

Governance and Priorities Committee

March 21, 2023





**AGENDA
TOWN OF LAMONT
GOVERNANCE AND PRIORITIES COMMITTEE
March 21ST, 2023
6:30pm**

1. CALL TO ORDER AND RELATED BUSINESS

1.1. CALL TO ORDER

1.2. ADOPTION OF AGENDA

2. BUSINESS

2.1. 2023 Assessment Review

3. CLOSED

3.1. 2023 Forecast of Budget Expenses

4. ADJOURNMENT



**TOWN OF LAMONT
GOVERNANCE AND PRIORITIES COMMITTEE
AGENDA**

AGENDA ITEM: 2.1

COUNCIL MEETING DATE:
March 21, 2023

ITEM DESCRIPTION OR TITLE

2023 Assessment

RECOMMENDATION

THAT the Governance and Priorities Committee accept the 2023 Assessment presentation as information.

BACKGROUND

Property assessment is the process of assigning a dollar value to a property for taxation purposes. This value is used to calculate the amount of taxes that will be paid by the owner of the property.

Residential, non-residential, farmland and machinery and equipment assessments for the Town of Lamont are completed by Tanmar Consulting Ltd. The Assessment Services Branch of the Province of Alberta is responsible for all linear and non-designated industrial property assessments. The Alberta Government establishes the legislative and regulatory framework for property assessment.

COMMUNICATIONS

- Receive as information.

IMPLICATIONS OF DECISION

- N/A

FINANCIAL IMPLICATIONS

- Receive as information.

POLICY AND/OR LEGISLATIVE REFERENCES

Town of Lamont Strategic Plan – 2023 -2027. Fiscal Responsibility: Goal: Prioritize affordability for our ratepayers and deliver good value for money.



**TOWN OF LAMONT
GOVERNANCE AND PRIORITIES COMMITTEE
AGENDA**

ATTACHMENTS

1. PowerPoint: 2023 Assessment

Report Prepared By: Rick Bastow, CAO

Approved by CAO:

A handwritten signature in black ink, appearing to be "RB", is written over the text "Approved by CAO:".



Town of Lamont

Assessment Presentation
March 21, 2023

Presenter:
Mike Krim, Tanmar Consulting Inc.

Assessment vs Taxation

- Assessment
 - Assigning a dollar value to a property for taxation
 - Value can either be market value or a regulated value
- Taxation
 - Applying a tax rate to an assessment value to determine the property taxes payable
 - Taxation is the primary source of revenue for a municipality
- Although one impacts the other, assessment and taxation are 2 distinct and independent processes

Who governs assessment?

- Alberta Municipal Affairs
 - They provide all of the legislation regarding property assessment and taxation in Alberta
 - Municipal Government Act
 - Matters Relating to Assessment and Taxation Regulation
 - Matters Relating to Assessment Complaints Regulation
- Municipal Affairs also provides the oversight of the assessment through yearly audits
 - Ensures rules and regulations are followed
 - Ensures fairness and equity in the assessments

Valuation Standards

- There are 2 valuation standards in Alberta
 - 1. Market Value Standard
 - Used for the majority of properties
 - Considered the most fair and equitable method
 - Most taxpayers can relate to the value of their property
 - Easy for assessors to work with
 - 2. Regulated Procedure Standard
 - Used for certain properties that are difficult to assess using market value (rates are provided by Municipal Affairs)
 - Farmland
 - Machinery and Equipment
 - Designated Industrial Property

1. Market Value Standard

- Market Value Defined:
 - ‘Market Value’ is the price a property might reasonably be expected to sell for if sold by a willing seller to a willing buyer after appropriate time and exposure in an open market
- Key Characteristics
 - It is the most probable price, not the highest, lowest, or average price
 - It assumes a willing buyer and a willing seller, with no advantage being taken by either party
 - It assumes a transaction between unrelated parties in the open market

Market Value Standard (continued)

- Assessments and Sales prices
 - It is sometimes assumed that an assessment should equal a recent sale price. This is an incorrect assumption.
 - The sale might not have occurred in the assessment year or the date on which the property was valued
 - The buyer or seller may have been unduly motivated
 - The sale may have involved a trade, personal property, etc.
 - A sale price is a historical fact. It is an amount that was agreed upon by both the purchaser and seller surrounding a specific sale. Assessors gather information on ranges of sales prices as part of the process for assessing property

2. Regulated Procedure Standard

- ‘Regulated Property’ is not assessed using market value. Rather, Municipal Affairs prescribes rates and procedures to assess these types of property
- Types of Regulated Property
 - 1. Farmland
 - 2. Machinery & Equipment
 - 3. Designated Industrial (DI) Property
 - Linear property (power lines, pipelines, telecommunication lines, wells, railway – assessed by Municipal Affairs)
 - Properties regulated by the AER, the NEB, or the AUC (assessed by Municipal Affairs)

Preparing Assessments

- Property that is assessable
 - A parcel of land
 - An improvement (ie: a building)
 - A parcel of land and the improvements to it
- Assessors use ‘Mass Appraisal’
 - This is the process of valuing large groups of properties as of a given date, using common data, mathematical models, and statistical tests
 - The focus is on the larger group, not on a specific property

Preparing Assessments (continued)

- Data Collection
 - Assessors collect data through site inspections, blueprints, written request, etc
- Data Elements
 - Residential properties
 - Land area, building size, location, # of bathrooms, age, basement finish, fireplaces, renovations, etc
 - Non-Residential properties
 - Land area, building size, location, age, fencing, paving, etc
 - Income data

Preparing Assessments (continued)

- How often is property assessed?
 - All properties are adjusted yearly for changes in market value or for changes to the regulated rates (ie: machinery and equipment assessments)
 - 20% of properties are inspected annually (to identify renovations, additions and deletions, etc) – use of RFI (request for information) becoming more popular for gathering data
 - New construction is inspected as it is built and monitored until completion

Assessment Classes

- All properties are assigned an assessment class according to their use
 - Class 1 – Residential
 - Can be divided into subclasses
 - Class 2 – Non Residential
 - Can be divided into subclasses
 - Class 3 – Farmland
 - Class 4 – Machinery & Equipment
- The assessment class determines the tax rate that will be applied to each property

Property owner rights

- Right to assessment information
 - Through direct contact with the assessors
 - Through Tanmar Consulting Website (tanmarconsulting.com)
 - Through Town of Lamont
- Right to make a complaint against the assessment
 - Following steps are recommended to the owner
 - Compare assessment with other similar property
 - Talk to the assessor – issues can often be resolved in this fashion
 - If still not satisfied, fill out a complaint form (available at the Town office) and pay the appropriate fee
 - Prepare for and attend an Assessment Review Board (ARB) hearing.

Assessment Review Boards

- Quasi-judicial administrative board
 - Created, empowered and staffed according to the legislation laid out in the Municipal Government Act
 - Like a court – the Board can order something to be done, such as a change to the assessment of a property
- 3 Boards
 - LARB – Local Assessment Review Board (for residential)
 - CARB – Composite Assessment Review Board (for non-residential)
 - LPRT – Land & Property Rights Tribunal (for DI properties)

Property Taxes

- A property's share of taxes will change each year for a combination of 2 reasons
 - There is a change in the annual budget requirements (municipal and/or school)
 - A particular property assessment changed more or less than the average

The Primary Goal

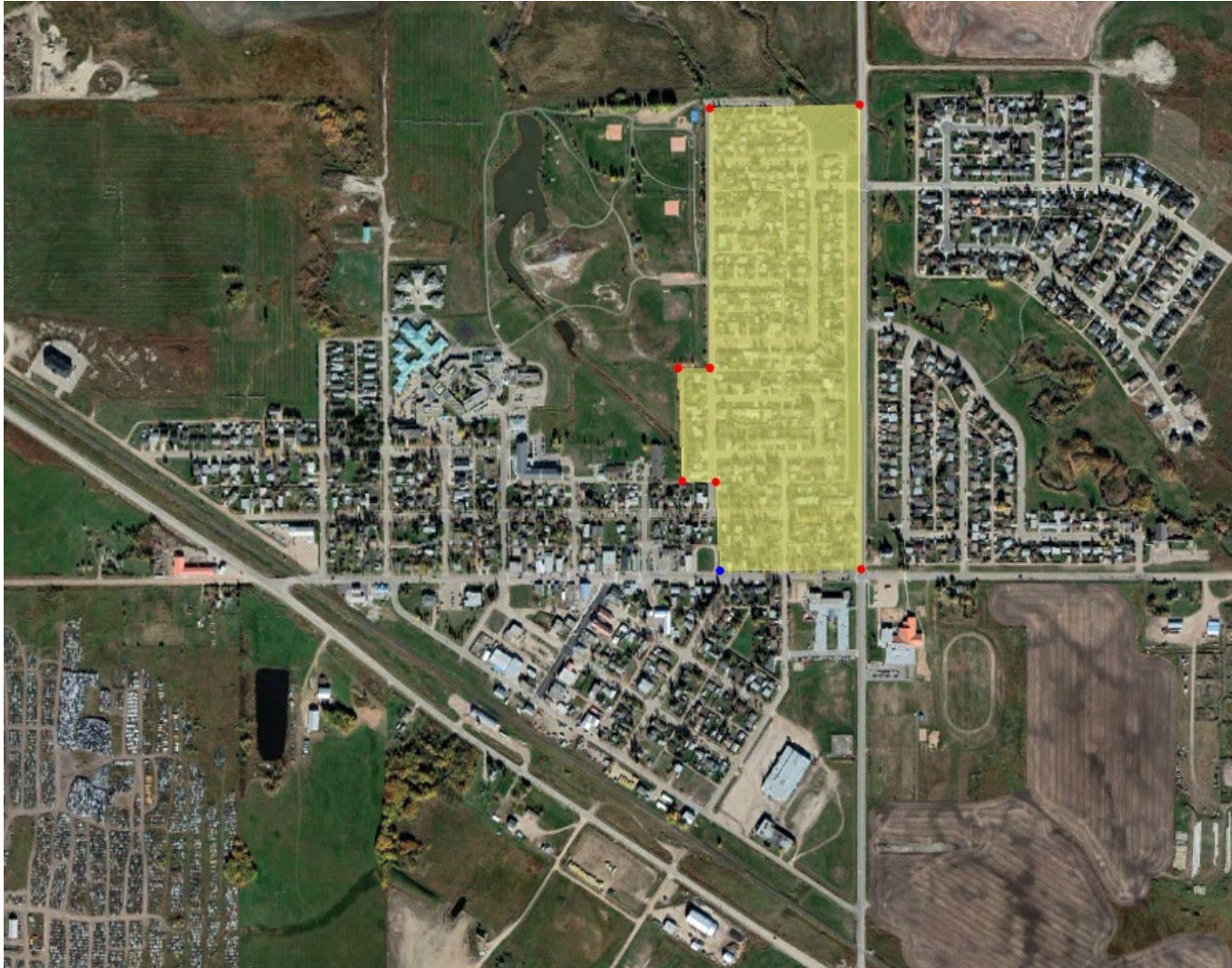
- A level of market value, and fair process, across all properties....not a pin-pointed single appraised value
- If everyone's assessment value is calculated using the same uniform methods and techniques, while using sales within the municipality as a benchmark....then a level of market value will be achieved and the tax distribution should be fair and equitable

Lamont Assessment Overview

Important Dates

- Valuation Date
 - July 1, 2022 – all properties using the ‘market value standard’ are assessed as of this date
- Condition Date
 - December 31, 2022 – all properties must reflect their physical condition as of Dec. 31, 2022

2022 Assessment Review Area



2022 Residential RFI

CAMAROT
Vallejo

Complete Survey Online: rfi.camarot.ca
Roll:
Survey Key:

Property Address: _____
Daytime Phone Number: _____
Email Address: _____

Residential Request for Information

EXTERIOR

1. Describe the roofing material:

Asphalt shingle roof
 Shake roof
 Clay tile roof
 Metal roof
 Other _____

2. Which of the following does the property have?

No deck or patio
 Balcony
 Solarium
 Covered deck
 Enclosed deck / Sunroom
 Open (uncovered) deck / patio
 Stone / brick / concrete patio

3. Describe other buildings on property:

<input type="checkbox"/> Garage	Attached	Detached	Heated
<input type="checkbox"/> Second garage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Carport	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> No carport / garage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

INTERIOR

4. Does your home contain any of the following?

Sauna
 Secondary suite

5. Which best describes the kitchen countertops:
Laminate / arborite or similar (usually has visible seams)
Granite, marble or similar (usually has no visible seams)
Other

6. Indicate the type and location of fireplaces / stoves:

Natural gas fireplace (built-in)	Main	Upper	Bsmt/Lower
Wood or pellet fireplace (built-in)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Electric fireplace (built-in)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Freestanding or woodstove	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. Areas with in-floor heating (check all that apply):

Main floor
 Upper floor
 Basement
 Bathrooms only
 Garage
 Other _____

8. Describe the flooring materials (excluding the basement):

Flooring Type	Approx. % of Coverage
Carpet	
Linoleum	
Hardwood	
Ceramic Stone / Tile	
Laminate	
Vinyl Plank	
Other _____	
Total = 100%	

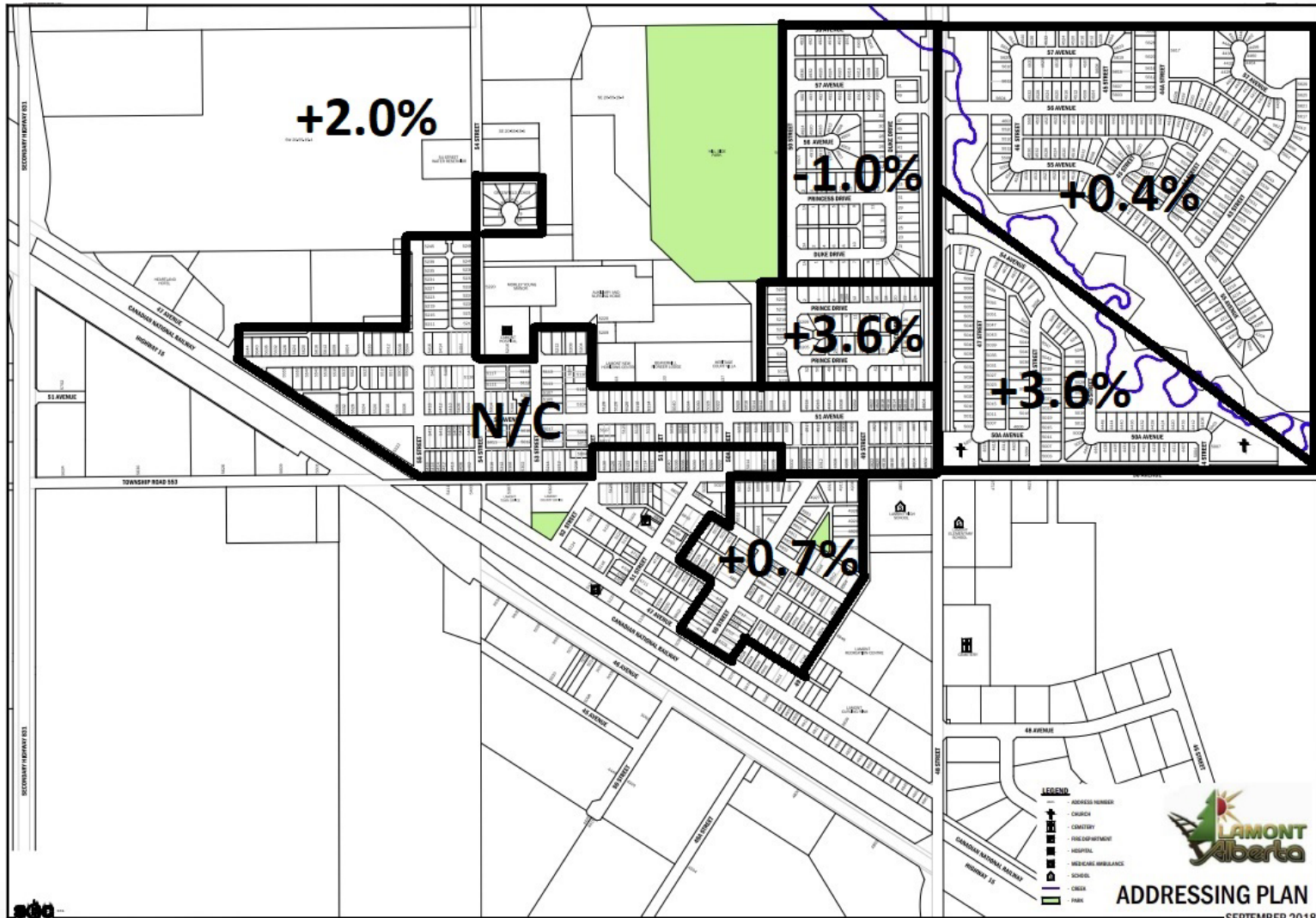
9. Indicate number of plumbing fixtures:

Description	Main Floor #	Upper Floor #	Bsmt/Lower #
2pc bath (incl. 2.5 min)			

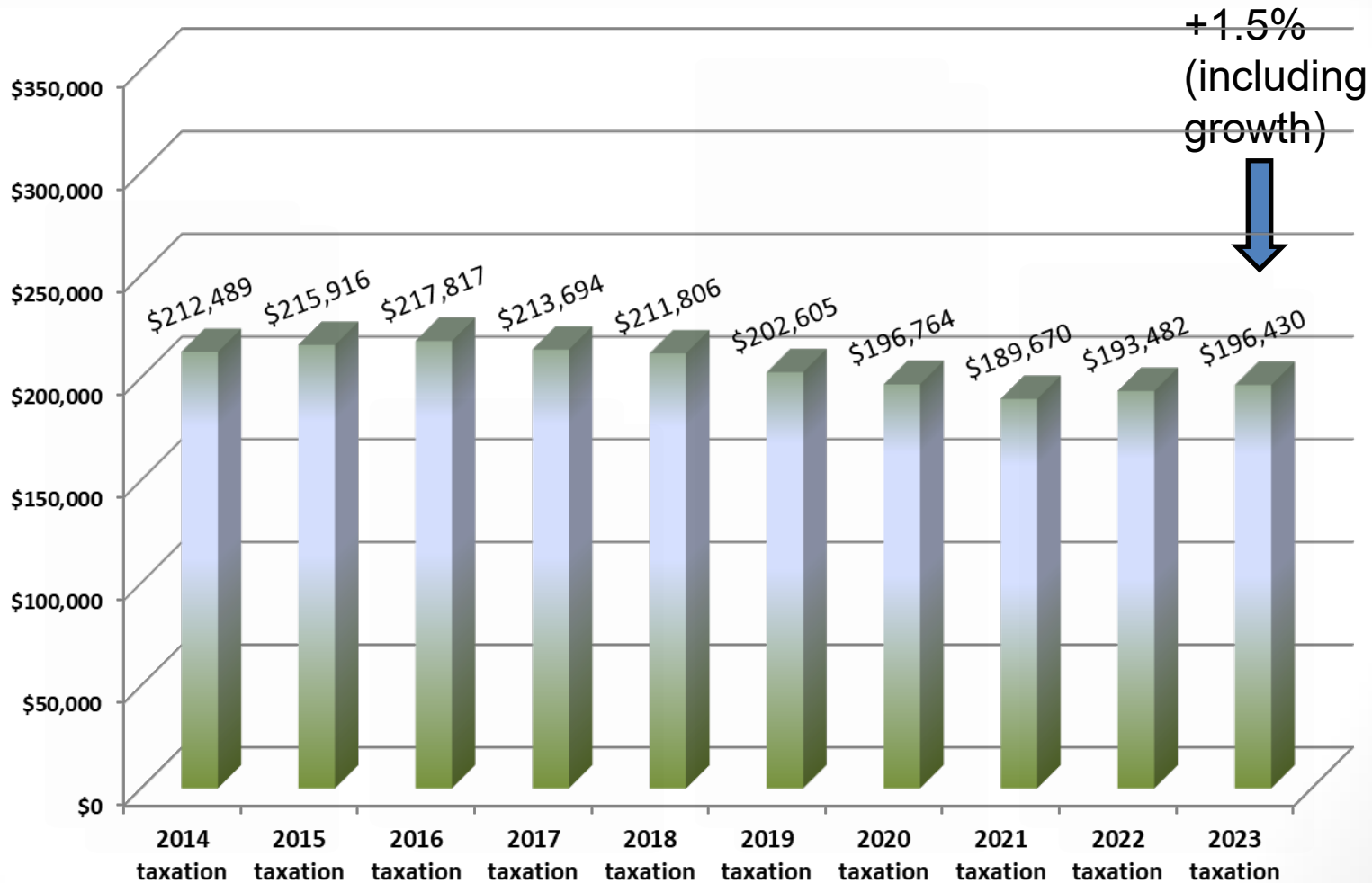
- 177 requests for information sent (57.6% response rate)
 - Information requested
 - # of bathrooms, fireplaces, amount of basement finish, etc
 - Year of replacement/renovations (windows, doors, cabinets, etc)

Residential Market Changes

(average market change of +0.9%)

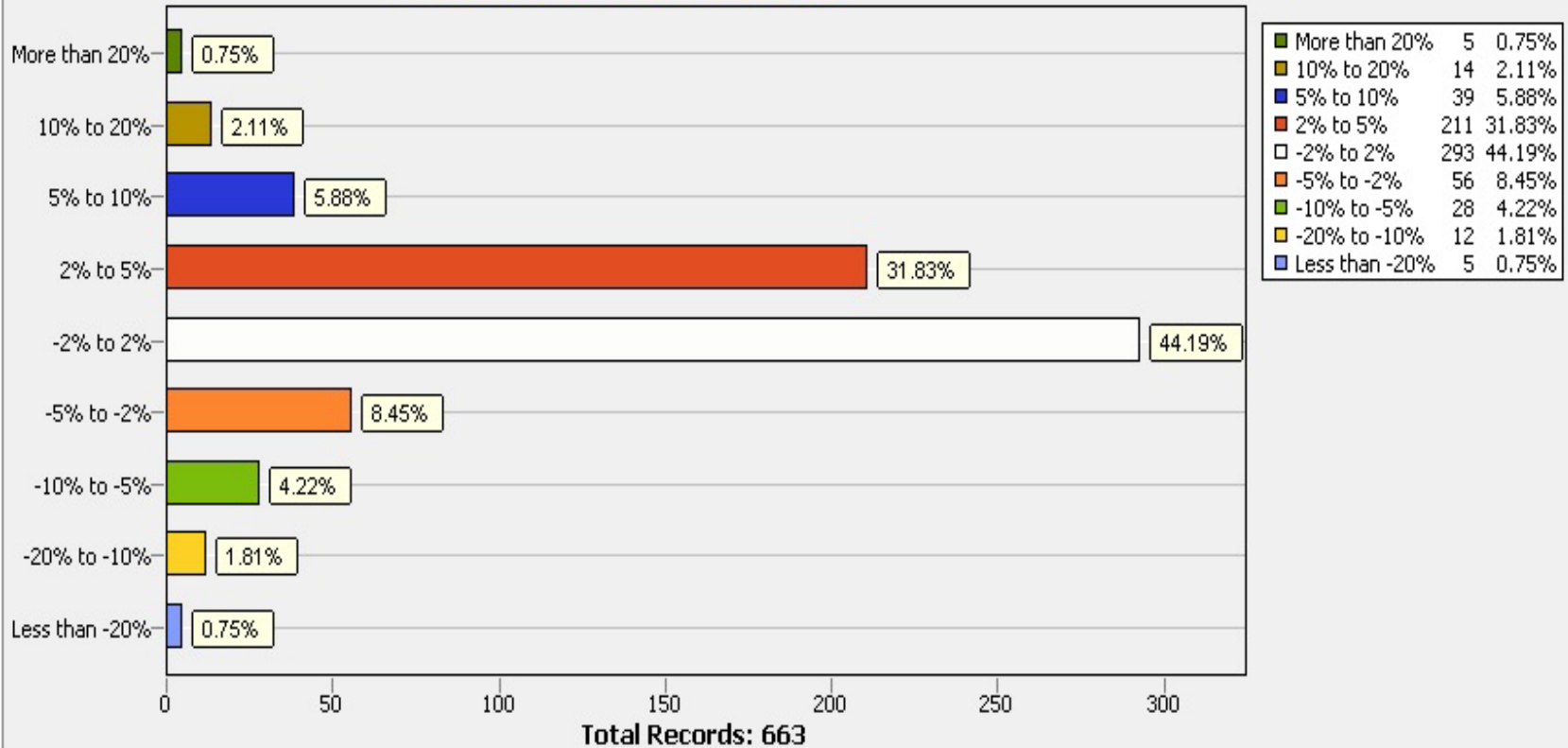


Average Single Family Dwelling Assessment



Single Family - Overall

Compare By Percent Change



Other Municipalities

- **Bon Accord**

- Single Family (+4.4% market change)
- Avg. asmt \$271,400

- **Fort Saskatchewan**

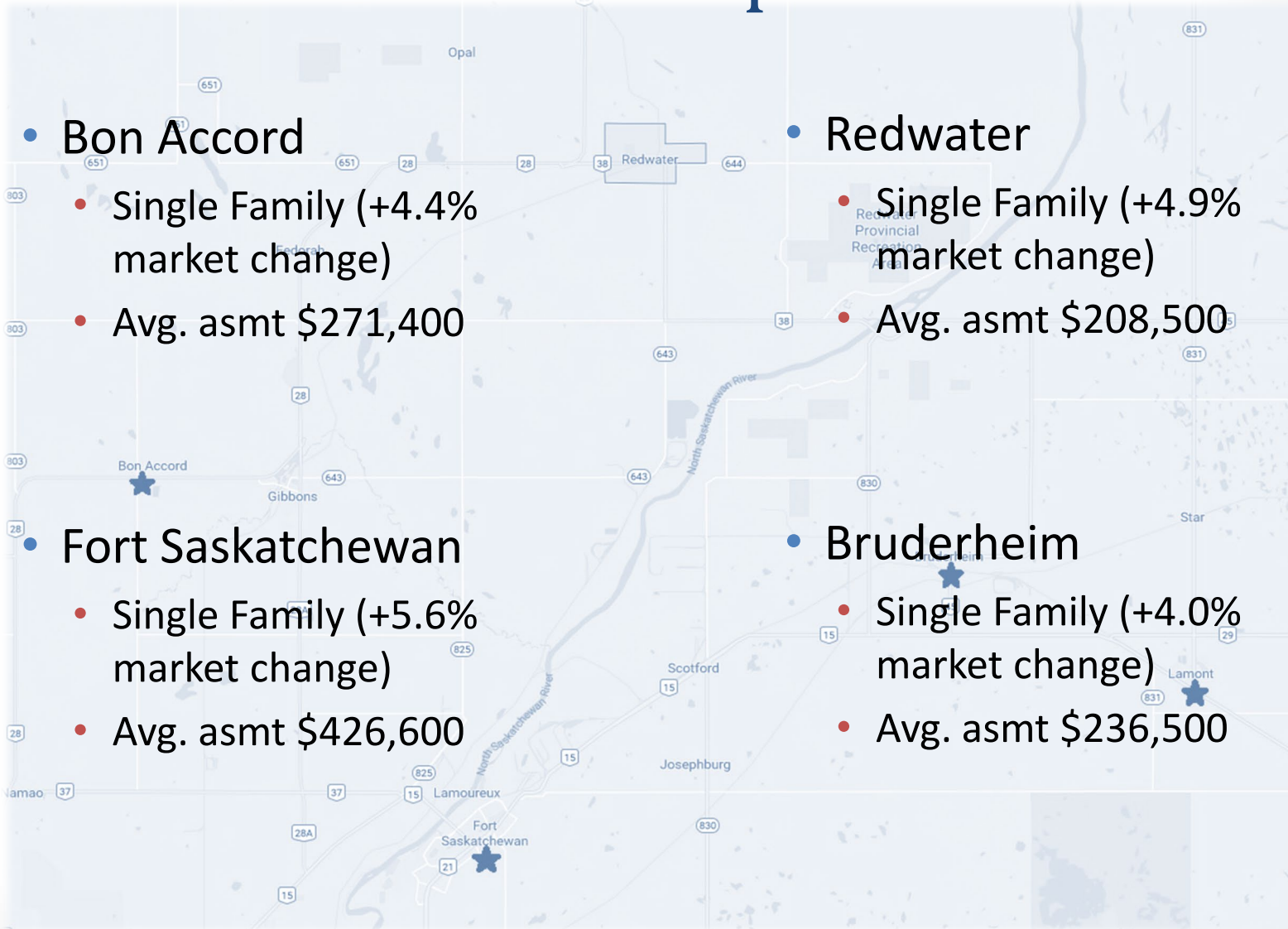
- Single Family (+5.6% market change)
- Avg. asmt \$426,600

- **Redwater**

- Single Family (+4.9% market change)
- Avg. asmt \$208,500

- **Bruderheim**

- Single Family (+4.0% market change)
- Avg. asmt \$236,500

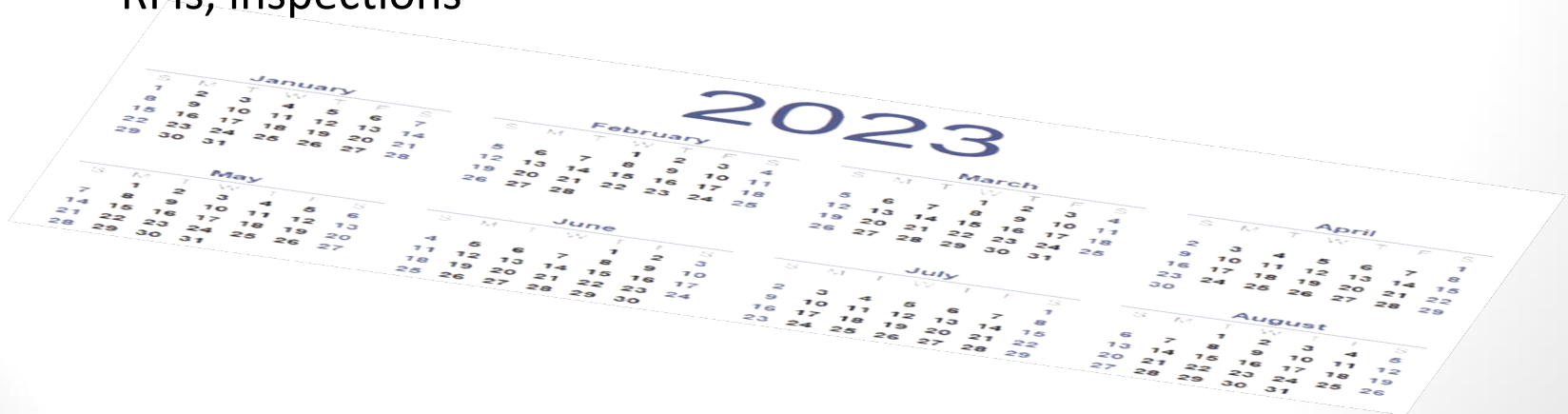


Assessment Growth

- Residential
 - Not much for permits over the last few years
 - 1 new detached garage built
 - Growth from assessment review area (renovations, etc)
- Non-Residential
 - Very little permit activity
 - Some growth with renovations/additions

What's Next?

- Property Tax Bylaw
- Mailing of assessment notices
 - Inquiries, inspections, ARB
- Start next assessment cycle
 - RFIs, inspections



Additional Information

- Website Links
 - “Guide to Property Assessment and Taxation in Alberta”
 - Available at open.alberta.ca/publications/isbn-9781460137079
 - Tanmar Consulting Inc.
 - www.tanmarconsulting.com

CLOSED SESSION NOTICE

March 21, 2023

3.1 2023 Forecast of Budget Expenses

(Advice from Officials)

- *FOIP Section 24 – Advice from Officials*

Motion to go into Closed Session:

"That the committee convene in closed session pursuant to Section 197 of the Municipal Government Act to meet in private to discuss matters protected from disclosure by Section 24 of the Freedom of Information and Protection of Privacy Act at XXXX p.m."