



Complaint ID 0262 1863
Roll No. 30001110100

LOCAL ASSESSMENT REVIEW BOARD DECISION
HEARING DATE: MAY 30, 2024

PRESIDING OFFICER: A. TARNOCZI
BOARD MEMBER: D. DEY
BOARD MEMBER: D. WILLIAMS

BETWEEN:

MICHAEL PROSSER

Complainant

-and-

REVENUE AND ASSESSMENT SERVICES
For The City of Red Deer

Respondent

This decision pertains to a complaint submitted to the Central Alberta Regional Assessment Review Board in respect of a property assessment prepared by an Assessor of The City of Red Deer as follows:

ROLL NUMBER: 30001110100
MUNICIPAL ADDRESS: 50 Linn Close Red Deer AB
ASSESSMENT AMOUNT: \$511,500

The complaint was heard in person by the Local Assessment Review Board on the 30th day of May 2024 in Council Chambers at the City of Red Deer within the province of Alberta.

Appeared on behalf of the Complainant: M. Prosser and L. Whiteway, Property Owners

Appeared on behalf of the Respondent: G. Bukva, AMAA, Property Assessor
K. Hall, B. Mgt, AMAA, Property Assessor

DECISION: The assessed value of the subject property is confirmed at \$511,500

JURISDICTION

- [1] The Central Alberta Regional Assessment Review Board [“the Board”] has been established in accordance with section 455 of the *Municipal Government Act*, RSA 2000, c M-26 [“MGA”].

PROPERTY DESCRIPTION AND BACKGROUND

- [2] The subject property is a 1,485 square foot semi custom bungalow with three bathrooms and a full walk-out basement located in the Lonsdale neighbourhood of South Red Deer.

PRELIMINARY MATTERS

- [3] The Presiding Officer confirmed that no Board Member raised any conflicts of interest with regard to matters before them.
- [4] Neither party raised any objection to the panel hearing the complaint.
- [5] No additional preliminary or procedural matters were raised by any party. Both parties indicated that they were prepared to proceed with the complaints.

POSITION OF THE PARTIES**Position of the Complainant**

- [6] The Complainant disagrees with the current assessment on the basis that the mass appraisal approach to property assessment is not achieving equitable treatment of similar properties. Properties that have sold tend to have assessed values that are 5% to 7% higher than properties that have not sold. This difference in assessment values affects the distribution of taxes which is unfair in a market where only 5% of properties sell in a given year.
- [7] The Complainant stated that the subject property (#50 Linn CI) has had several sales over the years. When compared with similar properties with no sales, the assessments have been higher which has resulted in an unfair and inequitable distribution of taxes on the property.
- [8] The Complainant further argued that the assessment process and the mass appraisal approach to property assessment has lost sight of the purpose of assessment and taxation legislation in Alberta which is to maintain a property assessment system that fairly and equitably distributes taxes.
- [9] The Complainant submitted that the recent sale of #38 Linn Close provides an example of how the mass appraisal technique is not working. The assessed value for the 2023 tax year was \$542,100. When the property sold that year, the sale price was \$654,000. The assessed value for the 2024 tax year was based on 96% of the sale price which resulted in an assessed value of \$626,000 which is an increase of 15.6% over the 2023 tax year assessment.
- [10] The Complainant’s written submission included 6 attachments for the Board to consider. Attachment 1 presented maps to illustrate the location of the property within Linn CI and in the larger context of Southeast Red Deer.

- [11] Attachment 2 lists sales data and assessment values for 26 properties that sold in the neighbourhoods of Lancaster, Lonsdale and Laredo in the first quarter of 2024. The sales data was obtained from a realtor while the assessed values were obtained from the City of Red Deer. The data indicated that the average sales price of these homes was 14.3% higher than the assessed value.
- [12] Attachment 3 was presented to demonstrate in an example, how in the case of three similar properties, the sale of one property and the resulting increase in the assessed value, can create an unfair increase in the tax burden for that property relative to the other two properties.
- [13] The Complainant submitted Attachment 4, to compare the historical assessments of the subject property #50 Linn CI with #66 Linn CI. These are presented as similar properties with similar assessed values in 2021 although it was noted #66 has a larger lot. The Complainant stated #50 has had two sales over the years while #66 has not had any. The Complainant argued this factor and the inconsistency in the assessment process has resulted in differences in their assessed values as presented in the following table.

Property	Tax Year Assessed Values			
	2021	2022	2023	2024
#50 Linn Close	\$431,500	\$435,300	\$476,100	\$511,500
#66 Linn Close	\$432,800	\$430,100	\$461,000	\$495,200

- [14] The Complainant submitted that #50 was purchased in 2022 and for the 2023 tax year, the assessed value of #50 increased by 9.4% while the assessed value of #66 increased by 7.2%.
- [15] The Complainant stated that for the 2024 tax year, the assessment of both properties increased by 7.4%. The City of Red Deer's average increase in assessed value for the 2024 tax year was 5%. Applying a 5% increase would result in an assessed value of \$499,905 for #50. Linn CI. This was the amount requested in the Complainant's written submission.
- [16] The Complainant provided Attachment 5, a letter from the Respondent in response to the Complainant's concern of expecting a 5% increase in assessed value while receiving a 7% increase. The letter explained that under mass appraisal, the assessments of similar properties may change similarly from year to year, however they may not change in value exactly at the same level.
- [17] The Complainant provided Attachment 6 the "Guide to Property Assessment and Taxation in Alberta" which highlighted the purpose of achieving an equitable distribution of taxes.
- [18] In their rebuttal the Complainant requested an adjusted assessment amount of \$490,000 on the basis that the assessment of last year was \$476,100 and the assessment for the current year should be slightly less than that of #66 Linn CI which is \$495,200.

Position of the Respondent

- [19] Respondent addressed the Complainant's submission comparing the 2024 sales value and assessments for 26 properties in the neighbourhoods of Lancaster, Lonsdale and Laredo. The Respondent submits these are post facto sales and would not have been part of the analysis for the current assessed values.
- [20] The Respondent stated the sale of #38 occurred after July 2023 and would not have been part of the analysis for the current assessed value.
- [21] The Respondent replied to the Complainant's argument that the mass appraisal approach does not work. The Respondent stated the City of Red Deer utilizes several sources to review and update property data information. There will be times when the available information on sales of homes will not match the information gathered by the City.
- [22] The Respondent responded to the Complainant's claim that the subject property having had several sales over the years while other similar properties have not had sales results in an unfair and inequitable distribution of the tax burden. The Respondent stated the distribution or change in taxes is not a matter of complaints as per MGA section 460(5) (a) through (k).
- [23] The Respondent addressed the Complainant's suggestion that since the City's average increase in assessment was 5% that this would be the appropriate increase for the subject property. The Respondent noted that the City's stated 5% increase refers to the median change in assessments from year to year and this reflects that some communities changed at different rates than 5%. Some were higher and some were lower.
- [24] The Respondent submitted that the onus is on the Complainant to provide evidence that the assessed value is not correct. The Complainant has provided only post facto sales which cannot be part of the current assessment year analysis, nor can they be relied upon to support a change to the assessed value.
- [25] The Respondent submitted the current assessment on 50 LINN CL is correct, fair, and equitable. The Respondent therefore respectfully recommends that the Board confirm the current assessment of \$511,500.

BOARD FINDINGS and DECISION

- [26] The Complainant believes that under the mass appraisal approach, properties with recent sales are treated differently than properties without recent sales. This has resulted in properties that have sold recently having assessed values that are 5% to 7% higher than properties that have not sold. As a result, the purpose of assessment and taxation legislation to fairly and equitably distribute taxes is not being achieved.
- [27] The Board reviewed and considered the four attachments provided by the Complainant to support their position that assessment values for properties that have not sold are not reflective of current market values.
- [28] The Board finds the sales and assessment values provided in Attachment 2 has no supporting information to verify the sales data in the listing including no details to support that the sales

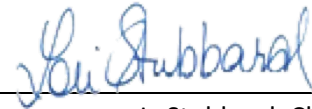
occurred within the timeframe of the valuation. As a result, the Board gives little weight to the information in Attachment 2.

- [29] The Board finds that the information in Attachment 3 focuses on tax for which the Board has no jurisdiction. Section 460(8) of the MGA is clear in stating that for a person wishing to make a complaint about any assessment or tax “There is no right to make a complaint about the tax rate.”
- [30] The Board notes that for Attachment 4 the focus is on the relative difference from one property to the other and how the assessment for the subject property is increasing relative to the other. For this reason, the Board gives little to no weight to the historic increases. The Board can only consider assessed values in the context of the current market.
- [31] The Board finds little weight can be given to Attachment 5 in the context of a requested change to the assessment amount. The letter explained that there will be some properties having increases greater than the stated 5% and some properties having increases less than the stated 5%.
- [32] The Board notes Attachment 6 highlights the purpose of assessment and taxation legislation and property assessment as a means of distributing the tax burden among property owners in a municipality. As well market value is considered the most fair and equitable means of assessing property.
- [33] The issue of # 66 Linn CI having a larger lot than #50 Linn CI was a factor in the Complainant’s view when comparing the assessments of the two properties. The Complainant felt the properties were similar other than lot size. However, #66 Linn CI with a larger lot has a lower assessed value. The Respondents explained that the incremental value of larger lots diminishes which limits the increases in the market value of larger lots.
- [34] The Respondent submitted the Complainant entered insufficient evidence to support his request and therefore did not meet the burden of proof to shift the onus to the Respondent.
- [35] The Board acknowledges the Complainant’s situation and general concerns with the validity of the assessment practices employed by the City of Red Deer, however assessment is a regulated process as is the complaint process. The Board reviews the subject property on an individual basis with the evidence brought before it and makes adjustments that it determines to be fair and equitable.
- [36] The Board finds portions of the Complainant’s submission were hypothetical examples used to support his argument about fair and equitable treatment and lacks verifiable evidence to support his request.
- [37] In this case the Complainant has not met the burden of proof to shift the onus to the Respondent as the Complainant did not provide any relevant market evidence to support a change to the assessed value. Further the Complainant did not show that the subject property has unique characteristics that would be evidence that mass appraisal does not apply.

DECISION SUMMARY

[38] The Board finds that the original assessed value is CONFIRMED at \$511,500.

[39] Dated at the Central Alberta Regional Assessment Review Board, in the city of Red Deer, in the Province of Alberta this 19th day of June 2024 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.



L. Stubbard, Clerk
for

A. Tarnoczi, Presiding Officer

If you wish to appeal this decision you must follow the procedure found in section 470 of the MGA which requires an application for judicial review to be filed and served not more than 60 days after the date 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>
1. A.1	Hearing Materials – 5 pages provided by Clerk
2. C.1	Complainant Submission - 10 pages
3. C.2	Complainant Rebuttal – 2 pages
4. R.1	Respondent Submission – 30 pages