


2010

## Mayors' Caucus-June, 2010, Calgary

Task Force on Assessment

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## Why the AUMA Study?

- The overarching issues under review are fairness (impartiality) and equity (just to all) for the property taxpayers in Alberta.
- If a taxpayer is not paying his fair share because of inequities in the current property tax system, then whatever he is able to avoid paying is collected from the other property taxpayers, who otherwise would not have to pay that amount.
- Over a billion tax dollars annually is potentially involved.

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## Recap of steps to date

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- AUMA prepared an initial policy paper in June, 2009 entitled *Issues Identification*.
- Some 40 issues in the current assessment and taxation system were noted, which AUMA believes should be reviewed and, in many cases, corrected.
- A second policy paper, entitled *Addressing the Issues was also prepared*.
- It took the larger *Issues Identification* paper and made some suggestions on what might be reviewed and corrected more easily, and what might require lengthier study.

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## Questions asked at August, 2009 Mayors' Caucuses—all overwhelming "yes" replies

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- Do you agree that the Guiding Principles being proposed by AUMA...as it considers reform...appear adequate and appropriate?
- Do you agree that the AUMA Policy Papers on Assessment and Taxation appear to have adequately covered the issues which require further study in this area?
- Do you agree that the AUMA Board should examine and report on these matters in 2010?
- Do you agree that any review by AUMA...should be as inclusive as possible...?

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## Recap of steps to date (cont)

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- At the 2009 Convention, it was resolved that the two policy papers should form the basis of a review by an Assessment Task Force in 2010.
- The Task Force had its first meeting on January 26, 2010, chaired by Alderman Bob Hawkesworth. There were eleven members representing various groups.
- Over numerous meetings and after several reports to AUMA on progress, the Task Force submitted its final report in May, 2010.

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## Task Force report omissions

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There are some 17 matters raised in the first policy papers upon which there was not unanimous consent to review by the Task Force, and therefore these matters will be presented to the AUMA Board for potential consideration in 2011. These matters include issues relating to:

- virtually everything regarding farm property including land, farm residences and farm buildings (assessment and tax exemptions);
- no assessment on partially complete regulated property;

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## Task Force report omissions (cont)

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- drilling costs not included in the assessment of oil and gas wells
- assessment exemption for linear property used for farming operations (electric power, telephone, etc.)
- property of Rural Electrification Associations
- assessment exemptions for rural gas distribution systems
- how to deliver assessment services (public or private)

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## Task Force report omissions (cont)

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- lack of consistent property tax policy for seniors' accommodations, low income housing and the homeless
- no supplementary assessment on linear property
- tax exemptions for municipally-owned street lighting systems
- assessment exemption for heavy industrial water and sewer conveyance systems

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## Assessment Task Force “wins”

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The policy report contains 27 recommendations, reached through unanimous consent of the diverse participants. It represents the first time that these groups (including AAMDC, the Alberta Assessor’s Association the Alberta Rural Municipal Administrators’ Association and LGAA) have all agreed upon a proposed course of action with respect to some of the longstanding issues in the assessment and taxation area.

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## Assessment Task Force “wins” (cont)

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While the recommendations are not necessarily the results which would have been reached by AUMA on its own, the policy report represents an opportunity to show the Province without equivocation that several important, diverse and knowledgeable groups of Albertans all agree that there are problems with the current assessment and tax system in the Province. The end goal is to have the Province open the dialogue in 2011 on this entire matter, engage in meaningful dialogue and make some significant and effective changes.

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## Assessment Task Force “wins” (cont)

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The very first recommendation in the policy report supports this position:

*Any Provincial reviews resulting from the recommendations contained in this report include a broad stakeholder consultation process involving municipal input.*

As well, the policy report sets out a recommended timeframe for the various recommendations to be acted upon, ranging from 12 to 36 months.

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## Next Steps

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- The policy report is being presented to the Mayors' Caucuses for information
- The policy report has already been adopted by the AUMA Board for submission to the 2010 Convention. It has also been reviewed by all those groups which were represented on the Assessment Task Force
- A copy of the policy report will be put on the AUMA website and will be noted in the Weekly Digest

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## Next Steps (cont)

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Convention will be asked to receive the policy paper for information, adopt the recommendations, recommend that the Province be advised that it is imperative that it open up meaningful dialogue with AUMA in 2011 with respect to assessment reform in Alberta and recommend that the AUMA Board continue with its review of assessment and taxation with respect to those matters not dealt with by the 2010 Assessment Task Force.

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## Questions and comments?

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**Thank you!**

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