



## Assessment Review Board

### Mandate and Composition

<b>Mandate</b>	To hear complaints against assessment and taxation matters received by the City Clerk pursuant to Section 460 of the Municipal Government Act (MGA).
<b>Composition</b>	Members (Citizens) General Chairman (Citizen) Provincial Member appointed by the Minister (CARB only)

### Details

<b>Chair</b>	John Mathias
<b>Number of meetings in the last year.</b>	<p>In 2019 a total of 2,952 assessment complaints were filed by the March 12 complaint filing deadline. A total of 996 residential complaints were scheduled for hearing before the local assessment review board (LARB) and 1,956 non-residential were scheduled for hearing before the composite assessment review board (CARB). Compared to 2018, there were approximately 15 percent more residential complaints and ten percent fewer non-residential complaints in 2019. A further 48 complaints related to supplementary and amended assessments were filed during the year. In addition, 22 Business Improvement Area (BIA) LARB complaints were filed, but these were settled in advance of the scheduled hearings. The Calgary Assessment Business Unit (ABU) brought 114 jurisdictional complaints before the CARB, all but six of which were withdrawn before the scheduled hearings.</p> <p>The total value of the properties under complaint in 2019 was \$22.2B. This was significantly less than the total value of \$33.4B under complaint in 2018. The value of non-residential properties under complaint was reduced to \$20.9B in 2019 from \$32.1B in 2018. The median non-residential property value under complaint fell from \$6.6M in 2018 to \$4.3M in 2019. Approximately 35.7 percent of the taxable non-residential roll, which represents 14.2 percent of the total inventory, was under complaint in 2019. The highest assessment under complaint in 2019 was \$617.4M for Market Mall. The total value of all residential properties under complaint increased from \$0.95B in 2018 to \$1.4B in 2019. However this represented a very small portion of the total inventory, as only 0.2 percent of all taxable residential accounts, or 0.6 percent of the total value of all residential accounts was under complaint to the ARB in 2019.</p> <p>The 2019 residential hearing season was not unlike previous years. Hearings commenced in late April and were completed by the middle of September. For the first six weeks of the hearing schedule, six panels were assigned on a daily basis to residential hearings. Approximately 82 percent of residential complaints were filed by self-represented homeowners, each of whom have a diverse range of experience and expectations in appearing before the LARB. A total of 376, or 36.4 percent of all residential hearings were settled without a hearing. The LARB issued a total of 657 decisions in 2019.</p>

	<p>In contrast, 96.9 percent of non-residential complaints were represented by tax agents, who typically request complaints related to similar properties or issues to be grouped and heard together. The 2019 non-residential hearing schedule was anything but routine, largely due to the \$130.9M PTP program which came into effect in June. Approximately 84 percent of non-residential properties were eligible for the PTP benefit, which limited the 2019 tax payable to a cap of 10 percent less than the previous year's tax bill. Since the PTP came into effect after the complaint filing deadline, the ARB agreed to refund complaint filing fees for withdrawals received by July 12th, 2019. The impact on the hearing schedule became apparent by mid-July and there was a cascading effect on settlements throughout the hearing season. In consultation with the ABU and the tax agent community, the ARB paused CARB hearings in the first two weeks of September. The existing hearing schedule was no longer efficient due to the many settlements, so the remaining complaints were rescheduled. All hearings were completed by about the middle of November. In the end, 83.9 percent of all non-residential complaints were settled prior to hearing. This was much higher than the 63.3 percent settlement rate in 2018 and about 23 percent in 2017. A total of 316 CARB decisions were issued in 2019.</p>
<p><b>Summary of initiatives, projects or work completed or ongoing in the last year.</b></p>	<p>Two major changes were implemented at the ARB in 2019. The ARB conducted all hearings using a paperless, electronic format for disclosure documents. This resulted in huge savings of paper and time for the ARB's administration, and enhanced board members' ability to view documents and write decisions. The paperless format also supported viable options for writing and reviewing offsite. Much time and thought were devoted to choosing the right hardware and software, to keeping it simple and user friendly, and to training members. It's been a huge success! The second initiative implemented by the ARB in 2019 was to make all of its decisions available on the CanLII website. This is an important step in the ARB's commitment to improving transparency and public access.</p> <p>An ongoing project has been the development of a joint Evidence Disclosure Portal (EDP). The ARB's administration has been working in conjunction with ABU and the tax agents to ensure all parties will have an easier and more efficient way of submitting and tracking disclosure documents. The EDP will also offer a much easier and more transparent filing process for self-represented parties. The EDP is expected to be up and running by the end of April 2020.</p>
<p><b>Outline of 2020 work plan.</b></p>	<p>The 2020 complaint deadline was on March 10th. A total of 3,004 complaints were received (2,196 non-residential and 808 residential complaints). This is a similar volume of complaints filed at last year's filing deadline. Non-residential complaints are up by about 12 percent and residential complaints are down about 19 percent. This is the opposite of what was anticipated, given the tax shift adopted in November 2019. The ARB anticipates there may be an increase in residential complaints in 2021 in response to the impact of the tax shift and the fallout effects of COVID-19 on the economy and the real estate market.</p> <p>In 2020, \$22.1B of non-residential property is under complaint. This represents 15.6 percent of the taxable accounts and 36.1 percent of the total assessed value. The median property value under complaint is \$4.4 M. The total value of residential property under complaint is \$0.85B. This represents only 0.16 percent of the total taxable accounts and 0.4 percent of the overall roll value. The median residential value under complaint in 2020 is \$541,250. Another surprising statistic is that less than 400 of the 808 residential complaints were filed by self-represented homeowners this year, well below the numbers of complaints filed by self-represented homeowners in the previous five years.</p>

	<p>The initial plan for 2020 was to commence LARB hearings on April 27th and CARB hearings on June 8th. However, with social distancing requirements and the shutdown of the ARB office due to COVID-19, a completely different work plan is necessary. The ARB’s leadership team, administration and legal counsel are considering options within the legislation to allow for remote electronic and written hearings. It is anticipated that electronic hearings will be conducted on a Microsoft Teams platform with all parties and board members calling in remotely via teleconference. A process for parties to consent to written hearings, where the decision is based solely on the documents submitted to the ARB, is also being finalized. If social distancing rules are lifted later in the year, hearings may automatically revert to in-person hearings. Procedural details, technical requirements and member training for remote electronic and written hearings are still being finalized, but the plan is to commence LARB written hearings on June 8th, LARB electronic hearings on June 29th and CARB hearings on the week of July 13th or 20th.</p>
<p><b>Challenges to fulfilling mandate.</b></p>	<p>Change and challenge bring innovation. In 2019 the ARB responded to change by adapting and developing more flexible processes in its hearing schedule and in the assignment of members to hearings. In addition a greater emphasis was placed on training and enhancing writing skills for all members, procedures for remote decision writing and reviewing were developed and weekly teleconference meetings were established to improve communication, and keep members current with ongoing developments. 2018 and 2019 were both very challenging years for managing the non-residential hearing schedule before the CARB. In 2018, the \$41M +5 percent PTP program was enacted about two weeks after the complaint deadline, resulting in slightly over 400 settlements and refunded complaint filing fees directly attributable to PTP. Overall, 63.3 percent of all CARB hearings were settled and cancelled. The effect was even greater in 2019. The broader application of the \$130.9M PTP and timing of its enactment in mid-year forced the ARB to suspend and reschedule hearings and member assignments. Nevertheless, all hearings were completed and written decisions were issued before the legislated requirement of December 31.</p> <p>The ARB’s transition to a paperless hearing process in 2019 has not only proved successful, but has provided some of the necessary support to transition to remote electronic hearings in 2020. The additional technology and new processes required to conduct remote hearings will likely reduce the number of panels and hearings scheduled each week, as the hearings are expected to take longer, and remote electronic capacity may be more limited than the in-person hearing capacity previously available at the ARB. With the delayed start of hearings in 2020 and the challenge of conducting remote electronic hearings in response to COVID-19, it is expected the 2020 complaints may not be completed until sometime in early 2021. The ARB anticipates receiving ministerial approval to extend the December 31 deadline for issuance of decisions if that is necessary due to COVID-19. While the hearing season will be extended, ARB leadership, members and administrative staff look forward to the challenge, and expect that the ARB will be able to develop improved and more accessible hearing processes for the public.</p>
<p><b>Additional information you would like to share with Council.</b></p>	<p>N/A</p>