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BOMA Calgary and BOMA Edmonton, combined to form BOMA in Alberta, have developed recommendations and policy considerations regarding the Government of Alberta's review of the Municipal Government Act (MGA). This document represents a summary of input and direction received *from BOMA members and industry stakeholders* as it relates to Assessment & Taxation under the MGA. Further detail is available through BOMA's previously drafted White Paper, which has been circulated to members of the government and various other stakeholders. The intent is to provide input to the actual Assessment and Taxation *process*; it is not meant to influence taxation levels.

BOMA initially developed a set of established principles to guide all subsequent discussions and form the foundation for the recommendations. Key criteria were also defined to align with the overarching theme of establishing equity for all Albertans. The principles and criteria are described below:

Principle #	Description
Principle #1:	The MGA has and will continue to have significant implications for all of Alberta
Principle #2:	The Province and Municipalities play a fundamental role in building Alberta's growth through investment in infrastructure, providing services and stewarding communities
Principle #3:	The Province can help ensure Alberta is a strong choice for locating businesses by ensuring the competitiveness of municipal jurisdictions in Alberta in terms of taxation policy and regulation
Principle #4:	Rate paying stakeholders, like electoral stakeholders, have a vested interest in the future of the Province

Criteria	Description
a) Equitable	Rules and procedures should be equitable within and across jurisdictions and applied equally to all market participants
b) Transparent	Processes and evaluation metrics should be clear and defined
c) Efficient	Review processes should be streamlined wherever possible and timelines should be defined and adhered to with consequences for inaction
d) Appropriate	Guidelines or codes of practice should be established to ensure responsibility and accountability
e) Competitive	Jurisdictions need to remain competitive in attracting new businesses
f) Consistent	Rules and procedures should be consistent within and across jurisdictions
g) Predictable	The assessment process and resulting decisions should be consistent over time, replicable, with certainty of entitlement, and consistent with other sources of valuation
h) Competent	Deciding authorities should be extensively trained in valuation fundamentals and maintain independence and professionalism in adjudicating planning and assessment matters

Regarding the Property Assessment & Taxation component of the MGA review, BOMA identified the following goals:

- Improve the consistency and predictability of the assessment process;

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- Mitigate revenue risk for municipalities created by appeals and provide certainty to Industry stakeholders;
- Reduce the adversarial nature of the appeal process;
- Reduce the volume of appeals currently burdening the system; and
- Ensure that assessment measures only market value, irrespective of tax policy objectives.

The following recommendations have been developed to support these goals:

1. **Improve clarity of definitions and increase transparency, consistency, and accuracy when assessing value.** Currently property owners are not always given sufficient access to the complete set of valuation variables/factors used to create the assessment, yet they bear the onus of identifying in what way they believe the assessment is incorrect. All variables that influence the value of the assessment should be made available to the rate payer in an effort to ensure transparency. In the case of an appeal, the onus should fall on municipalities to defend the assessment with comparable data and rationale. The following additional comments relate to the calculation of the assessment.
  - a. The mass appraisal method is practical for assessing values across a large volume of properties; however, specific characteristics of a property can dramatically affect its value. Therefore, at the appeal stage, the standard appraisal definition of market value, regardless of methodology, should be the basis of appeal. This should be clearly defined within the MGA. Further, an established process should guide which method is used and when.
  - b. A consistent data set for assessment calculations should be disclosed by each jurisdiction across the province in response to S. 299/300 requests. This enables industry to confirm assessed values and conduct comparisons across similar/comparable properties.
  - c. Existing principles and definitions, such as those in S.200/300, should be more clearly defined and applied.
2. **Legislate Assessment Date Harmonization to a single date earlier in the year prior to the tax year.** This would ideally enable the provincial audit and assessment appeal process to be completed prior to finalization of the tax roll, mitigating municipal revenue risk associated with tax appeals and enabling property owners to more accurately predict and plan around tax implications.
  - a. The Pre-Roll Consultation process would focus on assessed value and not annual tax rates and it would be consistent across similar comparable properties.
  - b. The current pre-roll consultation practice at the City of Calgary (called the “Advanced Consultation Period”) is working well and is proving to be a collaborative and effective method. BOMA supports the continued growth of this program by providing additional lead time and mandated implementation by other jurisdictions across Alberta.
3. **Establish a “centralized” dispute resolution mechanism to enable more impartial and consistent resolution of disputes prior to entering the appeal process.** Our Stakeholders believe that a suitable process should provide consistency and predictability of outcome and reduce the number of court proceedings that follow inconsistent or substandard Board decisions. This

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would reduce the burden on the system and ultimately the costs to all parties. Furthermore, Boards should operate at arm's length from Municipalities to maintain impartiality and manage conflict appropriately, including requiring a reasonable period of time to elapse before an assessor can move from the Municipality to a Board position.

4. ***Ensure access to appropriate training and education for decision makers in order to increase the consistency and predictability of assessment related decisions.*** Recognizing that members will come from a variety of backgrounds, education and training is a critical factor in enabling Boards to achieve their mandate(s). Education programming should ensure that Board members understand the fundamentals of both the public and private experiences. Such a balanced perspective can be achieved by providing Appeal board members with training from both private and public practitioners.
5. ***Use Charter Cities to complement, not replace, components of the MGA.*** To ensure equity, the MGA should form the universal foundation for assessment authority, even if Charter Cities are established. Additionally, a consistent methodology for assessment and appeal is needed regardless of the municipal governance structure that is in place.

Throughout the course of the MGA review process, and on an ongoing basis, BOMA has engaged industry stakeholders and government as well as other interested Albertans to ensure that input to be considered for the MGA review is balanced, constructive and relevant.

The MGA review process is an essential exercise to ensure our province and our municipalities are competitive in the years to come. The frameworks and policies established today will set the groundwork for the growth and development of Alberta. It is essential that the frameworks work in the best interest of all stakeholders and that the principles of fairness, transparency, efficiency, appropriateness, competitiveness, consistency, predictability and competence are reinforced and enshrined in the legislation and subsequent regulation.

BOMA's stakeholders are committed to working with the Province to develop solutions, practices and approaches that are able to acknowledge and address the different priorities and objectives of different parties and also remain consistent with the identified key criteria. BOMA believes that its recommendations are consistent with the intent of the MGA review and looks forward to ongoing involvement in and contribution to the review process.