

Central Alberta

Regional Assessment Review Board

Complaint ID 0263 1253
Roll No. 526244000

LOCAL ASSESSMENT REVIEW BOARD DECISION
HEARING DATE: July 4, 2019

PRESIDING OFFICER: LINDA McLEVIN
BOARD MEMBER: MAUREEN CHALACK
BOARD MEMBER: JACK KLINE

BETWEEN:

Douglas R. and Beverly Schneider

Complainant

-and-

Red Deer County

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 Red Deer County as follows:

ROLL NUMBER: 526244000

MUNICIPAL ADDRESS: SW-24- 36- 2-5

ASSESSMENT AMOUNT: \$185,100

The complaint was heard by the Local Alberta Assessment Review Board on the 4th day of July 2019, at the office of Red Deer County, in the province of Alberta.

The Complainants Douglas R. and Beverly Schneider did not attend. It was noted by Presiding Officer L. McLevin that the Complainants had made contact with the Board Clerk and informed her that they would not be in attendance.

Appeared on behalf of the Respondent: Michael Arnold, AMAA, Assessor and Brad Koopmans, Assessor on behalf of Red Deer County.

DECISION: The Board decides that no change to the assessment roll is required. The assessment of the subject property is \$185,100.00.

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 Red Deer County, Bylaw No. 2018/6, *Regional Assessment Review Board Bylaw* (November 14, 2011).

PROPERTY DESCRIPTION AND BACKGROUND

- [2] The subject property is a parcel of land located along Medicine River containing 147.3 acres of Land. The Medicine River forms part of the eastern boundary. The property was purchased in May of 2014. The structure was added to the property close to Medicine River. A local farmer for cattle grazing leases the property.
- [3] A property assessment complaint was filed on April 24, 2019. Confirmation of Receipt of the Complaint and The Notice of Hearing was issued May 24, 2019.

PRELIMINARY MATTERS

- [4] The Presiding Officer confirmed that no Board Member raised any conflicts of interest with regard to matters before them.
- [5] The Complainant was not in attendance and had informed the Board Clerk the morning July 4, 2019 that they would not be attending the hearing. The Respondent did not raise any objection to the panel hearing the complaint.
- [6] No additional preliminary or procedural matters were raised by any party. In the absence of the Complainant, the Respondent indicated that they were prepared to proceed with the complaints.
- [7] The Board confirmed the submissions of the parties and entered the following Exhibits into the record:
- A.1 Hearing Materials provided by Clerk – 6 pages
 - Complainant Submission – Initial filing contained within Hearing Materials (page 2-4)
 - R.1 Respondent Submission – 32 pages

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

- [8] For the record the Presiding Officer read the information from the initial filing (Exhibit A1, pages 2-4) as this was the only information provided by the Complainant.
- [9] The Complainant identified the following issues on the Complaint Form: **1** the description of the property or business, **3** an assessment amount, **4** an assessment class, **6** the type of property, and **7** the type of improvement.
- [10] The Complainant attached a short submission to his complaint form stating there was an incorrect addition of the Residential Assessment Class for the Property Assessment for 2019.
- [11] In support of his position the Complainant identified the following:
- The Land does not have access other than an oil lease right-of-way that is almost impassable.
 - The Land is totally un-serviced as to electricity, gas, water, and sewer.
 - The entire quarter has been leased to a local farmer since 2015 for cattle grazing during summer months.
 - The land is not accessible during the winter months other than by ski-doo.
 - The property owner lives 120 km from the quarter.
 - A one-room skid shack was built to provide storage and occasional overnight shelter for the care and maintenance of the property.
 - The property will never be developed as residential as the cost of building one mile of county standard road is prohibitive.
- [12] The Complainant requested the residential assessment class be removed and the property remain assessed as farmland.

Position of the Respondent

- [13] The Respondent confirmed the property's legal address and land location as the SW-24-36-2-5, Roll number 526244000. The property consists of 147.3 acres of Land and the Medicine River forms part of the eastern boundary. The land is leased to a local farmer for the purpose of cattle grazing.
- [14] The Respondent stated that for the 2017 Assessment Year, the subject property was assessed using only the Agricultural use value standard, however based on review of the 2016 and 2018 aerial photos of the property (Exhibit R1, pages 3-5), a structure was identified as having been added to the property (since 2014).
- [15] The Respondent further stated that Red Deer County sent a letter to the Complainants on October 31, 2018 asking them to contact the County to clarify the structure and its use. In a phone conversation with the Assessor for Red Deer County on December 12, 2018 the Complainant confirmed the following:
- 16X20 cabin on skids

- wood heat
- added 2014
- finished exterior
- no interior partitions
- occasionally overnight stay in the summer months

[16] The Respondent stated that at the end of the conversation, he advised the Complainants of the changes to the 2018 assessment (2019 tax) year based on the information identified above. Taking into account the various site factors (e.g. location, access, no servicing) the cabin and a 3-acre site at residential market value would be added to the property assessment for 2018.

[17] The Respondent reviewed the breakdown of the 2018 Assessment, 144.3 acres of regulated farmland (agricultural use value) at \$18,950 with 3-acres of residential market value land and a 16X20 cabin (also referred to as a summer cottage or shack). The 3 acres of land is assessed at \$140,790 and the cabin is assessed at \$25,360 for a total assessment of \$185,100.00. This Assessment Summary is included in the Appendix of R-1.

[18] The Respondent explained legislation is applied equitably to all properties in Red Deer County once the Assessors are made aware of the use. Where there is any type and duration of residential use (e.g. camping, recreational use, cabin structures, etc.), the assessment must be prepared in accordance with legislation, *Matters Relating to Assessment Complaints* s.7 (1)(a,b) and s. 7(3)(c) which states:

Valuation standard for a parcel of land

7(1) The valuation standard for a parcel of land is

- (a) market value, or
- (b) if the parcel is used for farming operations, agricultural use value.

(2) In preparing an assessment for a parcel of land based on agricultural use value, the assessor must follow the procedures set out in the Alberta Farm Land Assessment Minister's Guidelines.

(3) Despite subsection (1)(b), the valuation standard for the following property is market value:

- (a) a parcel of land containing less than one acre;
- (b) a parcel of land containing at least one acre but not more than 3 acres that is used but not necessarily occupied for residential purposes or can be serviced by using water and sewer distribution lines located in land that is adjacent to the parcel;
- (c) an area of 3 acres located within a larger parcel of land where any part of the larger parcel is used but not necessarily occupied for residential purposes;

[19] The Respondent described the assessment to the Board and the considerations for the 3-acre portion which was re-classified to Residential Use Market Value the following factors were taken into account:

- Proximity to the Medicine River;

- Access is from two ways through locked gates. The property is accessed on the western border through an oil and gas lease road at the south end of RR21 off township Rd364 or at the southwest corner RR21 off Hwy 54 which is a fair- weather road only;
- There is no servicing to the property;
- The site was assessed considering the summer cottage (cabin or shack) with the land breakdown for the base site value and addition for riverfront property;
- Subtracted value for the limited access to the site;
- The interior of the summer cottage was not inspected and the Respondent took the owners word at face value that there were no interior walls but there was a wood stove;
- The balance of property remains as farmland using the agricultural use value standard (144.3 acres) in recognition of the fact that the property has been leased to a local farmer for cattle grazing.

[20] The Respondent also explained during questioning how the value of the cabin/shack was determined at \$25,360. The Respondent stated that in the absence of a site visit or a development permit on file he had made comparisons of other similar structures throughout region for the value of sales. He considered this a reasonable value for this type of structure.

[21] The Respondent further stated that the aerial photographs indicated a dock, trailer and water-craft of some sort, but the main focus had been on the cabin/shack which is only used occasionally. Structure as defined in s. 284(1)(u) of the MGA means “a building or other thing erected or placed in, on, over or under land, whether or not it is so affixed to the land as to become transferred without special mention by a transfer or sale of the land”.

[22] The Respondent requested that the assessment be confirmed.

BOARD FINDINGS and DECISION

[23] The Board considered the addition of the cabin/shack (structure) occurred after the purchase in 2014 of the subject property. The Respondent stated this information was confirmed with the Complainant via phone conversation December 12, 2019. During that conversation, the Respondent confirmed the structure to be a 16x20 cabin on skids, with wood heat, finished exterior with no interior partitions and no services on the site. Although the Respondent did not make a site visit, they did provide aerial photographs of subject property in Exhibit R1 pages 6-7.

[24] The Board also considered the initial filing in Exhibit A1 pages 3 by the Complainant which confirms the one-room cabin on skids was built to provide storage and occasional overnight shelter for the care and maintenance of the property.

[25] The Board heard from both parties that the land is leased to a local farmer for cattle grazing, the land is not serviced with electricity, gas, water or sewer. The Board also heard that access to the land is limited to the summer months and can only be accessed by ski-doo during winter months.

[26] The Board heard from the Respondent that the valuation is equitable to other properties throughout the County where they are aware of similar structures. The Board accepts this statement as it was not disputed by the Complainant in their submission.

[27] In addition to s. 7 of MRAC, the Board reviewed the following legislation as it relates to the valuation of the subject property:

MGA s. 297(1):

Assigning assessment classes to property

297(1) When preparing an assessment of property, the assessor must assign one or more of the following assessment classes to the property:

- (a) class 1 - residential;
- (b) class 2 - non-residential;
- (c) class 3 - farm land;
- (d) class 4 - machinery and equipment.

MGA s. 297 (4):

(4) In this section.

(a) "farm land" means land used for farming operations as defined in the regulations;

(a.1) "machinery and equipment" does not include

(i) any thing that falls within the definition of linear property as set out in section 284(1)(k), or

(ii) any component of a manufacturing or processing facility that is used for the cogeneration of power;

(b) "non-residential", in respect of property, means linear property, components of manufacturing or processing facilities that are used for the cogeneration of power or other property on which industry, commerce or another use takes place or is permitted to take place under a land use bylaw passed by a council, but does not include farm land or land that is used or intended to be used for permanent living accommodation;

(c) "residential", in respect of property, means property that is not classed by the assessor as farm land, machinery and equipment or non-residential.

RSA 2000 cM-26 s297;2002 c19 s6;
2016 c24 s29;2017 c13 s2(7)

[28] The Board finds the 3-acre parcel should be assessed using the Residential market valuation as per the noted Legislation.

[29] The Board accepts the Respondents explanation of how the assessment of the cabin/shack at a value of \$25,360 is a reasonable value for this type of structure. This is based on the testimony of the Respondent that they looked at similar structures throughout the region and compared the value of sales. Although the Respondent did not conduct a site visit, they did take the word of the Complainant at face value to value the structure. Given the information before the Board, the Board believes this amount to be reasonable.

DECISION SUMMARY

- [30] Based on the evidence provided to the Board, there is no change to the assessed value of \$185,100 required.
- [31] Dated at the Central Alberta Regional Assessment Review Board, in the city of Red Deer, in the Province of Alberta this 1st day of August, 2019 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.



Linda McLevin
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.

ITEM

- A.1 Hearing Materials provided by Clerk – 6 pages
- A.1 Complainant Submission – Initial filing contained within Hearing Materials (page 2-4)
- R.1 Respondent Submission – 32 pages