

Central Alberta

Regional Assessment Review Board

LARB 0226 738/2016

Complaint ID 738

Roll No. 2829214001

LOCAL ASSESSMENT REVIEW BOARD DECISION

HEARING DATE: October 5, 2016

PRESIDING OFFICER: A. Gamble

BOARD MEMBER: V. Keeler

BOARD MEMBER: D. Moore

BETWEEN:

DAVID & GLENDA BRITTAIN

Complainant

-and-

MOUNTAIN VIEW COUNTY

Respondent

This decision pertains to a property assessment complaint submitted to the Central Alberta Regional Assessment Review Board in respect of a property assessment prepared by an Assessor of Mountain View County as follows:

ROLL NUMBER: 2829214001

MUNICIPAL ADDRESS: 29303 Range Road 284 (SW 21-29-29 W4M)

ASSESSMENT AMOUNT: \$340,230

The complaint was heard by the Local Assessment Review Board on the 5th day of October 2016, in the Council Chambers at Mountain View County, within the province of Alberta.

Appeared on behalf of the Complainant:

No persons appeared for the Complainant

Appeared on behalf of the Respondent:

Steve Nedoshytko and Mike Krieger, Assessors for Mountain View County

DECISION: The assessed value of the subject property is confirmed.

JURISDICTION

- [1] The Central Alberta Regional Assessment Review Board [“the Board”] has been established in accordance with section 456 of the *Municipal Government Act*, RSA 2000, c M-26 [“MGA”], and Mountain View County Bylaw No. 06/15, *Regional Assessment Review Board Bylaw*.

PROPERTY DESCRIPTION AND BACKGROUND

- [2] The subject property is a recently subdivided parcel of land containing 2.97 acres. There is a mobile home and a garden shed on the acreage property. The parcel is considered 85% serviced, lacking natural gas service.
- [3] The subject property is classified as residential and is zoned R-CR1 Country Residential (1) District (Mountain View County Bylaw No. 15/15).
- [4] A property assessment complaint was filed on June 30, 2016. Confirmation of Receipt of Complaint and Notice of Hearing was sent to the parties on August 3, 2016.
- [5] A letter advising of non-attendance of the Complainant was sent to the Clerk of the Board, via email, on October 4, 2016.

PRELIMINARY MATTERS

- [6] The Board advised that the hearing would proceed in the absence of the Complainant, based on their written submission that they would not attend.
- [7] The Board confirmed that no Board member raised any conflicts of interest with regard to matters before them.
- [8] The Respondent did not raise any objection to the panel hearing the complaint.
- [9] The Chair confirmed the issue before the Board is the assessment amount, and that the Complainant requested value is \$198,000, as identified on the complaint form.
- [10] No additional preliminary or procedural matters were raised.
- [11] The Board confirmed the submissions of the parties and entered the following Exhibits into the record:
- A1 - Hearing Materials including Agenda, provided by Clerk (4 pages)
 - C1 - Complainant disclosure submission (cover plus 8 pages)
 - C2 - Complainant rebuttal submission (cover plus 1 page)
 - C3 - Complainant letter advising of non-attendance (1 page)
 - R1 - Respondent disclosure submission (20 pages)

ISSUES

[12] The Board considered the parties' positions and determined the following question is to be addressed within this decision:

Is the assessment value fair and equitable for the subject property?

POSITION OF THE PARTIES

Position of the Complainant

[13] The Board referred to the Assessment Review Board Complaint form and made note of the following:

- section 4 of complaint form, with item 3 (assessment amount) checked off
- requested assessed value of \$198,000.
- written comments: "Assessment value too high. Should be related to market value."

[14] The Complainant provided 2015 and 2016 assessment/tax notices, and information regarding the Complainant's three comparable properties, as well as pictures of the subject property.

[15] The Complainant submitted that in 2015 the subject property was classified as 152 ("other farm res"), with an assessment of \$86,870. In 2016 the same mobile home is now classified as 150 ("farm residential"), with an assessment of \$176,010. Though the mobile home is a year older, it is now assessed at almost double the value. The Complainant further submits that a brand new mobile home from Best Buy Homes of the same square footage and floor plan is selling for \$139,000 including delivery and set up on the lot, with a 10-year warranty on the trailer and appliances.

[16] Regarding services to the lot, the Complainant's submission stated that there are no fences on the property and it is not serviced with natural gas. The Complainant's submission further stated that there is no telephone line at the residence.

[17] The Complainant's submission provided three real estate properties in or near their location for market comparison, two of which were sold and one for sale. The Complainant had calculated the price per acre for each comparable property and the subject property, inclusive of all improvements. The Complainant noted that the average price of the comparable properties per acre is \$70,520, whereas the assessed value for their acreage works out to \$114,478 per acre.

[18] In their written submission, the Complainant states that the Respondent's comparable sales were sold in 2014 and May 2015 and are scattered throughout Mountain View County rather than being close to the subject property, and that their own comparable properties were more recent.

[19] The Complainant's written submission further states that they had reviewed the Respondent's disclosure submission, but still did not understand why the ten year old mobile home is assessed at higher than brand new. Their submission further notes that they made two trips to the County office and an Assessor of Mountain View County made

a personal visit to their farm to explain the assessment. These efforts did not result in a satisfactory explanation.

- [20] The Complainant submitted a letter on October 4, 2016, stating that they would not be attending the hearing. At their age, they had decided that their health is more important. They want an explanation of the assessment that they can understand.
- [21] The Complainant requested a revised assessment of \$198,000.

Position of the Respondent

- [22] The Respondent confirmed that the 2016 assessment amount is composed of “market land valuation” of \$164,220 and “improvement valuation” of \$176,010, for a total of \$340,230 assessment for the subject property.
- [23] The Respondent explained that land valuation is new in 2016. The subject property was included in the farm in prior years. A new subdivision was approved on June 15, 2015, creating a separate acreage which is now assessed separately from the farmland at an assessed market value of \$164,220.
- [24] The Respondent further explained that the change in classification for the mobile home from class 152 (“other farm res”) to class 150 (“farm residential”) was a direct result of the new subdivision, making what had been a secondary residence into the primary residence on the newly subdivided parcel. The Respondent stated that “secondary residences hold a considerably lower value than a primary residence. This value change is reflected in the 2016 Assessment/Tax Notice.” (Exhibit R1, page 1)
- [25] Regarding the services at the subject property, the Respondent stated that the property has propane (not natural gas), power, a water well, and a telephone line that is adjacent to the property (although not currently accessed). The property is considered 85% serviced because of the lack of gas service. There is also a garden shed, but it was given no value.
- [26] The Respondent referred to various legislation quotes contained in their disclosure, explaining that Assessors are required to:
- consider the physical condition of the property is as of December 31, 2015.
 - estimate the property value as of July 1, 2015.
 - consider market value of similar properties within the same municipality.
 - complete mass appraisal analysis and calculations.
- [27] The Respondent explained that only Mountain View County sales are used in their analysis because other counties have different methods, markets and tax rates. The Mountain View County sales from July 1, 2012 to June 30, 2015 are included in the required Mass Appraisal calculations for all the acreages that are done by the County. Earlier sales have been time adjusted, verified, and the County assessments have been approved by Alberta Municipal Affairs before they are sent out to residents.
- [28] The Respondent further explained that the County of Mountain View is divided into 132 market locations in order to study the market value trends in different areas separately. There is considerable market variance according to desirability of locations.

- [29] The Respondent submitted four comparable sales in Mountain View County prior to July 1, 2015. No comparable sales used by the Respondent are after the July 1, 2015 valuation date (in other words, none are considered “post facto”). The Respondent stated that each sale has been adjusted for the time of the sale, size and location of land, age and condition of the residence, any servicing and other improvements.
- [30] The Respondent stated that Mountain View County Assessors had met with the Complainants on several occasions in an attempt to address their concerns and answer their questions, but were not able to come to a mutually agreeable understanding.
- [31] The Respondent submits that the assessment has been prepared in accordance with legislation with due consideration given to comparables and appropriate adjustments and calculations made. The Respondent requests that the assessment be confirmed at \$340,230.

LEGISLATION (Applicable Law and Regulation)

- [32] The Board notes that legislation relevant to assessment and valuation of property provides clear guidance for this Complaint in the *Municipal Government Act*, RSA 2000, c M-26 [“MGA”], and in Regulations passed pursuant to this Act, specifically *Matters Relating to Assessment and Taxation Regulation* [“MRAT”]. This legislation governs the assessor in completing assessments, and the Board must make decisions based on the same legislation.

MGA section 1: Definition of Market Value

1(1)(n) “market value” means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer;

MGA section 293

293(1) 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.
- (2) If there are no procedures set out in the regulations for preparing assessments, the assessor must take into consideration assessments of similar property in the same municipality in which the property that is being assessed is located.

MGA section 467

467(3) An assessment review board must not alter any assessment that is fair and equitable, taking into consideration

- (a) the valuation and other standards set out in the regulations,
- (b) the procedures set out in the regulations, and
- (c) the assessments of similar property or businesses in the same municipality.

MRAT - Valuation standard for a parcel of land is described in section 4

4(1) The valuation standard for a parcel of land is

- (a) market value

MRAT - Mass Appraisal is described in section 2
An assessment of property based on market value

- (a) must be prepared using mass appraisal,
- (b) must be an estimate of the value of the fee simple estate in the property, and
- (c) must reflect typical market conditions for properties similar to that property.

MRAT - Valuation Date is described in section 3

Any assessment prepared in accordance with the Act must be an estimate of the value of a property on July 1 of the assessment year.

MRAT – Definition of “Mass Appraisal” is in section 1

1(k) “mass appraisal” means the process of preparing assessments for a group of properties using standard methods and common data and allowing for statistical testing;

MRAT – Quality Standards are described in section 10

10(2) In preparing an assessment for property, the assessor must have regard to the quality standards required by subsection (3) and must follow the procedures set out in the Alberta Assessment Quality Minister’s Guidelines.

10(4) The assessor must, in accordance with the procedures set out in the Alberta Assessment Quality Minister’s Guidelines, declare annually that the requirements for assessments have been met.

BOARD FINDINGS and DECISION

- [33] The Board recognizes that the change in the classification of the subject property had a significant impact on the property value, which increased considerably when it became a primary residence located on the recently subdivided parcel of land.
- [34] The Board accepts that the newly subdivided parcel is identified by the Respondent as an 85% serviced acreage with a primary residence in its current location.
- [35] The Board acknowledges that the Respondent followed legislated mass appraisal processes, including a review of up to three years of sales throughout Mountain View County. The Assessor made adjustments for time, condition, servicing and location within the initial calculations for the assessment.
- [36] The Board finds that the Respondent has prepared the assessment utilizing the sales comparison approach pursuant to all legislation using mass appraisal and market value techniques.
- [37] The Board is familiar with the assessment process whereby the best indicator of market value is considered to be comparable sales of similar properties. The Board finds it convincing that the Respondent’s evidence shows that adequate sales have occurred within Mountain View County to determine market value.
- [38] The Board finds that sales after July 1, 2015 are considered “post facto” because they are after the valuation date. Valuation date is at July 1, 2015. The comparable sales provided by the Complainant had not been sold by July 1, 2015, and therefore cannot be considered in relation to the current assessment of the subject property. Sales within

Mountain View County that occurred after July 1, 2015 may be included in next year's assessment calculations.

- [39] The Board further finds that the Respondent provided four comparable sales that occurred within the valuation period (up to July 1, 2015) to show the Complainant how the assessments are adjusted and calculated for all acreages.
- [40] The Board accepts the Respondent's comparable sales analysis, which shows that the assessed value of the subject property is within the value range of the comparable properties, and that appropriate adjustments have been made to show the value of the subject property.
- [41] The Board finds that the Respondent's assessment of the subject property is reflective of its market value and is supportable, fair, and equitable.
- [42] The Complainant disputes the assessment amount, citing the previous assessment of the property and providing two comparable sales that occurred after July 1, 2015 and a current listing. The Board is not persuaded by the Complainant's submission that the assessment of their property is incorrect.
- [43] In summary, the Board finds the assessed value for the subject property is confirmed.

DECISION SUMMARY

- [44] The Board confirms the assessed value of the subject property at \$340,230.
- [45] Dated at the Central Alberta Regional Assessment Review Board, in the city of Red Deer, in the Province of Alberta this 25th day of October, 2016 and signed by the Presiding Officer on behalf of all the panel members who agree that the content of this document adequately reflects the hearing, deliberations and decision of the Board.



A. Gamble
Presiding Officer

This decision can be appealed to the Court of Queen's Bench on a question of law or jurisdiction. If you wish to appeal this decision you must follow the procedure found in section 470 of the MGA which requires an application for leave to appeal to be filed and served within 30 days of being notified of the decision. Additional information may also be found at www.albertacourts.ab.ca.

APPENDIX

Documents presented at the Hearing and considered by the Board

<u>NO.</u>	<u>ITEM</u>
A1	Hearing Materials including Agenda, provided by Clerk (4 pages)
C1	Complainant disclosure submission (cover plus 8 pages)
C2	Complainant rebuttal submission (cover plus 1 page)
C3	Complainant letter advising of non-attendance (1 page)
R1	Respondent disclosure submission (20 pages)