



**Saskatchewan Assessment
Management Agency**

Taking Action

**A Progress Report on SAMA's Response
to Issues Arising from the 2005 Property
Assessment Revaluation in
Saskatchewan**

January 2007

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Saskatchewan Assessment Management Agency
200 - 2201 - 11th Avenue
Regina SK S4P 0J8
Tel: 306-924-8000 or
1-800-667-7262
Web site: www.sama.sk.ca

Message from the SAMA Board

Providing accurate and up-to-date property assessment values is SAMA's primary service responsibility to Saskatchewan municipalities and school divisions. The regular revaluation of all properties every four years is an opportunity to ensure fairness in the assessment system is maintained for the distribution of local government property taxes to property owners.

This progress report has been prepared to inform our clients of the actions being taken to address customer service, public understanding, property valuation, and assessment policy issues identified to us following the 2005 Revaluation. Our initial report *Current Issues in Saskatchewan Property Assessment*, which was released in January 2006, documented the issues presented by participants at a series of public consultation meetings held throughout the province following the 2005 Revaluation.

In looking back at the 1997 and 2001 revaluations, we believe that the 2005 Revaluation produced an improvement in both the quality of assessment values and in our service level to local governments. However, some clients have pointed out areas where additional improvement is still possible, and we will focus attention on those areas for the 2009 Revaluation.

We believe that continuous improvement must guide the Agency in its efforts to enhance property assessment policy and assessment valuation accuracy. The 2005 Revaluation was the third province-wide revaluation within the past decade. Each revaluation provides an opportunity to update property assessment values and for SAMA to improve the services it provides to local governments.

The customer service, public understanding, property valuation and assessment policy issues raised by our clients will once again help us focus on fine-tuning and responding better to the needs of our local government clients. We are confident that municipalities, school divisions and property owners will be better served as a result.

SAMA Board of Directors
January 24, 2007

Overview

Taking Action is a progress report on the actions SAMA is taking to address issues raised at the Agency's public consultation meetings, which were held following the 2005 Revaluation.

Our initial report *Current Issues in Property Assessment* was released in January 2006, and this progress report undertakes to report on the follow-up actions taken on customer service, public understanding, property valuation, and assessment policy issues.

Our progress in each area is reported in these ways:

- Overview of the issues raised by participants.
- What is our objective in this area?
- What has already been done to resolve the issues?
- What else is planned?

Overall progress

Customer service

Plans are in place to ensure timely delivery of the 2009 Revaluation assessment values to municipalities by November 30, 2008, and to provide municipalities with reports that detail the amount of change in the assessment valuation for individual properties.

Agency appraisers will continue to work with the municipal administrator to incorporate the reapplication of tax exemption information into the municipality's annual maintenance.

Appraisers will work closely with municipalities, from the initial preparation of property assessment values through to the final appeal process, to help ensure the correct assessment valuation is placed on each property.

Public understanding

Action has already been taken to provide information that will help to improve public understanding of the assessment system

and the determination of individual property assessments.

Extensive use is being made of the Agency's website to provide information to local governments and property owners on property assessment matters. Informational workshops, newsletters, and additional website improvements are planned to further enhance the level of information that is available.

Property valuations

The Agency's Revaluation Unit is already working on the 2009 Revaluation of those municipalities receiving their valuation services from SAMA. Collection of sales data and preliminary analysis of local market conditions has been started for some communities.

Regular reinspection of entire municipalities through door-to-door on-site checks continues to be an objective that is difficult for the Agency to achieve. Other opportunities will be pursued to help ensure property data is correct. These include annual maintenance inspections, property owner surveys, sales verification inspections, and appeal inspections.

Property assessment policy

A clear vision has been established for the 2009 assessment system, and action has already been taken to consult extensively with stakeholders on property assessment policy and procedures for the 2009 Revaluation.

In addition to the Agency's four Advisory Committees, its Annual Meeting and the regional 2005 Revaluation Consultation Meetings, the Board established a Technical Development Committee and an Agricultural Land Review Committee to advise on policies and procedures for the 2009 Revaluation.

Issue 1: Customer Service

Participants told us that some municipalities had difficulties with revaluations not being delivered on-time, getting information on significant changes in assessment values, the amount of time it takes to reapply exemptions, how assessment appeals are handled, and getting their assessment rolls confirmed.

What is SAMA's objective in this area?

Our objective is to provide property assessment valuation and defence of value services within the legislated deadlines established for the Agency and municipalities, and to meet the needs of individual municipalities.

What has already been done to resolve customer service issues?

Delivery timelines

Revaluations and annual maintenance were delivered late to municipalities.

The Agency has established a goal to improve delivery of timely, relevant, reliable and complete assessment information to client municipalities.

In 2005, the Agency established a project management team to coordinate the multi-year, cross-divisional 2009 Revaluation Project. The plan calls for delivery of preliminary property values to all client municipalities by May 2008, and delivery of internally audited final property assessment values by November 30, 2008.

Notification of changes

Municipalities were not advised/aware of significant changes in the assessed values of individual properties.

The Agency recognizes that it is important for all municipalities to be aware of any significant changes in the assessed values of individual properties. Our solution to providing such information takes into consideration that each municipality's timetable for looking at assessment

information and preparing their assessment roll will be different, and that the Provincial percentages of value are not expected until the third quarter of 2008. While significant shifts will not be an issue for many municipalities, where there are shifts the municipality needs to know about them sooner rather than later.

The Agency will produce change reports that show the changes between the 2008 values and the new 2009 values for individual properties. For those municipalities that are considering their new assessment valuations earlier in the process (prior to the availability of Provincial percentages of value), the Agency will produce a change report detailing changes in the fair value assessment. This report will be available along with the preliminary property values that will be delivered to municipalities by May 2008.

Exemption changes

Municipalities had to take time and effort to reapply s.293(2)(e) exemptions to eligible residential properties in rural municipalities.

This issue arises more so in revaluation years when new values need to be entered on the assessment roll for every property. While most exemptions can be carried forward from the previous year, s.293(2)(e) exemptions in rural municipalities need to be recalculated because they are dependant on the assessed values of a number of properties. While the Agency has a record of every property's assessed value, the municipality maintains the ownership and land holding records needed to determine the eligibility for and the amount of any exemption entitlement under s.293(2)(e).

To assist the municipality in making its exemption determinations, the Agency will provide a list of those properties to which the exemption was previously applied. If the municipal administrator provides the Agency's appraiser with the amount of any exemption entitlement soon after receiving the final property assessment values, the exemptions will be incorporated into the municipality's annual maintenance.

Assessment appeals

Property owners had difficulties with the appeal process and the Agency did not handle the appeal process very well in some circumstances.

The Agency has established processes to help property owners gain an understanding of how their assessment valuation has been determined. Prior to the filing of an appeal, property owners may review their assessment informally with an appraiser or attend a public open house hosted by the Agency.

When an appeal has been filed, an Agency appraiser will conduct a review of the assessment. Starting in 2007, where a change can be agreed to prior to the board of revision, the municipality's assessor will now put the change directly on the assessment roll. (Previously the change had to be presented jointly to the board of revision for a decision.)

Where an agreement cannot be reached between the appraiser and the property owner, the property owner can still advance their appeal formally to the board of revision and then to the Saskatchewan Municipal Board.

The responsibility for establishing formal appeal and board of revision procedures rests with Saskatchewan Government Relations. The Department has prepared a series of information guides for property owners, municipalities and boards of revision on property assessments and the appeal process, appeal decision writing, and appeal hearing processes. These materials are available from the Government Relations website www.municipal.gov.sk.ca under the Publications & Guides tab.

Assessment roll confirmations

Assessment roll confirmations took too long for some municipalities.

The Agency is processing assessment roll confirmations on a "first in- first out" basis.

Every effort is being made to confirm, by the January Board meeting of the following year, those initial assessment returns submitted by municipalities within the required time.

What else is planned?

Work directly with municipalities

Appraisers will work closely with each municipality when preparing assessment values for their 2009 assessment roll to ensure that the municipality's deadlines are met, and to ensure that significant changes in assessed values are identified to the municipality.

Focus on value

When reviewing a property assessment informally with the property owner or formally through the appeal process, appraisers will focus their effort on getting the correct assessment valuation for the property.

Appraisers will be prepared to provide additional assistance to property owners that are not familiar with property appraisal methods.

Customer service

An upgrade to the Agency's website is planned that will provide access to individual property assessment records.

Provide customer service training to help Agency staff deal respectfully and positively with municipal councils and individual property owners.

Assessment roll confirmations

Explore options, such as emailing certificates of confirmation, to decrease the time required to process assessment returns.

Issue 2: Public Understanding

Some participants told us the assessment system is not easily understood by non-assessment experts and that assessment field sheets are difficult to read.

What is SAMA's objective in this area?

Our objective is to develop, deliver and promote an assessment system that is understandable, and to provide information, consultation and education on property assessment practices to local governments and the public.

What has already been done to resolve the public understanding issues?

*Understandable assessment system
System was not understandable to the average person.*

SAMA's website at www.sama.sk.ca has been developed as a primary resource of property assessment information for property owners, municipalities and school divisions.

The Agency's website provides information on Doing Business with SAMA (includes Understanding Assessment, Using SAMA's Services, Appeals, Interpreting Fieldsheets), Frequently Asked Questions, and the 2009 Revaluation.

Through the website, property owners and local governments can also access the Agency's Publications, which include Information Sheets, Assessment Manuals, Market Value Assessment Newsletters, and other General Information.

*Assessment fieldsheets
Fieldsheets were difficult to read.*

For the 2005 revaluation, SAMA developed a simplified Ratepayer Profile fieldsheet in response to an identified need for a more easily understood format. Clients now have a choice of using the simplified Ratepayer Profile or the more technical Detailed Profile.

While the Ratepayer Profile provides less detailed information, it is largely self-explanatory because abbreviations are not used.

What else is planned?

Hold informational workshops for property assessment stakeholders to help them better understand the move to market value assessment system, which will be implemented in 2009.

Provide local governments with detailed information leading up to the 2009 Revaluation through a regular series of Move to Market newsletters.

Website improvements will be ongoing including revising and updating existing information, developing a website glossary for easier access to information, and compiling a brief history of assessment that will lead to a clearer understanding of Saskatchewan's property assessment system.

The addition of photographs to fieldsheets is planned to support the current text descriptions of the property, which have been difficult to understand.

Revise the technical guides and interactive tools for interpreting urban land, agricultural land, residential building and commercial building fieldsheets and make them available on the Agency's website. The interactive tools will explain each field of information.

For those clients continuing to use the Detailed Profile fieldsheets, an updated Data Element Dictionary Technical Guide will provide a full description of the abbreviations used on those fieldsheets.

Issue 3: Property Valuations

Participants told us that some property assessment valuations are not accurate.

What is SAMA's objective in this area?

Our objective is to provide accurate and defensible property valuations where product quality meets or exceeds industry standards.

What has already been done to resolve property valuation issues?

Sales data

Problems were attributed to the quality of sales data used for property valuations.

In 2002, the Agency established the Revaluation Unit to conduct the 2005 Revaluation of those municipalities receiving their valuation services from SAMA. This unit has been continued for the 2009 Revaluation and is responsible for collecting and verifying property sales data on a continuous basis.

The primary source of sales data are property transfers registered with the Saskatchewan Land Titles registry. Property transfers that are between related parties, joint tenancies and estate transfers are removed. The remaining transfers are then verified to determine if they are valid arms length sales.

The majority are verified with the purchaser using a sales questionnaire, and where necessary followed up with direct contact by an appraiser.

Accurate verification is highly dependant on being able to make contact with and get a response from a party to the sale. Response rates are currently running at about 85%; a significant improvement over the last revaluation where response rates were approximately 50%.

Property data

Incorrect property information was attributed to properties not being reinspected.

The annual maintenance program is the primary means of keeping property information current. This program is most effective for those municipalities that maintain records of the properties where physical alterations have occurred and follow-up with a Maintenance Reinspection Request to the Agency. When a property is listed for a maintenance reinspection, the Agency's appraisers review the property and provide an updated assessment to the municipality for the next year's assessment roll.

Valuation changes

Significant assessment value changes where the market had not changed.

Under the current property assessment system, the emphasis is on valuation practices as set out in the Saskatchewan Assessment Manual. These regulated procedures may produce assessment values that do not relate to property specific market values.

As a result, when there is a province-wide revaluation, changes may occur due to changes to the Saskatchewan Assessment Manual even when the property's market value has not changed.

When the transition is made to market value assessments with the 2009 Revaluation, future changes in residential and commercial property assessments should reflect more closely the changes in local market conditions.

Property assessment valuations
Accuracy of property valuations questioned for residential, commercial, resort and rural residential properties.

The Revaluation Unit was established to concentrate our appraiser expertise on ensuring accurate valuations, and the unit has already started working on the valuations for the new market value assessment system being introduced with the 2009 Revaluation.

Three revaluation coordinators (one for each of the three valuation methods – cost, sales and income) are already working with a market specialist in each of the Agency's six regional offices on a preliminary analysis of local market conditions.

Continuous improvement in our assessment valuations is important. Our appraisers' understanding of local market conditions improves with every four-year revaluation, and assessment valuations will improve once again with the move to market value assessments for residential and commercial property in 2009.

What else is planned?

Property reinspections

New methods to ensure that the information for individual properties is current will be developed to supplement the traditional reinspection and annual maintenance programs. The traditional method of periodically reinspecting all properties at the same time through door-to-door on-site checks is not very efficient or cost effective at ensuring property information is kept up-to-date.

The Agency will continue to explore and develop other opportunities to ensure property information is correct, such as, property owner surveys, sales verification inspections and appeal inspections.

Quality standards

The Agency will establish internal results-based quality standards for market value property assessments.

Issue 4: Property Assessment Policy

Some participants told us that they disagree with current property assessment policies.

What is SAMA's objective in this area?

Our objective is to move the provincial property assessment system from a highly regulated system to a market value assessment (MVA) standard for residential and commercial properties by 2009, and to retain and refine the productivity based system for agricultural land.

What has already been done to resolve property assessment policy issues?

The Agency recognizes that unanimous agreement on assessment policy direction is not a practical expectation. However, the level of debate and consultation that has occurred over the past 20 years, has been sufficient to satisfy the Board that a market value system for residential and commercial properties, and a productivity based standard for agricultural land is generally supported as a sound basis for property assessments in Saskatchewan.

Policy consultations

Ineffective consultation with individual municipalities and property owners.

The SAMA Board is mandated to establish property assessment policy for Saskatchewan and in doing so is required to consult widely with the public, municipal councils, boards of education, the Government of Saskatchewan, local government organizations and taxpayer organizations.

The Vision for the 2009 Revaluation adopted by the Board in 2004, and the subsequent policies and procedures that are needed to implement the market value system have been the subject of substantial consultations with the Agency's stakeholders.

The Board maintains four separate Advisory Committees (urban, rural, city and commercial) that represent a broad spectrum of cities, towns, villages and rural municipalities, school boards, local government associations (SUMA, SARM, PARCS, UMAAS, RMAA, SASBO), Saskatchewan Government Relations, commercial and business organizations, and property appraisal professionals.

At the Agency's Annual Meeting, the Board reports to municipalities, school divisions and assessment stakeholder groups on its activities, and provides the opportunity for input into assessment policies and procedures. The Agency's Annual Meeting is the only forum in Saskatchewan where all urban and rural municipalities and school divisions can get together to discuss common assessment policy issues.

Following each revaluation, the Board has travelled the Province and in a series of regional meetings has provided the opportunity for municipalities, school boards, local government associations, and individual property owners to provide their feedback and comments on assessment policies and practices.

In 2004, the Board established two special Advisory Committees comprised of municipal, local government association, Provincial government and professional experts to advise on policies and procedures specific to the 2009 Revaluation. The Technical Development Committee (2004-2005) made recommendations to the Board on the technical aspects of market valuation approaches for the assessment of residential and commercial property. The Agricultural Land Review Committee (2004-2006) made recommendations on the technical aspects needed to enhance the

agricultural land productivity valuation model.

The Agency also maintains two administrative committees to help with the development of appropriate assessment valuation policies and procedures. A SAMA City Assessor Committee obtains advice from the assessment appraisal experts employed by the independent municipalities and by the Agency's Assessment Services Division. A Legal and Legislative Review Committee is comprised of representatives from the independent municipalities, Provincial Government Departments (Government Relations, Learning and Justice) and local government associations.

*Market value assessment system
Disagreement with the adoption of a market value system.*

The move to a market value assessment (MVA) standard for residential and commercial properties in 2009, will be the culmination of assessment valuation policy modifications that began with the recommendations of the Local Government Finance Commission in the 1980s and will move Saskatchewan's assessment system to the same type of widely accepted property assessment system already in place in all other provinces across Canada.

In 2004, the Board established the Technical Development Committee to make recommendations on the technical aspects of market valuation approaches for the assessment of residential and commercial property.

On the recommendation of the Technical Development Committee the Board adopted the following Vision for the 2009 Revaluation:

"To build public trust by providing fair, transparent, understandable and defensible property valuations in a results based, mass appraisal, market value assessment system, used for the distribution of taxation.

The principles for the 2009 Revaluation are to implement a market value system that:

- 1. Permits the use of the cost, sales comparison, and income approach where appropriate in all jurisdictions;*
- 2. Uses regulation for properties such as agricultural land, oil and gas well production equipment, linear property and heavy industrial property; and*
- 3. Sets the stage for a shorter revaluation cycle."*

In 2005, the Agency hosted two 'Move to Market Value 2009' non-technical informational workshops for municipal and school division officials and administrators, and other assessment stakeholders. At these workshops, assessment professionals from Alberta and Ontario, with experience in moving from a regulated cost-based system to a market value system, provided valuable lessons on the challenges, planning and allocation of resources needed to achieve success.

The Agency's Revaluation Unit is now focusing its attention on the 2009 Revaluation of those municipalities receiving their valuation services from SAMA. The SAMA City Assessor Committee was also mandated to coordinate revaluation activities between the Agency and municipalities that provide their own valuation services.

*Agricultural land assessment system
Disagreement with adoption of a productivity system for agricultural land, and the accuracy of productivity ratings for agricultural land.*

The return to a productivity based standard for agricultural land for the 2005 Revaluation was a significant policy change that came after several years of review and many months of consultation with assessment stakeholders across Saskatchewan. SAMA

Annual Meeting resolutions passed by rural municipalities, urban municipalities and school divisions; SARM Annual Convention resolutions; and the SARM Board all spoke to the desire to move away from a local sales based agricultural assessment model and back to a productivity based model.

In 2004, the Board established the Agricultural Land Review Committee to make recommendations on the technical aspects needed to enhance the agricultural land productivity valuation model for the 2009 Revaluation.

On the recommendation of the Agricultural Land Review Committee, the Board adopted the following vision for the 2009 agricultural land model:

“To build public trust in the arable and non-arable agricultural land assessments by providing a mass appraisal valuation system that is consistent with the SAMA Mission, is based on the potential productivity of the land, is defensible and stable, and uses objective and verifiable data.”

In 2006, the Board adopted the recommendations of the Agricultural Land Review Committee, which included modifications to some of the rates used for the productivity index for cultivated land, additional cost of production adjustments (trucking and freight cost adjustments) for cultivated land, and the modification of pasture ratings to reflect a closer relationship between assessed values and productivity in the pasture model.

What else is planned?

Information

Improve stakeholder access to information on property assessment policies and practices.

Provide educational and informational brochures and bulletins to municipalities, school divisions and local government associations for their own use and for

general distribution, along with access to informational materials through the Agency's website at www.sama.sk.ca.

Policy consultations

Continue to fully utilize the Agency's Advisory Committees and administrative committees to regularly seek feedback and input on assessment policies in Saskatchewan.

Appendix 1: Participants' Comments

Customer service comments

Delivery timelines

1. Concerned that SAMA is not providing revaluation and maintenance information to municipalities early enough, which delays preparation of the assessment roll. Municipalities have to get Ministerial extensions to the deadline for preparation of their assessment roll. *Town of Dalmeny, Warman, October 21, 2005*

Notification of changes

2. Concerned that SAMA did not inform the city of major shifts in assessment within property classes or because a property was moved to a different category. *City of Estevan, Letter, October 18, 2005*

Exemption changes

3. Concerned with the time and effort required to reapply RMA s.331(1)(q) exemptions to rural residential properties in rural municipalities with every revaluation. *R.M. of Moose Range No. 486, Melfort, October 19, 2005* Note: Effective January 1, 2006 this exemption became *The Municipalities Act, s.293(2)(e)*.

Assessment appeals

4. Concerned that citizens feel there isn't any use in appealing their property assessment. *Town of Kyle, Swift Current, October 4, 2005*

5. Concerned the appeal process makes it very difficult for the property owner to challenge the market adjustment factor for small town neighbourhoods. A property owner in a small town cannot verify the 2000 sales from many different municipalities that have been used to assess their town. As a result, quality problems cannot be fixed through the appeal process. *B. Arnold, Property Owner, Swift Current, October 4, 2005*

6. Concerned with intimidation in the appeal process and how SAMA handles board of revisions. SAMA charges \$15 for field sheets to check out comparable properties, the district office overrides agreements between the appraiser and property owner, and the Agency treats ratepayers from a position of power by copying everything to their lawyer. *P. Harmon, Property Owner, Swift Current, October 4, 2005*

7. Concerned some appraisers do not have the experience needed to handle the board of revision. *Northern Village of Air Ronge, La Ronge, October 20, 2005*

8. Concerned with the un-professional comments and lackadaisical attitudes of some appraisers in explaining the high frequency of errors in assessment field sheets to the board of revision. *Lakeview Bed & Breakfast, Letter, October 12, 2005*

Assessment roll confirmations

9. Concerned the Agency is taking too long to confirm assessment rolls. *Town of La Ronge, La Ronge, October 20, 2005*

Other

10. If municipalities could charge each property a percentage of what it costs to run the town, then SAMA would not be needed and the municipality could reduce its expenses by not having to pay SAMA for assessment services. *Town of Maple Creek, Swift Current, October 4, 2005*

Public understanding comments

Understandable assessment system

11. SAMA has not made the assessment system more understandable for the average person. *Town of Maple Creek, Swift Current, October 4, 2005*

Assessment fieldsheets

12. SAMA assessment work lacks credibility because assessment fieldsheets were fraught with errors and virtually impossible to understand because of the coding utilized. *Lakeview Bed & Breakfast, Letter, October 12, 2005*

13. Concerned that SAMA does not have user friendly assessment field sheets, and that the only explanation appraisers can give for some questions is "it's in the manual". *R.M. of Cana No. 214, Yorkton, October 13, 2005*

14. A good practice undertaken by some municipalities is to provide an estimate of taxes when they send out assessment notices. *Mattila Appraisals, Battleford, October 5, 2005*

Property valuation comments

Sales data

15. Concerned there are problems with the quality of the sales data that is being used to establish market adjustment factor neighbourhoods. *B. Arnold, Property Owner, Swift Current, October 4, 2005*

Property data

16. Concerned with apparent significant inadequacies in the current assessment of rural residential properties, and the need for a physical reinspection of these properties. *R.M. of Cambria No. 6, Weyburn, October 14, 2005*

17. Concerned that property assessors rarely inspect the locations [properties] because without regular visitations the true value of the property may change significantly, robbing the rural municipality of legitimate tax dollars, or possibly the property owner through excessive taxation. *Lakeview Bed & Breakfast, Letter, October 12, 2005*

Valuation changes

18. Credibility is lacking when there is a revaluation and property assessments change significantly on properties that have not changed physically. Either the assessments were wrong four years ago or they are wrong now. *Town of Kyle, Swift Current, October 4, 2005*

19. Concerned there are major assessment changes from one assessment year to the next. People get comfortable paying a certain level of taxation and being able to budget for these and then you have a major change again. *City of Estevan, Letter, October 18, 2005*

20. Concerned that property taxes have taken a huge jump on their 40 acre farm because of changes to the assessment. Their proximity to the City of Saskatoon has not changed and the use of the land has not changed. *J. & E. Sikora, Property Owner, Letter, October 23, 2005*

Residential assessment valuations

21. Concerned that a house in town is assessed lower than a similar house in the adjacent rural municipality. *R.M. of Preeceville No. 334, Yorkton, October 13, 2005*

22. Concerned that the same market adjustment factor (MAF) is being applied to all buildings on the same property. New garages are valued differently because they get the same MAF as the house on the property on which they are located. *R.M. of Moose Range No. 486, Melfort, October 19, 2005*

23. Concerned residences in Air Ronge are assessed with a higher market adjustment factor (MAF) than residences in La Ronge, whereas they sell for the same in the market place. *Northern Village of Air Ronge, La Ronge, October 20, 2005*

24. Concerned trailer parks are assessed as residential land when they should be assessed as commercial because they are renting out lots. *R.M. of Lakeland No. 521, Warman, October 21, 2005*

Commercial assessment valuations

25. Assessing newer buildings more than older buildings is patently unfair and results in a business community that has no incentive to spruce itself up. *Town of Maple Creek, Swift Current, October 4, 2005*

26. Concerned that there are problems with the assessment values on commercial properties. *Royal LePage Premier Realty, Yorkton, October 13, 2005*

27. Supports the move to using the income approach for the assessment valuation of commercial properties in 2009. *Royal LePage Premier Realty, Yorkton, October 13, 2005*

28. Concerned with huge increases in taxable assessment of 30% for condominiums and 50% for most retail and office buildings. Difficult to explain to a property owner that, despite making no changes to the property, that property taxes are going to increase because of an adjustment in the way the assessment values are calculated. *Town of Wynyard, Melfort, October 19, 2005*

29. Concerned with significant increases and decreases in commercial property assessments. *Northern Village of Air Ronge, La Ronge, October 20, 2005*

Resort property assessment valuations

30. Concerned with significant increase in assessment of resort properties when values haven't increased that much. Resort communities that are different are combined into the same market neighbourhood. *T. Battrum, Property Owner, Battleford, October 5, 2005*

31. Property owners have been paying higher values for resort properties, and the assessment is now reflecting those higher values better. *Mattila Appraisals, Battleford, October 5, 2005*

32. Concerned that resort communities with different markets are assessed in the same market neighbourhood. *D. Lasuita, Property Owner, Melfort, October 19, 2005*

33. Concerned with significant increases in the assessment of resort property in rural municipalities. *Lakeview Property Owners Association, Melfort, October 19, 2005*

34. Concerned that lakefront lots with a public reserve in front of them are not assessed lower than those without the public reserve. The use of the public reserve by the general public decreases the value of the lot. *R.M. of Lakeland No. 521, Warman, October 21, 2005*

35. Concerned that large parcels of lake front land owned by church camps are assessed too low because of the land size multiplier curve. The lakefront portion should be assessed higher because they are being rented out on a commercial basis. *R.M. of Lakeland No. 521, Warman, October 21, 2005*

Rural residential assessment valuations

36. Concerned with how properties are clustered into neighbourhoods and the application of site values in areas adjacent to Maple Creek. *L. Doig, Property Owner, Swift Current, October 4, 2005*

37. Concerned the current "site improvement adjustment" on dwellings in rural municipalities bears no relationship to actual market value, and that it is applied to dwellings that already have the value of any infrastructure built into it. *The Saskatchewan Association of Rural Municipalities, Yorkton, October 13, 2005*

38. Concerned with the application of the infrastructure adjustment on rural residential properties because it is unfair and inequitable. The infrastructure adjustment appears to have been applied to compensate for the removal of the local market index (LMI). *R.M. of Edenwold No. 158, Letter, October 19, 2005*

39. Concerned with a significant increase in the assessment of residential property in rural municipalities where the overall assessment of the municipality decreased. *Unidentified, Property Owner, Melfort, October 19, 2005*

40. Concerned that their rural residential property is assessed significantly more than it is worth in the market place. *F. Stushnoff, Property Owner, Melfort, October 19, 2005*

41. The sales used from one neighbourhood should not have been used to determine the infrastructure adjustment in another neighbourhood. *R.M. of Edenwold No. 158, Letter, October 19, 2005*

Grain elevator assessment valuations

42. Concerned that grain elevator assessments have decreased significantly. *Town of Kyle, Swift Current, October 4, 2005*

43. Concerned the application of a market adjustment factor (MAF) to commercial crib elevators has caused grain elevator assessments to drop 75% even after spending \$1.5 million on upgrades. *Town of Yellowgrass, Weyburn, October 14, 2005*

44. Concerned that the fair value assessments for operating grain elevators and farm grain storage elevators have no reflection on the sale price. One local grain elevator sold for more than twice its fair value assessment. *Town of Shellbrook, Warman, October 21, 2005*

Railway assessment valuations

45. Concerned with major decreases in mainline railroad assessments. *R.M. of Cana No. 214, Yorkton, October 13, 2005*

Property assessment policy comments

Policy consultations

46. Called for open public debate on assessment policy. Debate at SAMA Annual Meeting and SARM Conventions has not been adequate. *P. Harmon, Property Owner, Swift Current, October 4, 2005*

47. Concerned there were no consultations with rural municipal officials prior to the implementation of "site improvement adjustments" on dwellings in rural municipalities. *The Saskatchewan Association of Rural Municipalities, Yorkton, October 13, 2005*

48. Concerned with the application of the infrastructure adjustment on rural residential properties because it was implemented without proper notification to municipalities. *R.M. of Edenwold No. 158, Letter, October 19, 2005*

Market value assessment system

49. Concerned that the market system is not right for resort properties, and was brought in without any checks and balances. *M. Shaw, Property Owner, Battleford, October 5, 2005*

50. Agricultural land values must also have some reflection of local market factors. *R.M. of Churchbridge No. 211, Yorkton, October 13, 2005*

51. Concerned that market value is being used to reflect the difference between agricultural and other property classes, by the application of a provincial market index (PMI) to bring the total assessment of agricultural land for the province up to what it would be under a market value system. Concludes that market value should not be considered in the assessment of agricultural properties. *The Saskatchewan Association of Rural Municipalities, Yorkton, October 13, 2005*

52. Concerned with the move to market value assessments unless revaluations are done every year. *D. Lasuita, Property Owner, Melfort, October 19, 2005*

Agricultural land assessment system

53. Supports the decision to remove the local market index (LMI) on agricultural land. Application of the LMI was not done right in the past, so better to not have it at all. *Mattila Appraisals, Battleford, October 5, 2005*

54. Concerned fairness and equity is thoroughly lacking from the assessment system. The removal of the local market index (LMI) while still retaining the provincial market index (PMI) did not address any inequities, but only reversed what had taken place with the 1997 revaluation. *R.M. of Preeceville No. 334, Yorkton, October 13, 2005*

55. Concerned with the decision to drop the market value system for agricultural land after it had been used for two revaluation cycles because market indexing should have worked. With the local market index (LMI) there was some correlation between selling price and fair value assessments, so removal of the LMI had a big impact on agricultural land. Market value can be explained but how productivity is determined can't be explained. *R.M. of Elcapo No. 154, Yorkton, October 13, 2005*

56. The fair value assessment for agricultural land in northeast Saskatchewan is much higher than actual land sales that transpired in the last year. Farm land in northeast Saskatchewan is less valuable than in the rest of the province because rail truck freight rates are higher, frost free growing season is shorter, and need more and larger equipment to complete farming in a shorter season. *B. Westerlund, Property Owner, Yorkton, October 13, 2005*

57. Concerned that a number of factors were not considered in developing the productive potential model that has been used for agricultural land. The productive potential model should consider cost of production (input costs, weed pressure, soil abrasion, excess moisture), value of production (quality, grade, type of crop, percentage of time that quality can be achieved), risk factors (frost free, excess moisture, growing degree days), and distance to major markets. *R.M. of Churchbridge No. 211, Yorkton, October 13, 2005*

58. Concerned that agricultural land is assessed based on long-term spring wheat yields from 1942 to 1961. Agricultural practices have changed dramatically and crop diversity, crop quality, transportation freight rates, and deductions for lack of access to land between waste sloughs should be reflected in the assessment system. *The Saskatchewan Association of Rural Municipalities, Yorkton, October 13, 2005*

59. Concerned the assessment of agricultural land based on its productive potential is a tax on development, which is a regressive tax system that discourages

development. *R.M. of Churchbridge No. 211, Yorkton, October 13, 2005*

60. Concerned with the removal of the local market index (LMI) from agricultural land. With the LMI there was some correlation between selling price and the fair value assessment. Now property owner doesn't understand how the assessment is determined because can't answer the question on how productivity is determined. *R.M. of Golden West No. 95, Weyburn, October 14, 2005*

61. Concerned with the shift from heavier to lighter soils caused by the removal of the local market index (LMI) on agricultural land. *A. Spriggs, Property Owner, Melfort, October 19, 2005*

Provincial issues

Some submissions focused directly on Provincial issues that do not come within the Agency's mandate. These were forwarded to the Province for its consideration.

Tax policy

62. Concerned the government has not taken steps to tax any user other than the agricultural user of Crown lands. Holders of other interests in land and holders of intellectual property rights are ignored by the taxation system. *B. Backman, Property Owner, Swift Current, October 4, 2005*

63. The oil and gas sector should be taxed on the value of the subsurface resource and not on the value of in-place production equipment. *B. Backman, Property Owner, Swift Current, October 4, 2005*

64. SAMA appraisers should be given full discretion in using common sense when preparing assessments and place limits on both the increases or decreases that can happen to an assessment of property in any given revaluation period. *Town of Wynyard, Melfort, October 19, 2005*

65. Recommended a cap be placed on tax increases because the new assessment resulted in a 100% increase in property taxes. *F. Stushnoff, Property Owner, Melfort, October 19, 2005*

Tax fairness

66. Those that take the initiative to build new or upgrade their property pay more than their fair share of police, fire, roads, recreation and other services that cost the same for every house on the block, whether it is new or old, fixed up or left to deteriorate. *Town of Maple Creek, Swift Current, October 4, 2005*

67. The assessment system implemented by SAMA results in a system of taxation whereby the agricultural producer bears a totally unfair portion of providing municipal services, health services and education in the Province of Saskatchewan. *B. Backman, Property Owner, Swift Current, October 4, 2005*

68. Concerned that cottages used for a few weeks a year are paying the same taxes as expensive full time residential homes. *M. Shaw, Property Owner, Battleford, October 5, 2005*

69. Concerned unfair property taxes will contribute to chasing people out of Saskatchewan. *Lakeview Property Owners Association, Melfort, October 19, 2005*

70. Concerned that privately developed and operated recreational facilities (golf courses, skating arenas, curling arenas, indoor soccer pitches, tennis courts) face huge assessments and tax bills and must compete with recreational facilities that are not assessed or taxed at all because they are owned by municipalities or located in parks. *C. Teichrob, Property Owner, Warman, October 21, 2005*

71. Concerned that the new assessment is not fair and that the resulting 20.5% increase in farm property taxes is not acceptable. Total farm assessment increased 39.4%, while the municipal mill rate decreased 19.2% and the school board mill rate decreased 10%. *B. Westerlund, Property Owner, Yorkton, October 13, 2005*

Education taxes

72. Other avenues are needed to fund education because 60% on property tax is too high. There is no tax relief from government. Larger towns are subsidizing smaller towns. *L. Doig, Property Owner, Swift Current, October 4, 2005*

73. Called for the elimination of the education tax on farmland, then the assessment would not be much of an issue. *R.M. of Churchbridge No. 211, Yorkton, October 13, 2005*

74. Concerned with the inequity of school tax paid by agricultural property that is related to switching the assessment burden from one side of the province to the other, and widening the assessment burden between urban and rural municipalities. *R.M. of Preeceville No. 334, Yorkton, October 13, 2005*

Boards of revision

75. Concerned that property owners have a problem getting a fair hearing. The appeal deadline is not conspicuous on the notice of assessment, city assessors may be influencing the selection of board of revision members, and municipal administrators sit as board of revision secretaries. *Mattila Appraisals, Battleford, October 5, 2005*

76. Concerned the appeal process lacks transparency. Municipal administrator convinced property owners to withdraw appeals that would have been successful. SAMA mailed appeal documents within the required 10 days, but by the time the documents were received by the appellant it was too late to make use of the information. *Lakeview Bed & Breakfast, Letter, October 12, 2005*