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## Assessment Year Modifier Review Update

Alberta Municipal Affairs has provided RMA with an update on the assessment year modifier (AYM) review that is currently underway. The AYM process is currently being reviewed as one component of a broader assessment model review for machinery and equipment property and linear pipeline property. The last complete model review occurred in 2005.

The complete review includes the following:

- Construction costs
- Assessment year modifier process
- Depreciation
- Additional depreciation

Municipal Affairs is currently in the process of gathering updated construction costs for machinery and equipment property and linear pipeline property. When construction costs are updated, focus will shift to reviewing and updating the AYM and depreciation process. While the current review is highly technical, Municipal Affairs plans to work with RMA and AUMA in fall 2019 to consider potential impacts that changes to the AYM process and broader assessment model may have on municipalities.

Assuming the review proceeds as scheduled, Municipal Affairs expects to have the review completed in time for the changes to be reflected in the 2019 *Minister's Guidelines for Linear Property, Machinery and Equipment, Railway and Farm Land*, which would apply for the 2020 tax year.

Municipal Affairs plans to undertake a similar review of electric power system assessment in 2020 and telecommunications and railway system assessment in 2021.

RMA will continue to share information on the review process as it becomes available.

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