



## Assessment Review Board

### Mandate and Composition

<b>Mandate</b>	<p>To hear complaints against assessment and taxation matters received by the City Clerk pursuant to Section 460 of the Municipal Government Act (MGA).</p> <p>"Assessment Review Board" means the Local Assessment Review Board and Composite Assessment Review Board established by sections 2(1) and 3(1) of Bylaw 15M2018</p>
<b>Composition</b>	<p>Members (Citizens) General Chairman (Citizen) Provincial Member appointed by the Minister (CARB only)</p>
<b>Chair</b>	John D Mathias

### Assessment Review Board (ARB) Update

#### 2020 ARB Hearing Year

A total of 3,026 assessment complaints were filed by the March 10, 2020 complaint deadline. 834 complaints were filed on residential properties and were scheduled for hearing before the local assessment review board (LARB). 2,192 complaints were filed on non-residential properties and were scheduled for hearing before the composite assessment review board (CARB). Compared to 2019, there were approximately 16 percent fewer LARB complaints and 12 percent more CARB complaints in 2020. A further 61 supplementary and amended assessment complaints were received during the year. Three Business Improvement Area (BIA) LARB complaints were also filed, but these were settled in advance of the scheduled hearings. Three Jurisdictional complaints were filed by the Calgary Assessment Business Unit (ABU) and all but one was withdrawn before the scheduled hearings.

The total value of non-residential and residential properties under complaint in 2020 was \$22.4B, nearly the same value under complaint in 2019 (\$22.2B). The value of non-residential property complaints saw a slight increase to \$21.6B in 2020, up from \$20.9B in the previous year. The median non-residential assessment amount under complaint was \$4.3M in 2019 and \$4.34M in 2020. The highest assessment amount under complaint in 2020 was \$399.5M for Southcentre Mall.

15.6 percent of all taxable non-residential accounts were under complaint in 2020 which represented 36.1 percent of the assessed value for the entire roll. While the total value of all residential property complaints decreased from \$1.4B in 2019 to \$872M in 2020, this represented a very small portion of



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the total inventory. Merely 0.2 percent of all taxable residential accounts, or 0.4 percent of the total value of all residential accounts was under complaint in 2020.

On the March 10th complaint filing deadline, there was no reason to suspect that the 2020 hearing season would be anything out of the ordinary. In-person hearings for residential property complaints were expected to commence in late April, followed by in-person hearings for non-residential property complaints starting in early June. However, the mandatory closure of our office due to COVID-19 immediately changed everything. The entire hearing process and schedule had to be completely reimagined, and every form, document, policy and procedure had to be reviewed, adapted and altered to accommodate the shift to electronic hearing formats. This was a massive undertaking and required an extensive and coordinated effort between ARB leadership, ARB administration and the ARB's legal counsel. As in-person hearings were no longer possible, the ARB offered complainants the choice of either written hearings, where evidence is submitted electronically and considered by the panel without personal attendance by the parties, or telephone conference hearings where parties participate over the telephone. The format and procedures were designed to be as simple as possible. Parties unfamiliar with technology, or parties with less advanced hardware and internet bandwidth in their new work from home environments could connect to a hearing using their phone, thus minimizing the technological challenges. Simply put, the ARB wanted to ensure all parties would have equal access to a fair hearing with a minimum of complexity.

For the ARB member operations, all communication and processes were moved over to the Microsoft Teams platform, with files and documents placed on OneDrive. Extensive training was provided to the 42 local ARB members and approximately 20 Provincial members who participate in the hearings. There was a huge learning curve, not only for ARB members, but also for the administrative staff who also had to adapt and learn an entirely new process. While it was very challenging to start with, Members and staff rose to the occasion and successfully learned and functioned in the new electronic environment. It was a model of determination, cooperation and positive enthusiasm, not only to make the best of a bad situation but to imagine how change and technology could lead to long-term benefits.

After a six week delay the hearing season began, starting with written hearings and then moving to telephone conference hearings for the majority of the season. LARB hearings began on June 8<sup>th</sup> and CARB hearings commenced on July 20<sup>th</sup>. ARB members conducted all hearings and deliberation on Microsoft Teams. Other than the odd problem with an internet connection or account verification, most proceedings and meetings went smoothly. Based on the initial volume of non-residential complaints filed, it was anticipated that the hearing and decision writing process would spill over into early 2021. However, due to a significant number of mutual agreements between the parties, the ARB completed its hearing agenda and issued all decisions prior to Christmas.

Although the 2020 non-residential hearing calendar was carefully planned out to schedule complaints in an expedient order for the parties that also ensured efficient use of ARB resources, there were numerous settlements between the parties. Settlements were often negotiated and finalized shortly before the scheduled hearing dates, leaving insufficient time to fill the empty hearing timeslots in the schedule.



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Approximately 47 percent of residential complaints were filed by self-represented homeowners. The expectations of the homeowners and the complexity of their presentations are diverse. Each residential property complaint hearing is unique. In 2020, 34.5 percent of all residential hearings were settled without a hearing.

In contrast, non-residential property complaints are overwhelmingly (97.3 percent) represented by tax agents. Similar types of properties, or ones with similar issues, are grouped and heard together. In the end, 79.3 percent of all CARB complaints were settled prior to a hearing. This was lower than the 84.3 percent settlement rate in 2019 (due largely to the \$130M PTP program) but higher than the settlement rate of approximately 58 percent in 2018.

### Initiatives and Projects

Essentially, 2020 was a year of technological initiation unlike any previously experienced by the ARB. As recently as 2018, all hearings were conducted in-person with evidence and submissions on paper. In 2019 the ARB discontinued the use of paper files and conducted all hearings using a paperless, electronic format for evidence and submissions. This proved to be a critical component for the 2020 hearing season, as ARB Members were familiar viewing and working with electronic documents and had the benefit of enhanced options for writing and reviewing documents offsite. 2020 was for the ARB a huge success story!

In addition to all the other technology changes, 2020 marked the first year for a joint Evidence Disclosure Portal (EDP). The ARB's administration worked tirelessly with ABU and the tax agent community to develop the EDP and all parties now have an easier and more efficient way of submitting and tracking documents required to be disclosed for hearings.

### 2021 Work Plan

The 2021 complaint filing deadline was on March 23rd. A total of 2,389 complaints were filed; 1,867 on non-residential properties, and 522 on residential properties. This is approximately 20 percent fewer complaints filed than last year. Non-residential and residential property complaints are each down by about 300 complaints from 2020, which represents a 14 percent reduction in non-residential complaints and a 35 percent reduction in residential complaints. The ARB was informed that the non-residential advance consultation period last Fall between tax agents and ABU was very successful in resolving multiple issues, and this appears to be reflected in the 2021 complaint volume. The significant reduction in residential complaints may be a result of pandemic-related market conditions. A shortage of available properties for sale in mid-2020 resulted in pent-up demand and a very active and heated real estate market around the time assessment notices were issued in January. The ARB anticipated that the tax shift and the negative effects of COVID-19 on the economy and the real estate market could result in a large volume of residential property complaints in 2021. However, property owners often compare the value on their assessment notice to the current market, and not to the July 1, 2020 valuation date.



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In 2021 LARB hearings will commence on May 3<sup>rd</sup> and CARB hearings will start on June 14<sup>th</sup>. Due to the lower complaint volume, hearings should be completed earlier than normal in October with decisions issued by the end of November.

The ARB anticipates it will not be able to offer any in-person hearings again this year. Written and telephone conference hearings will continue to be offered and, in keeping with the commitment to enhance access to justice, a videoconference hearing option has been added. Almost all of the non-residential complaints have opted for videoconference hearings. These will be conducted using Microsoft Teams. The 2021 hearing season is expected to be very similar to 2020, but without the steep learning curve to adjust to electronic hearing formats. It is expected to be a more predictable season.

### Challenges

It has been very challenging to manage the non-residential hearing workload at the ARB over the past two years. In 2019, 83.4 percent of all non-residential property complaints were settled by mutual agreement between the parties, often right before the scheduled hearing dates. In 2020, 79.3 percent of all non-residential files were settled prior to hearing. The ARB recognizes the benefit of these agreements, however the cancellations create inefficiencies in managing the ARB's resources. Because the regulations require that the parties be given a minimum ten week notice period before a hearing, the ARB is not able to fill last-minute openings in the hearing schedule.

However, the ARB recognizes that change and challenge bring innovation. The ARB has developed improved and more flexible scheduling processes for the complaint hearing schedule and Member assignment to hearing panels. Emphasis will continue to be placed on training and enhancing writing skills for all members. The ARB will use the experience gained with electronic hearings in 2020 to focus on enhanced efficiency. Daily morning meetings, conducted over Microsoft Teams, will continue during the 2021 hearing season to maintain communication, provide support and keep ARB Members current with ongoing developments and trends in property assessment complaint hearings. We look forward to a successful year in 2021.

The ARB will be available to answer questions and will provide a PowerPoint slide presentation with key operational statistics in a graphical format at the May 3<sup>rd</sup> meeting of Council.