Assessment Bulletin

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Alberta Assessment Quality Minister's Guidelines
and
Regulations Scheduled For Re-enactment

Alberta Assessment Quality Minister's Guidelines

Attached is a copy of Ministerial Order (MO) No. L:150/05, dated November 28, 2005. This MO authorizes the amendments to the Alberta Assessment Quality Minister's Guidelines, and the Recording and Reporting Information for Assessment Audit and Equalized Assessment Manual (attendant manual) that are effective December 1, 2005.

Also attached is the Concordance Table for the Alberta Assessment Quality Minister's Guidelines, and the Concordance Table for the Recording and Reporting Information for Assessment Audit and Equalized Assessment Manual that describe the specific amendments that are contained in the guidelines and manual.

A copy of the guidelines and attendant manual are available through the Alberta Municipal Affairs' website at www.municipalaffairs.gov.ab.ca

Regulations Scheduled for Re-enactment

The Equalized Assessment Variance Regulation has been approved by the Lieutenant Governor in Council and filed as Alberta Regulation (AR) 240/2005. The re-enacted regulation will become effective on December 31, 2005, for the 2006 and 2007 tax years.

When this regulation becomes effective, it will be available through the Alberta Municipal Affairs' website and the Queen's Printer Bookstore, which may be contacted by phone (780) 427-4952, by fax at (780) 452-0668 or online at www.qp.gov.ab.ca/index.cfm

The **Qualifications of Assessor Regulation** and the **Assessment Complaints and Appeals Regulation** will expire on January 31, 2006. If these regulations are re-enacted, they will also be available at the Alberta Municipal Affairs' website or the Queen's Printer Bookstore.

For more information, please contact the Education Tax and Assessment Advisory Unit of the Assessment Services Branch at (780) 422-1377. For toll-free access, call 310-0000, then dial (780) 422-1377.

Attachments

Alberta
MUNICIPAL AFFAIRS

MINISTERIAL ORDER NO. L:150/05

I, Rob Renner, Minister of Municipal Affairs, pursuant to section 319 of the *Municipal Government Act*, and the Matters Relating to Assessment and Taxation Regulation (AR 220/2004), make the following order:

(1) The Alberta Assessment Quality Minister's Guidelines and its attendant manual are amended as set out in the attached documents.

(2) All municipalities must provide to the Minister a return in the form and manner prescribed in the Alberta Assessment Quality Minister's Guidelines to comply with section 319(1) of the Act.

(3) All municipalities must provide to the Minister information and statistics of the type and in the manner described in the Alberta Assessment Quality Minister's Guidelines.

(4) This Ministerial Order rescinds Ministerial Order No. L:170/04.

The Alberta Assessment Quality Minister's Guidelines and the attendant manual as amended are set out in the attached document and become effective on December 1, 2005, for the 2006 and subsequent taxation years.

Dated at Edmonton, Alberta, this _28_ day of _November_, 2005.

Rob Renner
Minister of Municipal Affairs

Alberta Centennial

Concordance Table for the Alberta Assessment Quality Minister's Guidelines (AAQMG)

New AAQMG	Old AAQMG

PART 2 RECORDING AND REPORTING INFORMATION FOR ASSESSMENT AUDIT AND EQUALIZED ASSESSMENT

Section		Section	
	General Definition		**General Definition**
2.2	**REPORTING ASSESSMENT ROLL CORRECTIONS OR CHANGES** (a) For the purpose of section 15 of the Regulation: (ii) the municipality must provide the information described in clause (i) in the tax year that the assessment roll is in effect. (b) Repealed.	**2.2**	**REPORTING ASSESSMENT ROLL CORRECTIONS OR CHANGES** (a) For the purpose of section 15 of the Regulation: (ii) for each month, the municipality must provide the information described in clause (i) by the end of the following month. (b) Subsection (a)(ii) is not in force for 2005.
2.4	**ANNUAL DECLARATION BY ASSESSOR** (d) Repealed	**2.4**	**ANNUAL DECLARATION BY ASSESSOR** (d) For the purposes of subsections (b) and (c), for 2005, the date shall be February 28, 2005, rather than January 31.

PART 3 RECORDING AND REPORTING INFORMATION FOR ASSESSMENT AUDIT AND EQUALIZED ASSESSMENT

3.0	**ANNUAL AUDIT STAGE ONE** (e) Repealed	**3.0**	**ANNUAL AUDIT STAGE ONE** (e) For the purposes of subsection (d), for 2005, the test results from Stage 1 must meet the requirements by February 28, 2005, rather than January 31.
3.2	**ANNUAL AUDIT STAGE THREE** (a) Upon receiving information from the municipality or its assessor as required under Part 2 of these Guidelines, the Annual Audit Stage 3 for a municipality may be conducted: (iii) on the initiative of an auditor.	**3.2**	**ANNUAL AUDIT STAGE THREE** (a) Upon receiving information from the municipality or its assessor as required under Part 2 of these Guidelines, the Annual Audit Stage 3 of a municipality may be conducted: (iii) on the Minister's initiative.

Concordance Table for the Reporting and Recording Information for Assessment Audit and Equalized Assessment Manual

New Reporting and Recording Manual			Old Reporting and Recording Manual	
Section	**General Definition**	**Section**	**General Definition**	
2.0	**Annual Return and Information Returns**			

2.8
 	
Page 8
	SUBMISSION CONTENT STANDARDS
	
	• There can be only one submission for Indicators of Value.
	
	  o The indicators of value submissions can be made many times during the year. Periodic submissions will ensure that the ASSET sales data is kept current and in sync with CAMA sales data.
	
	  o The first IOV submission for an assessment year is inserted into ASSET. A subsequent IOV submission for the assessment year deletes the previous IOV data for that assessment year and inserts the new records. Each IOV submission must contain all the IOV information. There is no provision for partial loads.
		2.8	SUBMISSION CONTENT STANDARDS
			
			• There can be only one submission for Indicators of Value.
			
			  o The Indicators of Value submission can be made up of many loads of new data. For example, a user may have a monthly process where they make a data load in the following month for the previous month's sales.
			
			  o New IOV records based on the key fields of Municipality Code, Assessment Year, Roll Number and Certificate of Title will be inserted.
			
			  o If the IOV record is not new based on the key fields of Municipality Code, Assessment Year, Roll Number and Certificate of Title the record will replace a record with the same key fields.	

2.10 Page 17 Page 19	CAMA XML FILE SCHEMA RELATIONSHIP Each AssessableProperty parent element must have one or more RequisitionBody child element(s) with a minimum of one RequisitionBody with a RequisitionBody type starting with 'S': If the attribute AuditSubmissionType='IOV' in the MunicipalityDataLoad parent element, then each AssessableProperty parent element must have one IndicatorOfValue child element.	**2.10**	CAMA XML FILE SCHEMA RELATIONSHIP Each AssessableProperty parent element must have two or more RequisitionBody child element(s): If the attribute AuditSubmissionType='IOV' in the MunicipalityDataLoad parent element, then each AssessableProperty parent element must have one or more IndicatorOfValue child element(s).	

Concordance Table for the Reporting and Recording Information for Assessment Audit and Equalized Assessment Manual

	New Reporting and Recording Manual			Old Reporting and Recording Manual
Section	**General Definition**	**Section**		**General Definition**
3.0	**Annual Audit Process**			
Page 57	SALES DATA ***Farm Land Sales*** All sales should be reported. In practice, parcel size is frequently a cut-off in the determination of which sales to include in the analysis. For example, in a municipality or an area of a municipality in which the majority of parcels assessed at market value are smaller acreages, the assessor may flag for inclusion only small acreage sales representative of the non-farm market. In municipalities where larger acreages are assessed at market value and where non-farm uses and farm uses compete in the market, the assessor might flag for inclusion large acreage sales as well as small acreage sales.	**3.1**		SALES DATA ***Farm Land Sales*** All sales ~~representative of the assessment-to-market relationship of property assessed at market value in the municipality should be reported~~. In practice, parcel size is frequently a cut-off in the determination of which sales to ~~report~~. For example, in a municipality or an area of a municipality in which the majority of parcels assessed at market value are smaller acreages, the assessor may ~~report~~ only small acreage sales representative of the non-farm market. In municipalities where larger acreages are assessed at market value and where non-farm uses and farm uses compete in the market, the assessor might ~~report~~ large acreage sales as well as small acreage sales.

(New side Section column top shows **3.1**)

3.2.2 — ASSESSMENT AUDIT SALE VERIFICATION CODES (New, Page 61)

Table 5   Sale Verification Codes

Verification Code	Definition of Code
8013	Multiple parcel sale – apportion sale price
8014	Multiple parcel sale – combine AP assessment

3.2.2 — ASSESSMENT AUDIT SALE VERIFICATION CODES (Old)

Table 5   Sale Verification Codes

Verification Code	Definition of Code
8013	Multiple parcel sale
8014	Occupancy adjustment

(New, Page 66)

8013 Multiple Parcel Sale – Apportion Sale Price

A sale that includes more than one parcel is common, especially in the non-residential property categories. A sale of multiple parcels would be flagged and excluded from the analysis if the parcels are not operated as an economic unit, or if the sale price cannot be adequately adjusted for

8013 Multiple Parcel Sale

A sale that includes more than one parcel is common, especially in the non-residential property categories. A sale of multiple parcels would be flagged and excluded from the analysis if the parcels are not operated as an economic unit,

Concordance Table for the Reporting and Recording Information for Assessment Audit and Equalized Assessment Manual

	New Reporting and Recording Manual		Old Reporting and Recording Manual
Section	**General Definition**	**Section**	**General Definition**
Page 66	plottage value. If a sale of multiple parcels is included in the analysis as a 'good sale', a sale price adjustment is required. See Multiple Parcel Sale, Adjustment Code 5010. Another alternative is to use 8014 Multiple Parcel Sale – Combine AP assessment. ***8014 Multiple Parcel Sale – Combine AP Assessment (added text)*** If a sale of multiple parcels is included in the analysis and it is not possible to apportion the sale price to the parcels, then using this sales verification code indicates that the assessments for each parcel are to be combined by ASSET during the annual audit ratio study procedure. The IOV submission has an attribute where the certificate of title number of the primary property will be recorded as a flag to identify the properties that need to be combined in the ASSET annual audit ratio study. Sale price adjustments such as "personal property/chattels" are recorded for each property. The "price since time of sale" adjustment is recorded for the primary property only. Summation of all adjustments should reconcile the difference between the price and adjusted price. Each property in this multiple parcel sale will have the same sale price and adjusted sale price.		or if the sale price cannot be adequately adjusted for plottage value. If a sale of multiple parcels is included in the analysis as a 'good sale', a sale price adjustment is required. See Multiple Parcel Sale, Adjustment Code 5010. ***8014 Multiple Parcel Sale – Combine AP Assessment*** **Text added**
Page 66	**Include or Exclude Flag** The flag to include an indicator of value in the analysis is 'Y', and the flag to exclude an indicator of value is 'N'.		**Include or Exclude Flag** The flag to include an indicator of value in the analysis is 'Y', and the flag to exclude an indicator of value is 'N'. *If the roll number or certificate of title information provided in a previous load is incorrect, the flag 'D' can be used to indicate that the information is not valid and is not to be used.* **(note box also deleted).**

Concordance Table for the Reporting and Recording Information for Assessment Audit and Equalized Assessment Manual

	New Reporting and Recording Manual			Old Reporting and Recording Manual
Section	**General Definition**		**Section**	**General Definition**
3.2.3	**INDICATOR OF VALUE TYPES**		**3.2.3**	**INDICATOR OF VALUE TYPES**
Page 67	**TABLE 6 Indicator of Value Types** *Table 6 Indicator of Value Types* <table><tr><td>***Indicator of Value***</td><td>***Definition of Code***</td></tr><tr><td>OOV</td><td>Opinion of value</td></tr><tr><td>NTLS</td><td>Non-titled lease sale</td></tr></table>			**TABLE 6 Indicator of Value Types** *Table 6 Indicator of Value Types* <table><tr><td>***Indicator of Value***</td><td>***Definition of Code***</td></tr><tr><td>OOV</td><td>Opinion of value ~~from transfer document~~</td></tr></table>
Page 67	***OOV- Opinion of Value*** An opinion of value may be used in the ratio study if it is provided by an impartial expert who has a sound basis for the estimate. Of course, the expert's opinion of value must be made for the purpose of representing market value. Always document the basis for including the opinion of value in the study. The assessor's opinion of value must never be used in the ratio study. This indicator of value type code is used for an opinion of value that is not made for a property sale recorded at Alberta Registries Land Titles.			***OOV- Opinion of Value*** An opinion of value may be used in the ratio study if it is provided by an impartial expert who has a sound basis for the estimate. Of course, the expert's opinion of value must be made for the purpose of representing market value. Always document the basis for including the opinion of value in the study. ~~The assessor's opinion of value must never be used in the ratio study.~~
Page 68	***NTLS – Non-Titled Lease Sale*** Assessors should include an untitled sale of improvements on leased land for both valuation and ratio study purposes. This type of IOV is found in Redwood Meadows, some national park leases with lease holder owned improvements, cottages on leased sites, etc.			***New NTLS code text***

Concordance Table for the Reporting and Recording Information for Assessment Audit and Equalized Assessment Manual

	New Reporting and Recording Manual			Old Reporting and Recording Manual
Section	**General Definition**	**Section**		**General Definition**
3.3 Page 79	SALE PRICE ADJUSTMENT TYPES *Multiple Parcel Sale (Adjustment Code 5010)* The multiple parcel sales adjustment should only be used with sale verification code 8013 (multiple parcel sale). A multiple parcel exists when the property described on the certificate of title includes more than one parcel. A multiple parcel sale should be analyzed like any other sale for use in the ratio study if it is arm's length in nature. If a multiple parcel sale is included, the sale price must be apportioned to each parcel. Apportionment adjustments should only be made where information about the sale price apportionment is available or can be derived. A multiple parcel sale that involves plottage value should be excluded, or the adjustment amount should reflect this shortfall.	**3.3**		SALE PRICE ADJUSTMENT TYPES *Multiple Parcel Sale (Adjustment Code 5010)* A multiple parcel exists when the property described on the certificate of title includes more than one parcel. A multiple parcel sale should be analyzed like any other sale for use in the ratio study if it is arm's length in nature. If a multiple parcel sale is included, the sale price must be apportioned to each parcel. Apportionment adjustments should only be made where information about the sale price apportionment is available or can be derived. A multiple parcel sale that involves plottage value should be excluded, or the adjustment amount should reflect this shortfall.
3.3 Page 79 Page 80 Page 80	SALE PRICE ADJUSTMENTS *Occupancy Adjustment* (Adjustment Code **5014**) **Rental Income Adjustment** (Adjustment Code **5015**) **Operating Expenses Adjustment** (Adjustment Code **5016**)	**3.2**		ASSESSMENT AUDIT SALE VERIFICATION CODES *Occupancy Adjustment* (Adjustment Code **8014**) **Rental Income Adjustment** (Adjustment Code **8015**) **Operating Expenses Adjustment** (Adjustment Code **8016**)

New Reporting and Recording Manual			Old Reporting and Recording Manual	
Section	**General Definition**	**Section**	**General Definition**	
3.6	**Standardized Codes**			
3.6.1 Page 87	**Actual Use** *Table 8 Actual Use Codes* **R101070** – Improved Residential – Single Family Unit (fee simple) – Seniors Housing-Self Contained – No Conditions. **R101071** – Improved Residential – Single Family Unit (fee simple) – Seniors Housing-Self Contained – Special Conditions.	**3.6.1**	**Actual Use** *Table 8 Actual Use Codes* **R103070** – Improved Residential – Residential Condominium – Seniors Housing-Self Contained – No Conditions **R103071** – Improved Residential – Residential Condominium – Seniors Housing-Self Contained – Special Conditions	
3.6.9 Page 106	REVISION TYPE For each assessed property, the assessor must report the type of revision using the codes in Table 15. Revision Type is required information (see Table 3, CAMA XML File Detail Definition). In the initial reporting of data for the annual return submission and, if applicable, the supplementary assessment submission, the revision code for each property will be NA. If any changes to the annual return submission are reported after the annual audit stage 2 is complete, and prior to the municipality having prepared the assessment roll, the revision code must be PR. The revision code LC must be used if a liability code change is necessary so that it corresponds with the liability code recorded on the assessment roll. For reporting of any revisions to either submission, the revision code will be any code in Table 15 excluding NA. The revision code must correspond to the section of the Act by which a revision was made. Revision submissions may be made in years following the	**3.6.9**	REVISION TYPE For each assessed property, the assessor must report the type of revision using the codes in Table 15 Revision Type is required information (see Table 3, CAMA XML File Detail Definition). In the initial reporting of data for the annual return submission and, if applicable, the supplementary assessment submission, the revision code for each property will be NA. If any changes to the annual return submission are reported after the annual audit stage 2 is complete, and prior to the municipality having prepared the assessment roll, the revision code must be PR. For reporting of any revisions to either submission, the revision code will be any code in Table 15 excluding NA. The revision code must correspond to the section of the Act by which a revision was made. Revision submissions may be made in years following the tax year for which the assessment was initially prepared. Such submissions may only include revision code MGA477 or MGA517.	

Concordance Table for the Reporting and Recording Information for Assessment Audit and Equalized Assessment Manual

	New Reporting and Recording Manual		Old Reporting and Recording Manual
Section	**General Definition**	**Section**	**General Definition**
Page 106	tax year for which the assessment was initially prepared. Such submissions may only include revision code MGA477 or MGA517. **Table 15 Revision Types** *(see table below)*		**Table 15 Revision Types** *(see table below)*

New – Table 15 Revision Types

Code	Label	Description
LC	Liability code change	A change to a liability code so that it corresponds with the liability code on the assessment roll.
MGA305(3)	Tax Status Change per s368	An exempt property became taxable or taxable property becomes exempt under section 368. Do not change the assessed value with this code. Use another appropriate code to change the value in a separate revision record.

Old – Table 15 Revision Types

Code	Label	Description
MGA305(3)	Tax Status Change per s368	An exempt property became taxable or taxable property becomes exempt under section 368.

	New Reporting and Recording Manual		Old Reporting and Recording Manual
3.6.11 Page 109 Page 111	**Table 16 Provincial Liability Code Summary** ***Tax Exemption Code*** UNSA Unsubsidized Non-Profit Seniors Accommodations exempted by MO. **Table 18 – Tax Codes** *Table 18 Tax Codes*	**3.6.11**	**Table 16 Provincial Liability Code Summary** ***Tax Exemption Code*** ~~MO L:021/03~~ **Table 18 – Tax Codes** *Table 18 Tax Codes*

New – Table 18 Tax Codes

Code	Description
X	Excluded from equalized assessment, but subject to municipal tax. Identifies property that is subject to municipal tax but is exempt from the equalized assessment. **Note:** When the tax code 'X' is assigned to a property, then the applicable tax exemption code that corresponds to section 317(d) of the MGA or Ministerial Order H:016/96 or UNSA (unsubsidized non-profit seniors' accommodation exempted by MO) must also be assigned.

Old – Table 18 Tax Codes

Code	Description
X	Excluded from equalized assessment, but subject to municipal tax. Identifies property that is subject to municipal tax but is exempt from the equalized assessment. **Note:** When the tax code 'X' is assigned to a property, then the applicable tax exemption code that corresponds to section 317(d) of the MGA, Ministerial Order H:016/96 or ~~Ministerial Order L:021/03~~ must also be assigned.

Concordance Table for the Reporting and Recording Information for Assessment Audit and Equalized Assessment Manual

	New Reporting and Recording Manual			Old Reporting and Recording Manual
Section	**General Definition**		**Section**	**General Definition**
Page 117	*Table 19 Tax Exemption Codes* **Definition:** Ministerial Order **Authority and description of exempt property:** Unsubsidized Non-Profit Seniors Accommodations. As directed by ministerial order, the taxable assessment of land and improvements is to be removed from the equalized assessment for certain unsubsidized seniors accommodation units that are owned by a non-profit organization. **Exemption Reason Code (required):** UNSA			*Table 19 Tax Exemption Codes* **Definition:** Ministerial Order **Authority and description of exempt property:** ~~MO-L:159/04~~ ~~For the 2005 tax year, certain seniors accommodation units owned and operated by a non-profit organization are to be removed from the equalized assessment.~~ **Exemption Reason Code (required):** ~~MO L:159/04~~
6.0	**REPORTING LINEAR PROPERTY ASSESSMENTS**			
6.0 Page 128	For the purposes of equalized assessments, the linear property assessor will report to the Minister annually a summary of the linear property assessments. However, a municipality may include a summary of the linear property assessments in their annual return but this information will not be used to prepare the equalized assessment. If there are any concerns or questions about the information reported by the linear property assessor, the municipality should contact the Linear Property Assessment Unit of Alberta Municipal Affairs.			For the purposes of equalized assessments, ~~municipalities are required to~~ report to the Minister annually a summary of the linear property assessments. However, a municipality may ~~choose to request the linear property assessor to report the required information directly to ASSET on behalf of the municipality. When the linear property assessor provides the information, the municipality will be notified directly using the ASSET notification function.~~ If there are any concerns or questions about the information reported by the linear property assessor, the municipality should contact the Linear Property Assessment Unit of Alberta Municipal Affairs.