

LARB 0089 1155 2018

Complaint ID 1155

Roll No. 226

LOCAL ASSESSMENT REVIEW BOARD DECISION

HEARING DATE: DECEMBER 05, 2018

PRESIDING OFFICER: A. GAMBLE

BOARD MEMBER: M. CHILIBECK

BOARD MEMBER: K. WATERS

BETWEEN:

GWENDOLYN WOOD

Complainant

-and-

THE VILLAGE OF DONALDA

Respondent

This decision pertains to a complaint submitted to the Central Alberta Regional Assessment Review Board in respect of a property assessment prepared by the Property Assessor for the Village of Donalda as follows:

ROLL NUMBER: 226

MUNICIPAL ADDRESS: 1002 Railway Avenue

ASSESSMENT AMOUNT: \$ 214,220

The complaint was heard by the Local Assessment Review Board on the 05 day of December 2018, at The Village of Donalda, in the province of Alberta.

Appeared on behalf of the Complainant: Ms. G. Wood

Appeared on behalf of the Respondent: Mr. T. Willoughby

DECISION: The assessed value of the subject property is confirmed \$214,220.

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”], and The Village of Donalda, Bylaw No. 709/2018, *Regional Assessment Review Board Bylaw* (October 3, 2018).

PROPERTY DESCRIPTION AND BACKGROUND

- [2] The subject property is a 1,132 sq. ft. one storey bungalow with a 725 sq. ft. detached garage. The property is classified as a Model 004, Quality 04, and Structure 00 as per the Alberta 2001 Residential Manual.
- [3] The property assessment complaint was filed August 28, 2018 with the Village of Donalda, submitted to the Central Alberta Regional Assessment Review Board October 03, 2018.
- [4] The Notice of Hearing was issued October 18, 2018.

PRELIMINARY MATTERS

- [5] The Presiding Officer confirmed that no Board Member raised any conflicts of interest with regard to matters before them.
- [6] Neither party raised any objection to the panel hearing the complaint.
- [7] No additional preliminary or procedural matters were raised by any party. Both parties indicated that they were prepared to proceed with the complaints.
- [8] The Board confirmed the submissions of the parties and entered the following Exhibits into the record:
- A.1 – Hearing Materials provided by Clerk (4 pages)
 - C.1 – Complainant Disclosure (16 pages)
 - R.1 - Respondent Disclosure (20 pages)
 - C.2 - Complainant Rebuttal (4 pages)
 - C.3 – Complainant Tax Assessment Information (5 pages)

ISSUES**Position of the Complainant**

- [9] The Complainant clarified that although the initial complaint form submitted indicated two issues, “an assessment amount” and “an assessment sub-class”, the matter before the Board is in regard to the assessment amount.
- [10] The Complainant explained the Subject Property is located on a larger lot purchased in 2011 for \$25,000. In August 2012 work began on the basement and the house arrived as of October 2012. The home was fully occupied December 2012.
- [11] The Subject is zoned R1 – Improved Residential, however the Complainant stated there have been no improvements made since she has lived at this location. There is no sidewalk in front of the home, only a ditch which is at various times of the year is filled with water from the spring melt or extreme rainfall.
- [12] The Complainant explained there is currently a drainage issue that was discovered in the spring of 2014. The issue started during the spring thaw, where she discovered water was flowing toward her home from vacant lots to the west of her house.
- [13] The Complainant further explained the drainage issue is caused by a high grade road which parallels the alley crossing the empty lots to the west (rear) of the Subject Property, thus creating a berm directing the melt and rain water directly towards the home. This issue was brought to the attention of the Village in 2014.
- [14] The Complainant stated that she believes the drainage issue affects the assessed value of the Subject Property. In order to deal with the drainage issue she had the swale created making a depression to direct the melt and rain water away from her home.
- [15] The Complainant questioned the validity of the tax roll information for the municipality due to the lack of proper book keeping, multiple changes in administration and lack of site inspections. The Complainant suggested the information that is provided for the mass appraisal formula is inadequate, therefore making it impossible to be fair and equitable.
- [16] The Complainant requested on the complaint form that the Board vary the subject assessment to \$210,000.

Position of the Respondent

- [17] The Respondent stated a site inspection of the Subject Property was completed November 05, 2018, where he confirmed the highest and best use is at its current classification.

[18] The Respondent explained that he prepared the assessment for the Subject Property based on the market value as of July 1 of the assessment year (2017) using mass appraisal techniques. Specifically s.5 of the *Matters Relating to Assessment and Taxation Regulation*, Alberta Regulation 203/2017 ["MRAT"] that provides the following standards of assessment:

Mass appraisal

5 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.

Valuation date

6 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.

[19] The Respondent explained that it is the Assessor's duty to value property in a fair and equitable manor using mass appraisal techniques. Sales are used to give a good indication of market value, and when necessary up to three years of sales records can be used to provide adequate analysis when time adjusted to the valuation date.

[20] The direct comparison approach based on the principal of substitution was used due to the fact that no comparable sales of this exact classification (004-04-00) within the Village of Donalda. As such, the sales analysis provided include three different property classifications.

[21] The Respondent stated from the sales comparison data provided all were within the 5% assessment to sales ratio considered acceptable practice for valuations.

[22] The Respondent stated based on the comparable analysis that the assessed value of the Subject Property fits within the range of reasonable assessments.

[23] The Respondent argued s. 467(3) of the Municipal Government Act, "*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.*"

[24] In summary, the subject property's assessment falls within the range of reasonable assessment of properties within the Village of Donalda and has been shown to be fair and equitable. Therefore, requesting the Board to confirm the assessment of \$214,220.

BOARD FINDINGS and DECISION

ISSUE ONE

Is the subject property assessment fair and equitable based on the evidence provided?

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- [25] The Complainant stated the reason for appeal is directly related to the assessed value of the Subject Property. Although another reason is indicated on the complaint form, the Board would not be hearing any information pertaining to sub-class.
- [26] The Board accepts the Complainant's explanation regarding the complaint form.
- [27] The Respondent provided the Board with the legislated parameters relevant to assessment and valuation of property.
- [28] The Board finds that legislation relevant to assessment and valuation of property provided 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.

Mass appraisal

5 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.

- [29] The Board accepts it is the duty of the Assessor to prepare the assessment in a fair and equitable manner, and to apply the valuation and other standards set out in the regulations, MGA section 293(1);

Duties of assessors

293(1) In preparing an assessment, an 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.

- [30] The Complainant provided information regarding a drainage issue for the Subject Property, where she indicated the high grade road creates a berm that created the need for a swale to be built at the rear of her home in order to divert spring melt water and extreme rainfall away from the home.
- [31] The Board placed little weight on the drainage issue due to lack of supporting evidence. The swale needed to be constructed and it is currently alleviating the water issue. There was no information provided to quantify the impact on the value of the property, if any.
- [32] The Complainant provided various assessment roll information for other properties throughout the Village, questioning the validity of the information on each roll.

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- [33] The Respondent addressed the concerns regarding the assessment rolls provided by the Complainant. The characteristics of each roll (classification, age, floor area) were not directly applicable to the Subject Property.
- [34] The Board placed little weight on the Complainants assessment roll information due to the lack of direct supporting information. Although the Board recognizes the Complainant put forward a great deal of information regarding the administration of the Village, the appeal before the Board is related to the assessment for the subject property.
- [35] The Board accepts that the Respondent prepared the assessment using the appropriate assessment valuation techniques as set out in section 293(1) of the MGA, and section 5 of MRAT.
- [36] The Respondent provided comparison analysis with three sales that occurred within the Village of Donalda. Although these properties were of different classification, age and floor area, the assessment to sales ratios were all within 5%.
- [37] The Board accepts the Respondents comparable analysis which shows the assessment to sales ratios are within a reasonable range and the assessed properties all fell within legislated perimeters for value.
- [38] The Board finds the Complainant has failed to provide convincing evidence to establish that the assessed value is neither fair nor equitable.

DECISION SUMMARY

- [39] Based on the reasons herein, the Board finds that the assessment value for the subject property is confirmed at \$214,220.
- [40] Dated at the Central Alberta Regional Assessment Review Board, in the city of Red Deer, in the Province of Alberta this 13 day of December, 2018 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.



Al Gamble
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.

NO.

ITEM

1. A.1 – Hearing Materials provided by Clerk (4 pages)
2. C.1 – Complainant Disclosure (16 pages)
3. R.1 - Respondent Disclosure (20 pages)
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