

RECORD OF HEARING – LOCAL ASSESSMENT REVIEW BOARD

IN THE MATTER OF THE *Municipal Government Act* being Chapter M-26 of the Revised Statutes of Alberta 2000;

AND IN THE MATTER OF A COMPLAINT of the assessment valuation on property located at 802 Beach Avenue, Cold Lake, Alberta legally described as Plan 623E0 Block 2, Lot 1.

AND IN THE MATTER OF a Local Assessment Review Board (LARB) hearing held on September 19, 2018 at 9:00 A.M. in the Council Chambers at City Hall in the City of Cold Lake;

BETWEEN

Franzliska Jacobsen (Complainant)

-And-

City of Cold Lake (Respondent)

BEFORE

Chris Vining, Chairperson
Norman Perreault, Member
Patrick Hort, Member

ALSO PRESENT

Kristy Isert, LARB Clerk
Stephanie Harris, Recording Secretary
Troy Birtles, Assessor, Accurate Assessment Group Ltd.

CALL TO ORDER

Chairperson called the meeting to order at 9:00 A.M. and welcomed those in attendance to the hearing.

INTRODUCTIONS

The board members, board clerk and recording secretary for the City of Cold Lake introduced themselves.

PURPOSE OF THE LOCAL ASSESSMENT REVIEW BOARD

The Chairperson stated that the purpose of the Local Assessment Review Board is to set out an assessment complaint system for property owners who have concerns about their property assessment or about other matters on an assessment or tax notice made by the City of Cold Lake's taxation and assessment authorities. If an interested person disagrees with a decision

made by the City of Cold Lake's taxation and assessment authorities, he or she may file a notice of appeal with the Assessment Review Board in accordance with the *Municipal Government Act*. This notice triggers a hearing before the Assessment Review Board. The Board draws upon the knowledge, experience and expertise of its broad spectrum of Members. Each case will be considered on its merits.

APPEAL OVERVIEW

The Chairperson asked the clerk to summarize the appeal. The clerk outlined the reason for the hearing as follows:

The Local Assessment Review Board has received an appeal from Ms. Jacobsen for property located at 802 Beach Avenue, Cold Lake, legal land description Plan 623EO Block 2, Lot 1. Ms. Jacobsen is appealing the assessment amount of \$409,300 from the 2018 assessment notice. Ms. Jacobsen requests her property be valued at \$300,000.

The Chairperson asked the Clerk if all notices had been given within the designated time frame. Clerk advised that all notices were given within the designated time frames. Ms. Jacobsen's appeal was received on April 3, 2018 before the appeal deadline of May 14, 2018. The Notice of Hearing was sent to the Appellant on June 20, 2018 well before the notification deadline date of August 14, 2018. The Appellant did not file any disclosure. The Respondent's disclosure was provided on September 10, 2018, prior to the deadline date of September 11, 2018. The deadline for rebuttal evidence was September 17, 2018. No rebuttal evidence was received.

CONFLICT OF INTEREST

Chairperson asked the board if any member had a conflict of interest in hearing the appeal.

None were expressed.

OBJECTIONS TO ANY BOARD MEMBER

The Complainant was not present at the hearing, nor did she advise that she was unable to attend the hearing; as such the Chairperson was not able to ask if the Complainant had any objections to any of the board members hearing the appeal.

The Chairperson asked that all questions/statements be directed through the Chairperson and that names be clearly stated for the record. The Chairperson further asked that all cell phones be turned off.

INTRODUCTION OF THE PARTIES TO THE APPEAL

The Complainant was not present, and no one appeared on her behalf.

Respondent, Troy Birtles, Accurate Assessment was present. Mr. Birtles is the appointed assessor for the City of Cold Lake.

SUMMARY OF THE PROCEDURE

The Chairperson advised that the Assessment Review Board's usual practice is to have the Complainant present all their evidence first, once this presentation is complete. Then the Respondent and the panel will have the opportunity to ask questions. Next, the Respondent presents their evidence and once the Respondent's presentation is complete, then there will be an opportunity for the Complainant and the panel to ask questions. Finally, there will be an opportunity for closing comments where both parties will have an opportunity to present their argument and summarize their evidence for the panel.

The Chairperson asked if everyone is satisfied with this procedure today, or if there were any questions.

The Respondent agreed to this procedure and no questions were expressed.

COMPLAINANT STATEMENT

The Complainant was not present to provide information to the board.

The reason for complaint from Section 5 of the Assessment Review Board Complaint Form was read onto the record:

"I believe the assessed value at 409,300 is much too high under present conditions. We have had the property listed for sale for over a year now at a price of \$420,000. We have only had one offer during that whole time and that offer was for \$275,000."

QUESTIONS FROM LARB MEMBERS TO THE COMPLAINANT

None were expressed.

QUESTIONS FROM THE RESPONDENT TO THE COMPLAINANT

None were expressed.

RESPONDENT STATEMENT

Mr. Birtles reported the following:

1. Review of the legislation noted in the assessor's report. The legislation was explained to be important because it sets the standards for the assessment and the disclosure of evidence for the appeal.
2. Explanation of the findings of the assessor's report including explanation that:
 - a) The current assessment is listed at \$409,300
 - b) The property is 7050 square feet and the value per square foot is \$58.06
 - c) Other assessments of properties nearby range from \$46.01 to \$68.05 size that are similar in configuration.
 - d) Some neighbouring properties were not calculated because they are larger parcels of land, also listings are not used to do an assessment

- e) No evidence was submitted by the complainant except that original complaint letter;
- f) The assessment is audited annually by the Province of Alberta

The assessment complaint was read aloud.

"I believe the assessed value at 409,300 is much too high under present conditions. We have had the property listed for sale for over a year now at a price of \$420,000. We have only had one offer during that whole time and that offer was for \$275,000."

3. Explanation of the quality standards from the assessor's report:

- a) First measurement: The median assessment to sales ratio must fall between 95-105%.
- b) Second measurement: There must be a coefficient of dispersion less than 15.
- c) There were 310 sales of improved residential properties from July 1, 2016 to June 30, 2017
- d) The market we are reviewing for this assessment the median ASR is 98.5% and has 5.6 coefficient
- e) All statistics meet the quality standards set out in the regulation.

4. Explanation of the market analysis from the assessor's report:

- a) Market value is the standard to assess the property value for a comparison point
- b) Sales of similar properties is what the assessment is based off of
- c) Lakefront properties are hard to find and few in between and sales of vacant lakefront properties are even fewer and far between
- d) An example was given of a property 5 lots down with a cabin on skids. This property had a land value of \$430,000 which equals \$65 per square foot
- e) There were not many vacant lakefront properties to compare this property to, one must also consider some lakefront properties sit higher up from the lake and have a large drop, there is no nice transition to the lake, which affects property value as well
- f) Another example was given of a property that sold for \$440,000, that had a smaller amount of lake front piece of land and it was not connected to municipal services, adjustments would have been made for this.
- g) The purpose of the above examples are to show there is still a heavy market for lake front properties and the market is still strong for these type of properties

5. The assessor stated that the assessment was fair, equitable and met the quality standards under the legislation.

QUESTIONS FROM LARB MEMBER TO THE RESPONDENT

Norman Perreault, Member: (To Chris Vining) Did you raise the tax this year?

Chris Vining, Chairperson: Well the assessments are based on what was given to us.

Norman Perreault, Member: The prices of houses went down in 2016-, well most of the prices. The sales comparables now that it is 2018 and because of the oil, the house prices went down a lot. Are you taking this into consideration?

Troy Birtles, Assessor: Absolutely, we will touch on this more. The assessment conditions are as of July 1, 2017.

Chris Vining, Chairperson: That was one of my questions....

Troy Birtles, Assessor: Any sales that occur are used to help calculate the assessments. Generally, they have gone down since 2014, quite a heavy decline but again this also involves different sectors, for example condos, lakefront homes, detached etc. Lakefront properties have gone down as well but not to same degree. So, July 1, 2018 assessment would be for next year and July 1, 2017 to July 2018 is for this year. This is not a City of Cold Lake thing, it is a province of Alberta thing, to use the assessments a year behind. If you look at the complainant's statement, he did not sell his house at \$275,000 because it believes it is worth more than that.

Chris Vining, Chairperson: So 2016 versus where we are at now. So in 2016 it was for sale for \$440,000?

Troy Birtles, Assessor: We typically wouldn't use out of that window- but there aren't any other properties.

Chris Vining, Chairperson: I accept that, it is close to that.

Patrick Hort, Member: The property to the south of the park, it is a recent build, maybe 4-5 years ago. I noticed the prices are similar but it is a larger property- did you look at that specific property? On page 13, to the south of the park. The recent build there?

Troy Birtles, Assessor: If I recall, it has been 6-8 years since that property was sold.

Patrick Hort, Member: 6-8 years ago already?

QUESTIONS FROM THE COMPLAINANT TO THE RESPONDENT

Complainant not present.

SUMMARY OF REBUTTAL BY COMPLAINANT

Complainant not present.

SUMMARY OF REBUTTAL BY RESPONDENT

None.

RESPONDENT CLOSING COMMENTS

Troy Birtles, Assessor: I am not going to introduce anything new here. There was no evidence submitted to suggest the assessment is wrong and no additional evidence has been provided to support their case. I have provided market evidence that supports the assessed evidence. I am audited by the province, which shows that I meet the quality standards for all these reasons. I feel the assessment is correct and I have no recommendation for an adjustment at this time.

COMPLAINANT CLOSING COMMENTS

Complainant not present.

FINAL QUESTIONS TO THE COMPLAINANT OR RESPONDENT

None were expressed.

CHAIRPERSON TO THE COMPLAINANT

As the complainant was not present, the Chairperson could not ask the complainant if he felt he had the opportunity to present all the information he wanted to present to the board.

CHAIRPERSON TO THE RESPONDENT

The Chairperson asked the assessor if he felt he had the opportunity to present all the information he wanted to present to the board.

The assessor responded "yes".

LARB HEARING CLOSED

The Chairperson declared the hearing closed at 9:23 A.M.

The Chairperson advised that the legislation requires a written decision with reasons within 30 days, and gives the Clerk an additional seven days to issue it. The Chairperson further advised that the board would make every effort to meet or beat those requirements, and the Clerk would forward the Panel's decision to the parties as soon as possible.

DECISION

The complaint is denied and the assessment for roll no. 129000 is confirmed at \$409,300.

REASON FOR DECISION

Based on the information presented to the board, the reason for the decision is as follows:

- (1) The complainant did not attend the hearing, however, the hearing proceeded in the complainant's absence in accordance with section 463 of the *Municipal Government Act* RSA 2000, Chapter M-26 because all persons required to be notified were given notice of the hearing and no request for postponement or an adjournment was received by the board.
- (2) The LARB has the authority under section 467(1) of the *Municipal Government Act* RSA 2000, Chapter M-26 to make a change to an assessment roll or tax roll or decide that no change is required. However, section 467(3) of the *Municipal Government Act* RSA 2000, Chapter M-26 states that:

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.

(3) The board accepted the assessor's evidence confirming the assessment complied with the required valuation, quality standards and procedures under section 10 of the *Matters Relating to Assessment and Taxation Regulation* AR 220/2004. The board also accepted the assessor's evidence of market analysis and a comparable sales report which showed that the suggested value for the property based on the market was similar to the assessed value. The board determined that the evidence presented by the assessor showed that the assessment of the property was fair and equitable in accordance with section 467(3) of the *Municipal Government Act* RSA 2000, Chapter M-26. The complainant did not provide any evidence to challenge the assessor's report.

(4) Section 460(7) of the *Municipal Government Act* RSA 2000, Chapter M-26 states that:

A complainant must:

- (a) Indicate what information shown on an assessment notice or tax notice is incorrect,
- (b) Explain in what respect that information is incorrect,
- (c) Indicate what the correct information is, and
- (d) Identify the requested assessed value, if the complaint relates to an assessment.

(5) The complainant did not submit any evidence to support the complaint or attend the hearing to present his case. In accordance with section 9(2) of the *Matters Related to the Assessment Complaints Regulation* AR 310/2009, the board may only consider evidence which was disclosed in accordance with section 8 of the *Matters Related to the Assessment Complaints Regulation* AR 310/2009.

The board finds that the assessment amount should not change because the assessment meets the quality standards as set out in the legislation and regulations, statistics and comparable sales evidence support the current assessment, and the complainant has not submitted any evidence that the assessment should be changed.

Dated this 16 day of October, 2018


ASSESSMENT REVIEW BOARD
Chris Vining, Chairperson