ALBERTA
MUNICIPAL AFFAIRS
Office of the Minister
MLA, Calgary-Hays

AR113531

March 18, 2024

Dear Chief Elected Officials:

Municipal Affairs has been working with the Assessment Model Review (AMR) Steering Committee comprised of industry, assessors, and municipal partners, such as Alberta Municipalities and the Rural Municipalities of Alberta.

The committee was tasked with designing an engagement approach to update the regulated property assessment system. I support the approach and I am pleased to share that engagement will begin this year. We have a shared vision to ensure the AMR is deliberate, evidence-based, and stakeholder-driven.

The AMR will be a multi-year process to review the policies, procedures, and rates that form the regulated property assessment framework. We will engage with municipal associations, industry representatives, and professional assessors throughout the duration of the AMR.

The review of the foundational policies – principles, assessment year modifiers, and the policy document that determines how assessable costs are reported for major projects, the Construction Cost Reporting Guide – will occur in 2024. Any resulting policy and regulatory changes would not be implemented any sooner than 2025.

Reviews of the assessment models for individual property types will then occur from 2025 through 2027 in two stages. These reviews will be followed by broad and direct engagement with municipalities and industry to consider the impacts of the new assessment models on revenue. Discussions of potential impacts will also include stakeholder-centered implementation strategies. To be clear, your municipality will be directly engaged on the overall results of the AMR and the potential impacts. The final decision by government on any changes to assessment models will be sought in 2028. Attached is a visual representation of the upcoming AMR engagement, and a frequently asked question document for your use.

Thank you for working in partnership with the province on this crucial task. Please continue to share your perspectives with both my department and your municipal association. I look forward to working with you and your municipal associations on this important initiative.

Sincerely,

Ric McIver
Minister

.../2

320 Legislature Building, 10800 - 97 Avenue, Edmonton, Alberta T5K 2B6 Canada Telephone 780-427-3744 Fax 780-422-9550

Classification: Public

cc: Chief Administrative Officers
Tyler Gandam, President, Alberta Municipalities
Paul McLauchlin, President, Rural Municipalities of Alberta

Attachments
- Infographic
- Assessment Model Review: Frequently Asked Questions

Classification: Public

Regulated property assessment model review (AMR)

The Assessment Model Review process will update Alberta's regulated property assessment system resulting in fairer valuation of regulated property.

Stakeholder Engagement

STAGE 1
Design the plan
2023

A stakeholder Steering Committee made up of industry, municipal, and assessment representatives designed an engagement process for the broader review.

STAGE 2
Review foundational policies
March – December 2024

Before the assessment models for individual property types can be updated, regulated assessment policies must be reviewed first.

- Confirm Principles
- Recommend Assessment Year Modifier methodology
- Review Construction Cost Reporting Guide

STAGE 3
Update assessment models
Expected winter 2025 – summer 2027

We will engage with a technical working group, comprised of stakeholder subject-matter experts to update the costs, practices, and technologies in the assessment model for each property type.

Group 1
winter 2025 to spring 2026

- Telecommunications & Cable
- Railway
- Electric Power

Group 2
spring 2026 to summer 2027

- Machinery and Equipment
- Pipeline
- Wells

STAGE 4
Consider the impacts
Expected summer 2027 – spring 2028

Municipalities and industry property owners will have the opportunity to provide input on assessment and taxation impacts, including how to best implement any shifts in assessment. The Steering Committee will review the engagement results and provide final recommendations to government.

Key municipal, industry, and assessment stakeholders will be engaged during each stage of the AMR process.
For any questions, please contact the AMR Team at ma.amr@gov.ab.ca.

For more information visit alberta.ca/regulated-property-assessment-model-engagement

Alberta

Frequently Asked Questions
Assessment Model Review

What are the properties that will be reviewed during the Assessment Model Review (AMR)?

Regulated properties, which include electric power systems, telecommunication and cable systems, pipelines, wells, and railway will be reviewed during the AMR process.

When will the results of the AMR be implemented?

Any government decisions on any changes to assessment models would be sought in spring or summer 2028, with implementation to follow.

The last model review was paused; how will this one be different?

In general, the previous attempts to review assessment models relied too heavily on a technical approach without a clear plan to broadly engage stakeholders in all phases of the process.

This one will be different, as this engagement approach seeks to mitigate potential controversy to the extent possible through a clear transparent stakeholder-driven process. Assessment discussions will be principle- and evidence-based, and will be separate from discussion of potential tax impacts and mitigation strategies for any resulting assessment changes.

The stakeholder steering committee that designed the engagement plan for this review will also work throughout the process to ensure the input of the represented stakeholders is considered, and will work according to jointly draft guiding principles to resolve challenges.

How are stakeholders able to participate?

Stakeholders are encouraged to provide feedback during each specific stage of the AMR process, either through their steering committee representative (list provided below) or by sending their comments to the AMR Team at ma.amr@gov.ab.ca.

How will we know the status/updates of the AMR process?

Status updates will be communicated to steering committee representatives (list provided below) and posted to the AMR website at https://www.alberta.ca/regulated-property-assessment-model-engagement.

©2024 Government of Alberta | March 20, 2024 | Communications and Public Engagement

Which groups are impacted by the AMR process?

Municipalities and regulated property owners may be impacted by changes in assessment values at the conclusion of the AMR process.

What are the timelines for the AMR process?

The review of AMR Principles, Assessment Year Modifiers, and the Construction Cost Reporting Guide will occur in 2024. Government will consider any resulting policy and regulatory changes in early 2025.

Reviews of the assessment models for individual regulated property types will then occur in two stages, from 2025-27.

Following this, we will begin broader engagement to comprehensively consider and understand the potential assessment and tax impacts of the new models. We will work with stakeholders to evaluate any mitigation or implementation strategies required.

Final government decisions on any changes to assessment models would be sought in 2028.

For further details please visit https://www.alberta.ca/regulated-property-assessment-model-engagement.

Have tax implications been considered for the AMR process?

Following preparation of new assessment models, broad engagement will be initiated with municipalities and industry groups. Stakeholders will have the opportunity to provide input during this stage of the process.

Final government decisions on any changes to assessment models would be sought after this input is received and considered.

Who is the main government contact for the AMR process?

To contact Municipal Affairs during the AMR process, please contact the AMR Team toll-free by first dialing 310-0000, then 780-422-1377, or at ma.amr@gov.ab.ca.

©2024 Government of Alberta | March 20, 2024 | Communications and Public Engagement

Classification: Public

Which stakeholder groups are represented on the steering committee?

The steering committee is comprised of representatives from the following organizations:

- Alberta Assessors' Association
- Alberta Federation of Rural Electrification Associations
- Alberta Municipalities
- Alberta Rural Municipal Administrators' Association
- Bell MTS
- Canadian Association of Petroleum Producers
- Canadian National Railway Company
- Canadian Pacific Railway Company
- Canadian Property Tax Association
- Canadian Renewable Energy Association
- Capital Power
- Chemistry Industry Association of Canada
- Explorers and Producers Association of Canada
- Federation of Gas Co-ops
- FORTIS Alberta
- Independent Power Producers Society of Alberta
- Local Government Administration Association of Alberta
- Northeast Capital Industry Association
- Pipeline Property Tax Group
- Rogers Communications
- Rural Municipalities of Alberta
- TELUS

©2024 Government of Alberta | March 20, 2024 | Communications and Public Engagement