**2017 Assessment Year Request for Information**

**Land, Buildings, Structures, and Machinery and Equipment (Industrial Property) in the Municipality of**

**Date: July ##, 2017**

Instructions for Municipal Assessor

1. Please review this electronic of the standardized Request for Information (RFI)
2. Please remove these instructions prior to sending it out to your tax payer.
3. Please insert the appropriate dates to meet your valuation plan.
4. Insert the appropriate contact information so your tax payers can contact you.
5. We request that you not make any major changes to this standardized RFI.
6. The Provincial Assessor (PA) will require the 2017 property assessment for the properties to be defined as “designated industrial properties (DI properties) calculated by December 31, 2017.
7. We are relying on you as the municipal assessor to determine which of your tax payers need to receive this RFI.
8. We have recently requested each municipality to provide the PA with their entire property assessment roll for taxation in 2017, which will assist the PA to determine which properties are DI properties. (We will probably need your assistance too).
9. Reporting the 2017 assessment for DI properties must be coordinated with the municipality so the municipality can produce the 2018 tax year property assessment roll (electronically) and submit it to the PA by January 22, 2018.
10. The PA has recently sent letters to the CAOs advising them of the need to submit the 2017 assessment roll to the PA by January 22, 2018. (Municipalities will need time to process this request and determine how they will comply).
11. If you have questions or concerns please contact Dave Imrie at David.Imrie@gov.ab.ca or Chris Risling at Chris.Risling@gov.ab.ca

This “2017 Assessment Year Request For Information” (2017 AY RFI) from the municipal assessor to property owners with property in the Province of Alberta is drafted and sent under provisions provided by the *Municipal Government Act (MGA).* This 2017 AY RFI will be used by the municipal assessor in the preparation of the 2017 Assessment for 2018 Tax Year.

Property assessor’s duties are found in section 293 of the *MGA* and state that “In preparing an assessment, the assessor must, in a fair and equitable manner,

(a) apply the valuation and other standards set out in the regulations, and

(b) follow the procedures set out in the regulations.

To assist the assessor in fulfilling their duties, it is imperative that the assessor has the correct and accurate information from the property owner. To assist the assessor’s understanding of the information received in this 2017 AY RFI, an assessor may need to inspect the property. Section 294 of the *MGA* provides the property assessor the right to enter, inspect or request any information necessary to prepare the assessment for the subject property.

If an assessor requests any information from the property owner necessary to fulfill their duties, the property owner has an obligation to respond to the request. This requirement to respond is found in section 295(1) of the *MGA*:

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

A property owner that fails to comply with this 2017 AY RFI within 60 days of receiving it will not be able to file a complaint against their assessment. Section 295(4) of the *MGA* states:

(4) No person may make a complaint in the year following the assessment year under section 460 or, in the case of linear property, under 492(1) about an assessment if the person has failed to provide the information requested under subsection (1) within 60 days from the date of the request.

The 2017 AY RFI provides instructions for you to prepare a fully compliant 2017 AY RFI return. However, should you have questions or concerns, you are advised to contact the municipal assessor that sent you this document. Communication with the property assessor is important and by making contact and starting a dialogue as soon as possible may save you time and resources. Working together with the assessor using the required information and documentation will allow the assessor to determine whether the property is assessable or not; and if it is assessable what the assessable value of the property should be.

As the property owner you must report:

1. The information and documentation requested in the 2017 AY RFI to accurately report the industrial property inventory you own as of December 31, 2017 by September XX, 2017.

The assessor may require additional documentation or clarification upon reviewing the submitted 2017 AY RFI return.

Working with the assessor during this time period will assist all parties with what documentation will be required.

To get you started, your current assessed inventory based on the best information known to the assessor has been provided. Please determine which of one of the possible responses applies to your property as of December 31, 2017 and proceed to complete your return.

As the property owner there are five possible responses to on your 2017 AY RFI return:

The property **is new** and the assessor has no current information about the property or cost which will mean the 2017 AY RFI return will require extensive reporting and work with the assessor.

The property is existing property and you have already paid property taxes on it or extensively reported in the past but you **have changes** to it in the past 12 months – you need to provide updated information. (Changes include but are not limited to: decommissioned, removed, replaced, turnaround, shutdown, maintenance, replacement, replacement-in-kind, sustaining capital, refurbishment, and/or modified.)

The property is existing property and you have already paid property taxes on it or extensively reported in the past and there are **no changes** – you need to advise the assessor – no changes.

The property **no longer exists** or has been **sold** – you need to provide updated information to the assessor.

Some combination of 1 to 4.

If you have filed your return with the municipal assessor and your property had a change between when you sent the return in and December 31, 2017, advised the assessor and submit an updated 2017 AY RFI return.

The valuation standard used to prepare the property assessment is found in the *“Matters Relating to Assessment Regulation”.*  Your property may be assessed as follows.

1. *“2005 Construction Cost Reporting Guide (CCRG)”* used to value industrial properties: A complete list of all capital expenditures (including total project cost) at the property for the 2017 calendar year and, any capital expenditure that was not previously reported. These summaries will have the details on the scope/overview of the expenditure. Once reviewed by the assessor, additional documentation of the expenditure may be requested which may include, but are not limited to, internal Final Construction Cost Reports. All documents and total project cost breakdowns reported will be subjected to an on-going review.
2. Valuation of the “machinery and equipment” with rates as per the *“Machinery and Equipment Minister’s Guidelines (Guidelines)”*: A complete inventory listing of all new, additional, and replacement machinery and equipment (M&E) that is, or is expected to be completed or put into operation, on or prior to December 31, 2017, including any M&E that has not been accounted for in prior year’s assessment returns and calculations. The inventory listed will be those whose rates are prescribed by the *Guidelines.* Any M&E where there are no rates available in the *Guidelines* must be reported in accordance to section number 4 below.
3. Valuation of Buildings and Structures (B&S) using cost base or market value: Requires a complete inventory listing of all new, additional, and replacement B&S if they were completed, occupied, or moved into the municipality during 2017, including any B&S that have not been accounted for in prior year’s assessment returns and calculations.

For B&S that have not been completed by December 31, 2017 please provide an inventory of all such B&S, the estimated percentage of completion as of December 31, 2017 and the expected use of the building.

Building name, dimensions, fence dimensions, etc., are to be included as part of the inventory.

1. Total project costs for all of the improvements (M&E and B&S) as identified from Section 3 above are to be supported by documentation of which you must provide. Upon review of the submitted documentation, the assessor may request additional documentation, for example: Final Construction Cost Reports, as follows:
	1. The M&E mustbe reported in compliance with the current *Alberta Construction Cost Reporting Guide (“CCRG”),* and the associated *Interpretive Guide,* and must correspond with items 1 and 2 above. The company can identify those costs they believe to be non-assessable costs by indicating the appropriate section(s) in the CCRG. The assessor will review and determine if the cost identified are to be assessable or non-assessable. Working together with appropriate documentation will assist both parties to determine assessable or non-assessable costs according to the CCRG.

Copies of these documents can be found on at the following location on the web.

<http://www.municipalaffairs.alberta.ca/documents/as/2016_Alberta_Machinery_and_Equipment_Ministers_Guidelines.pdf>

<http://www.municipalaffairs.alberta.ca/documents/as/2005_Alberta_Construction_Cost_Reporting_Guide.pdf>

* 1. The B&S component **must** be reported as separate total costs associated with constructing each building on site, and must correspond with items 1 and 3 above.
	2. All costs reported will be subject to on-going review by the assessor.
1. Supporting documentation for all new, additional, and replacement improvements can be included or may be requested by the assessor at a later date.

The type of documentation requested will be reviewed by both parties. The category or description of the documents may include, but are not limited to:

1. Total project costs, which can be supported by Final Construction Cost Reports, Authority for Expenditure (AFE), Appropriation, Capital Expenditure Approval Report, Construction Contracts, and As-built Cost Reports etc. The source of the individual costs should be classified as:

 i) actual costs,

ii) estimated costs, and

iii) cost derived via numerical model.

If costs have been classified as either ii) or iii) above, then detailed working assumptions are to be provided, along with an estimation of when the “actual as built costs” will be provided. The CCRG requires actual cost therefore this follow up must be done.

1. Pre-Construction Engineering Estimates and Cost Reports, Pre-Construction Feasibility Studies, Reports submitted to Government Agencies for project approval and other general information relating to tracking, controlling or monitoring total project costs etc.
2. Site plans, plot plans, process schematics, and/or building blueprints etc.
3. Plant Production information:
4. The design capacity of the facility in the 2017 calendar year, including any change in capacity during that time period (January to December) must be provided. If there is more than one marketable product or process, the design capacities for each, must be provided.
5. The actual 2017 throughput figures of any marketable product, or process, which the facility has produced in the 2017 calendar year.
6. The age of any additional or replacement improvements, which are not new.
7. If any old, additional, or replacement improvement(s) have been reconditioned, refurbished or rebuilt, etc.; detailed information and costs regarding the extent of reconditioning is requested.
8. Supporting documentation for any change in the operating status of any improvements (operating vs. idle, mothballed, blinded, decommissioned etc.) should be accompanied by proof of acceptable notice. The assessor may require digital photos with date stamp named by legal location, AER Directive #13 and or other necessary information to support the claim of the change in operating status.
9. Detailed information, and supporting documentation regarding the removal or disposal of any improvements.

This request for information makes reference to your specific property. If your property has other improvements located on it, which are rented, leased or owned by another person, whether temporary or permanent (if on site December 31, 2017), please provide the detailed information relating to those improvements similar to that requested by this letter, including a contact person (email address), phone number and mailing address for whoever rents, leases, or owns the improvements.

Also, depending on the specifics of the assessed property, as referred to in Section 304, Column 1 of the *MGA*, if you have given consent to another person to occupy the land, and become the assessed person, then you must provide a signed letter of consent containing the name of the person, the start and termination dates of the lease, including the original lease agreement and or survey plan.

Where applicable in the *Guidelines*, any request for abnormal depreciation must include acceptable evidence. Acceptable evidence may be requested on an annual basis but must be reviewed by the assessor to support your claim that a loss in value exists or continues to exist on your property. Examples of what may be considered acceptable evidence for abnormal depreciation consideration are as follows, but are not limited to:

a) The actual design capacity of the facility and a history of the design capacity if it has varied since the facility was new. If there is more than one marketable product or process, the design capacities for each, must be provided.

b) A historic report, which reflects the actual throughput figures of any marketable product or process, which the facility has provided since it was new.

c) A historic report, which reflects the selling price of any marketable product or processing fee, which the facility has provided since it was new.

d) If functional problems exist, an Engineering Report, or any other supporting documentation to justify why there may be a loss in value.

If Section 291(2) of the *MGA*,applies to your property, or a portion of your property (i.e. no assessment is to be prepared), then supporting documentation is requested to support your claim.

If any of the information requested above is not applicable for the 2017 assessment year, please indicate such in your response to this request for information. This request for information does not limit what must be reported. Any additional information, which may assist in preparing a fair and equitable assessment and/or provide a better understanding of the process and operation of the facility, should also be included.

When reporting information, please be sure to include current contact information relating to your company:

1. contact name,
2. legal company name,
3. phone number,
4. e-mail address,
5. mailing address and
6. a current letter of authority when represented by an agent regarding property assessment and taxation matters.

Submit your 2017 AY RFI return to the assessor no later than September XX, 2017.

2017 AY RFI returns may be mailed, couriered or hand delivered to:

Appropriate assessor’s address

2017 AY RFI returns may be e-mailed to:

Appropriate email address

All information reported to the assessor will be managed in accordance with the *Municipal Government Act* and the *Freedom of Information and Protection of Privacy Act.*

### Publications that may assist you are:

### *Municipal Government Act*,

### *Freedom of Information and Protection of Privacy Act*,

### *Matters Relating to Assessment and Taxation Regulation*

### *Matters Relating to Assessment Complaints Regulation*

### These publications may be purchased from the Alberta Queen’s Printer Bookstore. Other regulations are also available on the same site. For more information, visit the Queen’s Printer website at [www.qp.gov.ab.ca](http://www.qp.gov.ab.ca).

As indicated previously, section 295 of the *MGA* is to ensure that the 2017 AY RFI Report is complete and accurate as the information contained therein will be relied upon by the assessor for the 2018 tax year. The requested information must be reported within 60 days from the date of this request, but your cooperation in providing the information prior to the deadline would be appreciated.

If you have any questions regarding this request or require more information, do not hesitate to contact:

 Municipal Assessor Name

 Municipality

 Address 1

 Address 2

 Town, Alberta Postal Code

We thank you for your response to this the 2017 Request for Information.