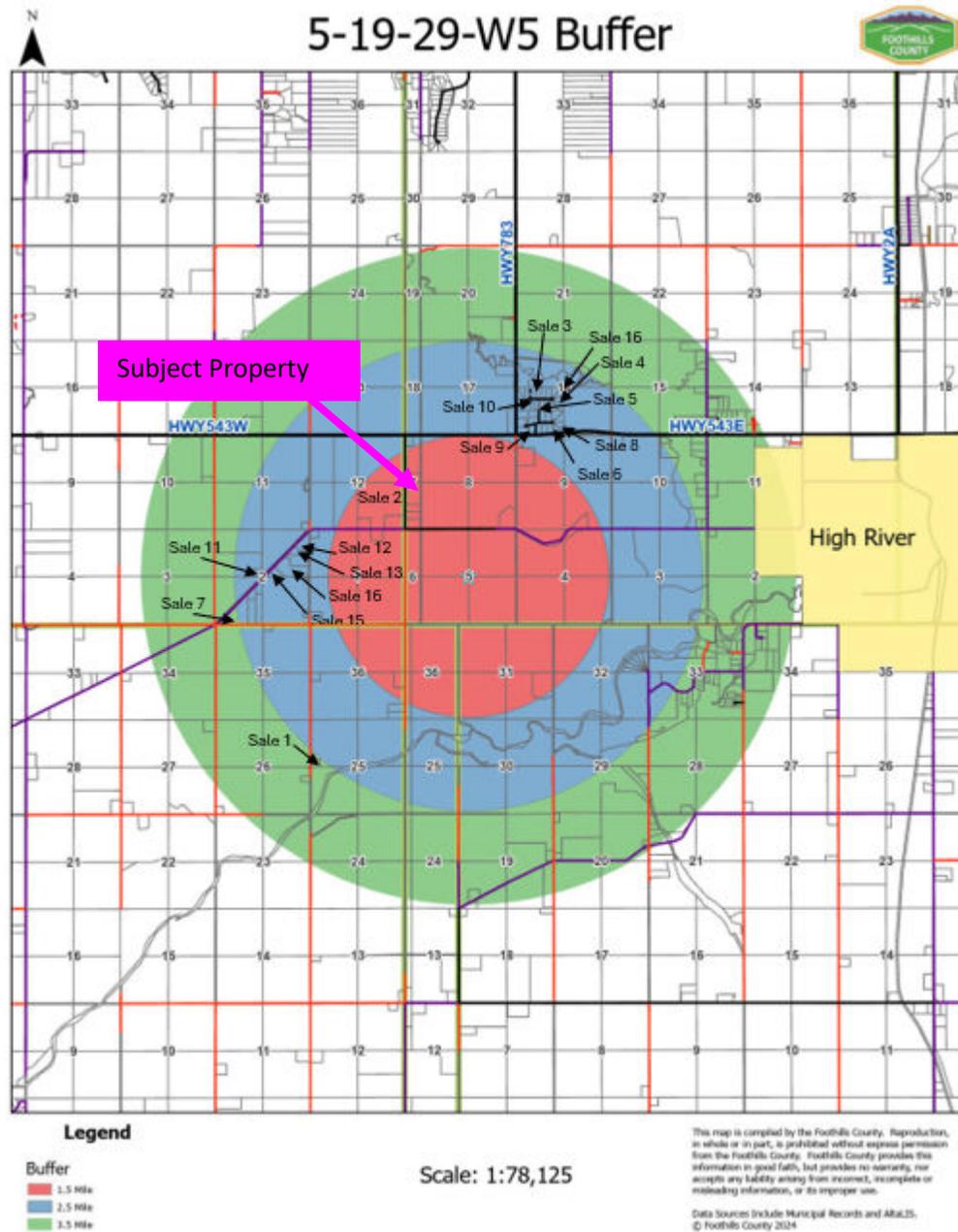


Map 3: Feedlot @ Center of Section 5

Matters Relating to Assessment Regulation (MRAT s.1(g)) defines “mass appraisal” as the process of preparing assessments for a group of properties using standard methods and common data and allowing for statistical testing.

There are a total of 16 sales within the legislated time frame within a 2 mile radius of the Rimrock feedlot. Fifteen properties are within a 2 mile radius and 1 sale within a 1 mile radius.

Map 4 details the location of the comparables and the subject property in relation to the feedlot.



Map 4: Comparable Sales

In MRAT Section 14(3) the quality standard sets out an assessment to sales ratio (ASR) range of 0.95 to 1.05. The ASR measures the assessment value to the sale value with the following formula:

$$\text{assessed value} / \text{sale value} = \text{ASR}$$

Table 1 contains details of the 16 sales within proximity to the Rimrock feedlot. These sales represent market transactions impacted by the same issue as the subject property, feedlot proximity. Only three recent property purchasers within 2 miles indicated to the Assessment department that odour was a factor with the purchase.

Sale	Sale Date	ROLL	Radius	ASR
1	05-03-2023	1901012510	2	0.99
2	02-08-2023	1901120020	1	1.05
3	12-05-2022	1929162780	2	0.93
4	09-29-2022	1929162730	2	0.93
5	07-18-2022	1929162680	2	0.97
6	05-31-2022	1929162600	2	0.87
7	02-18-2022	1901022510	2	1.18
8	02-07-2022	1929162720	2	1.00
9	11-18-2021	1929162520	2	0.88
10	09-24-2021	1929162670	2	0.96
11	09-16-2021	1901025000	2	0.81
12	06-04-2021	1901027520	2	0.92
13	05-26-2021	1901027500	2	0.87
14	01-19-2021	1929162740	2	0.99
15	11-30-2020	1901027530	2	1.01
16	09-10-2020	1901027540	2	1.03
Average				0.96
Median				0.97

Table 1: Comparable Sales

The median ASR of the 16 sales is .97. The ASR for Sale 2, the property within 1 mile of the feedlot, is 1.05. This indicates the adjustment applied is appropriate for the property attributes and characteristics.

The Appellant indicates being located along an Industrial Truck route as an issue. There is no market evidence to suggest or measure an appropriate adjustment for this concern. Sale 2 shares this attribute and the ASR is within legislated requirements.

The Appellant indicates an asphalt plant near their property. The Assessment department has no records of an asphalt plant near the subject property. The gravel pit mentioned in the Appellants disclosure as the Lafarge gravel pit is 2 miles from the subject property.

The subject property is within 1 mile of the Rimrock feedlot, similar to Sale 2. Applying the same adjustment factor of -10% to the land and residential improvements results in a revised assessment of \$569,850.

## Summary

The Appellant has brought forward concerns regarding the assessed value being too high due to the issues of proximity to a feedlot, location along an Industrial Truck route, proximity to an asphalt plant and dying trees. The Appellant has requested an assessed value of \$522,080. There has been no evidence or reasoning supplied by the Appellant to support the requested value as a whole or the specific issues individually.

The Assessment Department has demonstrated applicable legislative standards have been followed and met in determining assessed values. The Sales Comparables demonstrate the assessment is representative of market value. This infers that the assessment is fair amongst similar properties, given the market information.

The Assessment Department respectfully requests the board to revise the assessment of \$627,080 to \$569,850 given the information that has been presented.

## Appendix A: Legislation

s.284(1)(r) “**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)(r)

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 carry out the duties and responsibilities of an assessor under Parts 9 to 12 and the regulations.

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
- (c) 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 unless subsection (2) or (3) applies.

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:

<b>Property Type</b>	<b>Median Assessment Ratio</b>	<b>Coefficient of Dispersion</b>
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

Appendix B: Subject Property Photos



Photo 1: Entrance to the Property (Oct.3,2024)



Photo 2: Residence (Oct.3,2024)



Photo 3: Garage (Oct.3,2024)



Photo 4: Animal Shelters (Oct.3,2024)



Photo 5: Barn with lean-to (Oct.3,2024)



Photo 6: Shed (Oct.3,2024)



Photo 7: Looking East towards the feedlot (Oct.3,2024)



Photo 8: Few mature trees (Oct.3,2024)