

# Municipal Government Act Review

## What We Heard: A Summary of Consultation Input

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Assessment and Taxation Technical Session

Held in Edson on March 5, 2014

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Developed by KPMG for Alberta Municipal Affairs



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## Introduction

### Purpose

This document provides a summary of what was heard during a consultation session for the *Municipal Government Act* (MGA) review. The summary below includes the comments and opinions of the participants of the Assessment and Taxation Technical Session held in Edson. These contributions have not been reviewed or edited for accuracy. Comments recorded here reflect the opinions of individuals offered in person and recorded by session facilitators; they do not represent the opinion of the Government of Alberta.

The input summarized below will be considered by Alberta Municipal Affairs as part of the review of the legislation. Municipal Affairs would like to thank the participants of this session, as well as all Albertans participating in the review of the MGA. Any inquiries related to this summary or to the consultation process should be directed by email to the MGA Review Team at [mga.review@gov.ab.ca](mailto:mga.review@gov.ab.ca).

### The Municipal Government Act Review

The MGA is designed to help build strong, prosperous and sustainable communities throughout Alberta. Alberta Municipal Affairs is reviewing and refreshing the MGA to address societal changes and evolving needs, and to ensure the MGA continues to meet its objective. A successful MGA review process will continue to position Alberta as the leading Canadian jurisdiction in terms of municipal legislation, having incorporated sound thinking, input and research into a clear Act that meets the needs of the Province and municipalities. In order to achieve this vision, an inclusive and comprehensive engagement process was developed to ensure stakeholders across the province have opportunities to provide input to the review.

As part of the MGA review, regional consultations were held in eleven locations around the province to give Albertans an opportunity to provide input face-to-face. In each location, different types of sessions were held, including Technical Sessions, a Business and Industry Session, a Municipal Administrators Session, an Elected Officials Session, and a Public Open House.

These engagements were conducted in February 2014 to April 2014, in 11 locations throughout the province. Each engagement was held over three days in the following locations:

- Brooks
- Calgary
- Edmonton
- Edson
- Fort McMurray
- Grande Prairie
- Lethbridge
- Medicine Hat
- Peace River
- Red Deer
- Vermilion

Sessions were promoted via news releases, direct email invitations, social media, and by the Minister of Municipal Affairs at stakeholder conventions. Information on regional session locations, dates and registration were on the MGA Review website.

Input to the MGA Review has also been provided through other channels, including the MGA Review website ([mgareview.alberta.ca](http://mgareview.alberta.ca)), the MGA Review Consultation Workbook, and official submissions.

## Session Overview

<b>Session</b>	Assessment and Taxation Technical Session
<b>Location</b>	Lions Club Hall, Edson
<b>Date</b>	March 5, 2014
<b>Number of Participants</b>	9

- This session was open to anyone who wished to attend. Participants were asked to register in advance in order to receive background materials before the session.

## Regional Consultation Methodology

### ***How sessions were organized***

Regional consultations were structured around one or more of the three themes of the MGA Review:

- Governance and Administration
- Assessment and Taxation
- Planning and Development

Participants were provided with agendas in advance, which identified a list of potential topics for discussion. These topics were taken directly from the MGA Review Consultation Workbook. Several of the topics for discussion appear under more than one of the three themes of the review because they are relevant to more than one theme (e.g. public participation). The agenda is attached as Appendix A.

At this session, participants provided input through facilitated table discussions. The goal of the facilitated conversations was to give the opportunity to all participants to discuss the issues that mattered most to them. Given the large size and scope of the MGA, participants at each table were asked to focus their discussion on those topics that they felt were most important to provide input on, using the list provided in advance. In addition, this session included time for “open discussion” during which participants could provide any additional input that they felt was important to the review. Table facilitators and note takers included staff from Municipal Affairs, KPMG and ADR Education.

### ***Capturing input and reporting***

Input from session participants was captured on flipcharts by facilitators during the discussion. It was explained to participants that:

- Comments were being recorded on flipcharts so that they could be captured and considered by Municipal Affairs as part of the review of the MGA.
- Comments would not be attributed to individuals or organizations.
- Other avenues were also available to provide written input to the review.

The summary below documents the input heard from participants and recorded on flipcharts. These comments have been transcribed and organized according to the list of topics for discussion; they have not been screened for accuracy and do not reflect consensus of participants. As a result, comments and opinions listed may be contradictory. Comments that apply to issues outside of the scope of the review (e.g., suggested changes to other legislation) have been removed.

It is important to emphasize that this summary reflects the input heard from participants, and does not reflect the position of the Government of Alberta.

**How the Summary of Responses is Organized**

*Input from session participants is organized according to the three themes for the review:*

- *Governance and Administration*
- *Assessment and Taxation*
- *Planning and Development*

*Within these themes, comments are organized according to the applicable topics for discussion, using the list provided to participants in advance. In some sessions, not all themes may have been discussed.*

# Summary of Input

## General Comments about the MGA

The following input was received and documented related to the MGA in general.

Comments from participants included that:

- Large municipalities should be required to complete a five-year business plan and these plans should be publicly available.
- The Province should follow-up and ask for updates regarding municipal business plans.

## Assessment and Taxation

The following input was received and documented related to assessment and taxation.

### Taxation and Municipal Finances

#### ***Taxation***

Comments from participants included that:

- Currently, there is no way to know if the funds collected by well drilling equipment taxes are being used for roads. More transparency is needed in how these dollars collected are being used.
  - Other industries like forestry should also be required to pay similar taxes to account for their use of roads.
- Residential and non-residential tax rates should be linked.

#### ***Municipal revenue sources***

Comments from participants included that:

- Provincial grants should be more consistent, longer-term and more permanent.

#### ***Fees and levies***

Comments from participants included that:

- The application of off-site levies needs to be applied consistently amongst municipalities throughout Alberta.
- Off-site levies should be expanded to include other services such as fire stations.
- Municipalities need to have the ability to collect off-site levies more than once under certain circumstances.

## Exemptions from Assessment and Taxation

### ***Exemptions and other special tax treatment***

Comments from participants included that:

- Special exemptions should be available to help promote renewable energy through the province.
- There should not be any provisions that allow the use of tax breaks to attract businesses to certain municipalities.
- A clear statement is needed to define what is assessable and what is eligible for reduced assessment.

## Market Value, Equalized and Supplementary Assessment

### ***Market value assessment and administration***

Comments from participants included that:

- The preparation of market value assessments should remain with local assessors.
- Currently, the timing of hotel assessments makes them difficult to prepare as there is typically high vacancies in the hotels when the assessments take place.
- The current assessment and calculation dates are time consuming and require a lot of explanation to citizens.

### ***Equalized assessment***

Comments from participants included that:

- Municipalities should not be required to collect education taxes and this should become the Province's responsibility to collect.
- The MGA needs to outline how education tax exemptions are applied to linear property and to machinery and equipment.

### ***Progressive and supplementary assessment***

Comments from participants included that:

- There should be no progressive assessment on linear property or machinery and equipment. Supplementary assessments would make more sense.

## Industrial and Agricultural Property Assessment

### ***Linear property assessment***

Comments from participants included that:

- There should be a centralized assessment and taxation body for all industrial assessment to provide consistency in assessment across the province.
- The way that the Province administers linear assessment is working well.



- Currently, assessors are only trained for residential and commercial assessment and they should also be trained to administer industrial assessments.
  - The MGA should outline minimum qualification for assessors of industrial facilities.

### ***Farm property assessment***

Comments from participants included that:

- The Rural Assessment Policy should be eliminated or adjusted to meet current standards.
- Farmland should be assessed at market value.
- Farmland assessments should be eliminated as a separate assessment class.
- Corporate farms should be assessed the same as industry.

## **Public Participation and Assessment Appeals**

### ***Assessment complaints and appeals***

Comments from participants included that:

- The appeals process should be independent, which means councillors should not sit on boards.
  - For smaller municipalities, board participation needs to remain flexible, since it is difficult to recruit participants.
- Appeals related to linear property and to machinery and equipment should be heard by the Municipal Government Board.

## Appendix A: Session Agenda

### *MGA Review: Assessment and Taxation Technical Session*

Agenda Item	Timing
<b>1. Welcome and introductions</b>	1:00-1:10
<b>2. Potential topics for discussion:</b> <u>Subject 1: Taxation and Municipal Finances</u> <ul style="list-style-type: none"> <li>• Taxation</li> <li>• Municipal revenue sources</li> <li>• Fees and levies</li> </ul> <u>Subject 2: Exemptions from Assessment and Taxation</u> <ul style="list-style-type: none"> <li>• Exemptions and other special tax treatment</li> </ul> <u>Subject 3: Market Value, Equalized and Supplementary Assessment</u> <ul style="list-style-type: none"> <li>• Market value assessment and administration</li> <li>• Equalized assessment</li> <li>• Progressive and supplementary assessment</li> </ul> <u>Subject 4: Industrial and Agricultural Property Assessment</u> <ul style="list-style-type: none"> <li>• Linear property assessment</li> <li>• Machinery and equipment property assessment</li> <li>• Transportation properties</li> <li>• Farm property assessment</li> </ul> <u>Subject 5: Assessment Administration</u> <u>Subject 6: Public Participation and Assessment Appeals</u> <ul style="list-style-type: none"> <li>• Public participation</li> <li>• Assessment complaints and appeals</li> <li>• Municipal Government Board</li> </ul>	1:10-1:20
<b>3. Change tables (if needed)</b>	1:20-1:25
<b>4. Table facilitation</b> <ul style="list-style-type: none"> <li>▪ Up to three topics will be prioritized for discussion (~20 minutes each)</li> <li>▪ Discussion will focus on what is working well, desired changes, and potential impacts of changes to the legislation</li> </ul>	1:25-2:35
<b>5. Open discussion</b> <ul style="list-style-type: none"> <li>▪ Are there any other relevant topics participants want to address?</li> </ul>	2:35-2:55
<b>6. Wrap-up</b>	2:55-3:00