



Council Highlights

A Strategic Session is a standing Committee of Council for the purpose of reviewing specific municipal matters in an informal meeting setting.

Delegations

Delegations are individuals or groups who request permission to appear before Council about a particular issue, or with whom Council requests to speak.

Council met with the County's assessors to discuss property assessments and tax rates for the 2016 tax year.

Linear Property Assessment—Alberta Municipal Affairs

Representatives from the Linear Property Assessment department with Alberta Municipal Affairs met with Council to discuss the process behind linear property assessment in the province.

Linear property types include pipelines, gas distribution pipelines, oil and gas wells, telecommunication and cable lines, electric power systems and electric power generation systems.

The province is responsible for preparing the assessment for linear properties and providing regulations that include procedures, rates and formulas that are followed to calculate linear assessment across the province.

The County is then supplied with the assessment values for properties in the municipality in January.

Within the County the linear property assessment is as follows: 66.35 per cent pipelines (representing \$874 million in assessed value); 14.85 per cent wells (representing \$195 million in assessed value); 17.9 per cent electric power systems (representing \$236 million in assessed value); and .9 per cent in telecommunication and cable distribution systems (representing \$11 million in assessed value).

Assessed values have decreased slightly in the 2016 tax year.

Once the County's non-residential mill rate is established by

Council, the mill rate (i.e. 18.56 in the non-residential rural service area in 2015) is multiplied by the total assessed value of a particular property to provide the amount payable for that year's property tax.

Industrial Property Assessment—Independent Municipal Assessment Corporation

Representatives from Independent Municipal Assessment Corporation—the County's industrial property assessors—met with Council to discuss industrial property assessment in the County.

The County contracts industrial assessors to assess the value of industrial facilities in the municipality.

For oil and gas, manufacturing and power plants, the value of the following is assessed according to provincially-regulated procedures and formulas:

- o Buildings and Structures
- o Machinery and Equipment.

Once the assessors provide the County with the total assessed value of all industrial facilities in the County, the non-residential mill rate for the year is applied, resulting in the amount of property taxes owed for each particular facility.

There were three new significant oil and gas projects completed in 2015 (2016 taxes reflect activity in 2015) and nine follow-up projects. These resulted in \$200,000,000 in new assessment for the 2016 tax year. The forecast for 2016 is to see a considerable reduction in construction activities in the oil and gas industry.

Residential, Farmland and Commercial Property Assessment—Municipal Assessment Services Group

Municipal assessment and taxation begins with the laws and regulations laid out in Alberta's Municipal Government Act (MGA).



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Education is provincially-funded and every year the province notifies the County as to the amount of education taxes the municipality is required to collect on their behalf. This education tax rate is calculated and applied to the assessed value of each property and included in the annual tax bill to property owners. In Lac La Biche County, the same is true for the taxes that support seniors' lodges—the County belongs to the Greater North Foundation, a membership of 13 municipalities who remit their seniors' lodge taxes to the foundation to oversee, manage and develop seniors' lodge facilities in the member municipalities. The Greater North Foundation operates Lac Alta Lodge in Lac La Biche.

Most residential and commercial properties are valued based on the Market Value Based Standard. This is the most fair and equitable means of assessing property because it ensures that similar properties are assessed and taxed in the same way.

The Market Value Based Standard is used to assess the value of the majority of the properties in Lac La Biche County. Market value is the price a property might reasonably be expected to sell for if sold by a willing buyer after an average amount of time and exposure on the open market. Assessors gather information on ranges of sale prices in the market place as part of the process of calculating assessment for a particular property. (Assessors also use a cost-based approach when assessing a new or nearly new property where comparative sales are hard to come by. The value is assessed by taking the market value of the land, plus the cost of any improvements and then making deductions for depreciation.) **Market values for 2016 taxes are based on sales as of July 1, 2015.**

Assessments are conducted by professional, provincially-certified assessors contracted by the County, who are required to follow all provincial procedures and legislation. Before an assessment is prepared, property data is collected through on-site inspections and online resources. An inspection is conducted so that all characteristics of the property are considered (age, quality, improvements, depreciation, etc). All newly constructed properties must

be assessed and existing properties are reviewed from time to time to ensure the information is up to date. The MGA permits assessors to visit and inspect properties. Assessors must produce identification upon request and explain the purpose of their visit. The assessor then observes, records and verifies the physical details of the property. Usually, assessors do not need to inspect home interiors. Combined assessment and tax notices are then sent to property owners to tell them the assessed value of their property, upon which their taxes will be based. If you find an error on your tax and assessment notice, residents can contact the municipal assessor to discuss the error and have it corrected. If there is no error, but you still disagree with your assessment, you can follow the complaint and appeal process outlined by the MGA. The deadline for filing a complaint or appeal is listed on the tax and assessment notice, usually 60 days after the mailing date.

Once all properties have been assessed, the municipal Council sets the tax rate. First, Council determines how much money will be needed to operate the municipality in a given year. Budgeted revenues are subtracted from this amount (i.e. licenses, grants, permits). The remainder is the amount of money the municipality needs to raise through property taxes to provide services throughout the year. This revenue requirement is used to calculate the tax rate for the year. The revenue requirement is divided by the assessment base (the total value of all assessed properties in the municipality) and the result is the year's tax rate. Each individual property's assessment is multiplied by the tax rate, resulting in the taxes payable by each property owner.

The number of development permits issued by the County are down in 2015 though assessment grown is still significant for residential and industrial properties. The forecast for 2016 is that the real estate market has likely peaked, however Lac La Biche County is still growing faster than most Alberta municipalities.