

Assessment Model Review

Policy Updates – March 2026

Overview

Municipal Affairs is updating the policies that govern regulated property assessments in Alberta as part of the ongoing Assessment Model Review. The changes aim to simplify rules, reduce ambiguity, and improve consistency and fairness of assessments. These updated policies reflect the input of municipalities, industry, and professional assessors.

Clearer rules and standardized assessment practices will improve transparency and predictability, while helping reduce disputes and assessment appeals. The updated system balances the needs of municipalities and industry by applying consistent approaches across regulated property types.

Assessment Models

Clarifying the foundational policies governing the assessment system allows the Assessment Model Review to move to its next phase: updating assessment models to better align with current practices, infrastructure, and technology.

Assessment models are the rules and procedures that determine how each type of regulated property is valued for property taxation purposes. The models for most types of regulated property, including wells, pipelines, telecommunications systems, electric power systems, machinery and equipment, and railways, were last updated in 2005.

Key Changes

Standardization

Standardized rates will be prepared and used wherever feasible and these rates will be developed for new property types where they do not currently exist, such as solar installations, and for existing properties where there are typical configurations of multiple components, such as wellsites. If it is unfeasible to calculate a standardized rate, site-specific reported costs will continue to be used.

The modernization and expansion of standardized rates will improve the consistency and efficiency of assessments, while providing municipalities and property owners with greater predictability.

Assessment Rules for Construction Costs

Regulated assessment is based on construction costs, and these policy updates have clarified which construction costs are assessable.

Construction will be considered complete when physical construction ends, and the assessment will not include pre-construction expenditures or post-build commissioning costs.

Most actual construction costs will be included in the assessment, reflecting the owner's capital investment in the asset. Exclusions will be tightly defined, focusing on costs due to extraordinary events and mandatory safety requirements, for example.

A provincial benchmark will be created to fairly adjust labour-related construction costs in remote areas.

These changes reduce ambiguity and align assessments with actual costs. They clarify rules for stakeholders, reduce complaints, limit subjective claims, and improve comparability and equity across properties, including those in remote areas.

Depreciation

When updated assessment models are developed, they will continue to include both a ceiling and floor limit for depreciation of machinery and equipment under Schedule C of the assessment formula.

This incentivises up-front capital investment by industry and supports long-term revenue in later years for municipalities. It provides scope clarity for assessment model development, reducing stakeholder uncertainty.

Specific assessment models for mature oil and gas assets will be developed as part of the next phase of the model review. Depreciation curves and other factors will be updated to better reflect the characteristics of these assets.

Reporting Consequences

Assessed persons may receive an administrative penalty (fine) when mandatory reporting is not provided to an assessor within 60 days of a formal request.

In these cases, the property owner will also lose the ability to appeal the assessment to the Land and Property Rights Tribunal.

This will improve assessment accuracy and fairness, boost reporting and legislative compliance, and encourage proactive property owner disclosure.

Review Schedule

Following the current Assessment Model Review, models will be updated on a regular, predetermined schedule (e.g., one to two property types a year) with each property type reviewed on a five-year cycle.

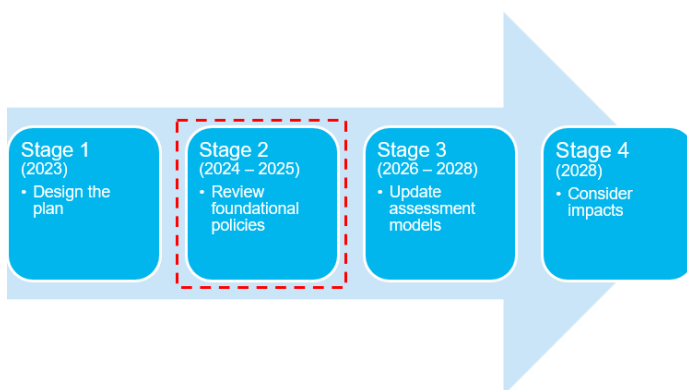
This change keeps assessment models current, captures modern technologies and construction practices, and reduces system shock resulting from delayed updates or overly broad changes.

Transition Rules

These policy changes will take effect on January 1, 2027, and will apply to new facilities assessed on a reported cost basis; assessments for existing major facilities will remain unchanged. The new rules will be applied to assessment models, including standardized rates, as they are updated in the next phase of the Assessment Model Review.

AMR Timeline

These changes mark the end of the policy review stage and move the Assessment Model Review forward into the next phase, which focuses on individual model reviews.



Next Steps

Updates to legislation and regulation to reflect these policy decisions are expected in spring 2026.

Municipal Affairs will work with industry, municipal and assessment stakeholders to begin reviews of the assessment models for individual regulated property types in 2026.

Resources

Stakeholders can follow the progress of the AMR on the at [Assessment Model Review engagement | Alberta.ca](https://www.alberta.ca/assessment-model-review-engagement)

Contact us

For inquiries during the AMR process, please contact the AMR Team toll-free by first dialing 310-0000, then 780-422-1377, or at ma.amr@gov.ab.ca.