# Regina District Association of Rural Municipalities

# Assessment of Agricultural Lands and the 2017 Revaluation

January 6, 2017 Regina, Saskatchewan



# Agenda

- 1. Overview of SAMA.
- 2. Assessment practices regarding agricultural land.
- 3. 2017 Revaluation highlights.
- 4. Questions.



#### SAMA's Roles and Responsibilities

AMA Act -- Board Governed Agency

Governance

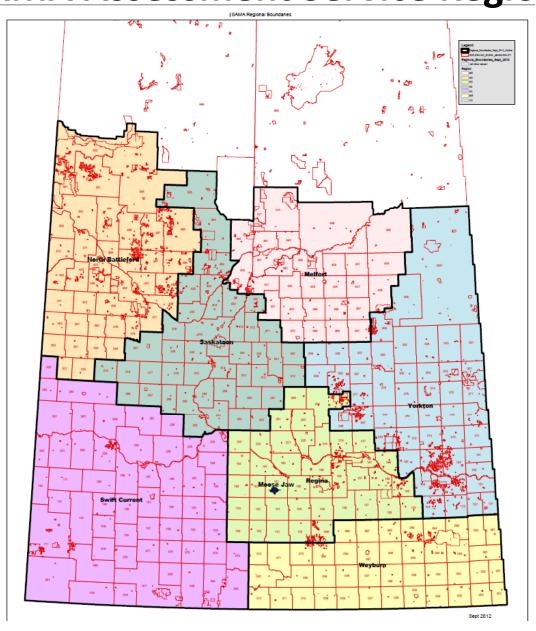
- Policy
- Quality Assurance
- Computer System
- Communication
- Safety Net for Province

Assessment Services

- Annual Maintenance
- General Re-inspections
- Revaluations
- Support of Value



### **SAMA Assessment Service Regions**



#### **SAMA Board**

Chair: Vacant

Urban: Wade Murray (Regina)

Urban: Al Heron (Eston)

Rural: John Wagner (RM Piapot, #110)

Rural: Murray Purcell (RM Montrose, #315)

Province: Jim Angus (Harris)

Province: Myron Knafelc (Watson)

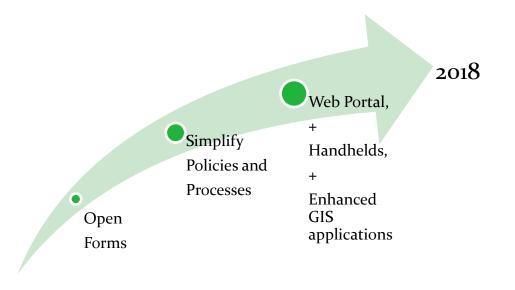
CEO: Irwin Blank



### **Our Four Year Goal**

 Increase the number of property reviews from 50,000 (2012) to 100,000 per year by 2018, while improving quality, increasing employee engagement and fulfilling our core responsibilities.

# Innovate our way to a 12 year inspection cycle



2013

#### **2017 Major Deliverables**

- Technology Infrastructure (TI) Program
  - Phase 2 completed and used for delivering 2017 values; includes phase one MATIX GIS.
  - Remote data collection application in place in 2017
  - Web portal available for use in 2018
- Implementation of 2017 Revaluation
- Support of value appeal levels could be 2X greater than 2013 because of the leveling off of values since the base date
- 67,100+ property reviews/inspections
  - Up to 36,800 maintenance & 30,300 re-inspections (dependent on appeal levels)

#### **Purpose of Assessments**





















- Assessments pay for essential services that politicians and taxpayers want and need.
- In 2015, the assessment base brought in \$1.83 billion. Over 50% of revenue for municipalities.
- Revenue needs are growing to support the growing economy.
- Preserves local autonomy.

### **Assessment Legislation**

#### The Assessment Management Agency Act

- SAMA Revaluation Board Orders.
  - January 1, 2011 for 2013-2016.
  - January 1, 2015 for 2017-2020.
  - January 1, 2019 for 2021-2024.
  - Corresponding Board Orders for each revaluation:
    - Base Date.
    - Market Evidence.
    - Quality Assurance Standard for market value properties.
    - Regulated Manual.

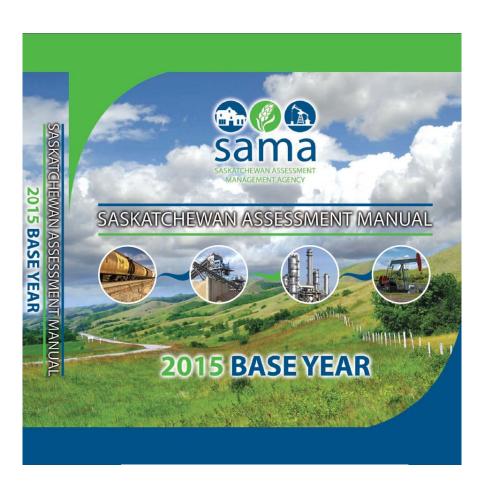


#### Assessment Legislation – MAct, CAct, NAct

- Regulated and non-regulated assessments.
  - Regulated property assessments shall be determined according to the regulated property assessment valuation standard.
    - Heavy industrial property
    - Resource production equipment
    - Pipeline and railway roadway
    - Agricultural land
  - Non-regulated property assessments shall be determined according to the market valuation standard.
    - Residential and commercial property



# Saskatchewan Assessment Manual - 2015 Base Year (Manual)



## Regulated Property Valuation Methods

- Regulated cost approach
  - Heavy industrial property
  - Resource production equipment (at mines, oil and gas sites)
  - Pipelines and railway
- Agricultural land productive capacity
  - Arable land
  - Pasture land
  - Waste land (\$10/ac)
  - Agricultural mixed use land



### **Heavy Industrial Property and Related RPE**















# **Agricultural Land Valuation Model**

- Productivity models established in the Manual.
- To the greatest extent possible, land used as agricultural land is to be assessed as agricultural land (present use as compared to highest and best use).
- SAMA' agrologists determine what is to be assessed as agricultural land.
  - Calls can be appealed.
  - Is no documentation required on the part of the owner/operator of the land to verify to SAMA that the land is used for farming purposes.
  - Municipal zoning is typically loose.



### **Agricultural Land Valuation Model**

- ➤ Two productivity models.
  - > Arable land.
  - Pasture land.
- ➤ Soil characteristics the basis for the models.
- Soil Survey used for soil classification, with modifications as specified in the Manual.
- ➤ Productivity models linked to value using provincial average selling prices.

# **Arable Land Valuation Model**

(Document 2.1.1 p. 1)

The formula for determining the assessed value of arable land using the schedule of rates method is:

 $LV = (C+OM+T+(P \times PAF)) \times A-dep \times Phys \times Econ \times PF \times U$ 

where: LV = assessed value of arable land

C = climate rate

OM = organic matter rate

T = texture rate
P = profile rate

PAF = profile adjustment factor

A-dep = A-depth factor

Phys = physical factors

Econ = economic factors

PF = provincial factor

U = number of land units

Where two climate, organic matter, texture, profile, profile adjustments or A-depths are used for an arable rating area, the rates shall be averaged.

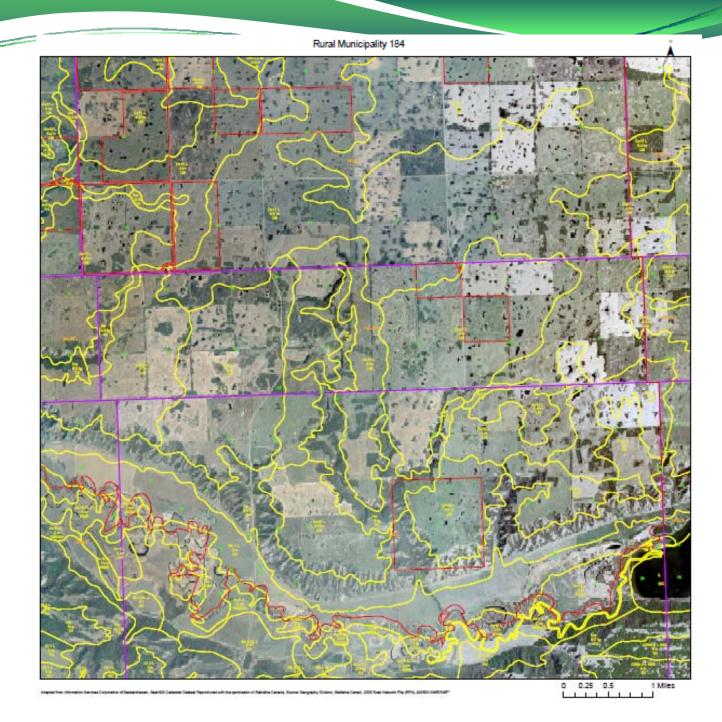
The units of comparison for the valuation of arable agricultural land shall be acres.

# **Pasture Land Valuation Model**

(Document 2.2.2 p. 15)

The Provincial Factor is 8.51 dollars per acre per land rating.

Description	Document No.	Page No.
a) Carrying Capacity = (a <sub>1</sub> x a <sub>2</sub> x a <sub>3</sub> )		
a <sub>1</sub> . Range Site Carrying Capacity	2.2.2	9
a <sub>2</sub> . Vegetation Type Factor	2.2.2	10
a <sub>3</sub> . Tree Cover Factor	2.2.2	10-13
b) Land Rating	2.2.2	14
c) Provincial Factor	2.2.2	15
d) Pasture Land Area		
e) Assessed Value = (b x c x d)		



# Assessment Changes = Tax Changes

#### **Before Revaluation**



### **Assessment Changes ‡** Tax Changes

Before Revaluation



#### After Revaluation



#### **2017 Revaluation Delivery**

- Preliminary Values provided to Government Relations in April, 2016.
- Delivered preliminary values to client municipalities in June – November, 2016.
- Government Relations finalized percentages of value in November, 2016.
  - Residential classes going from 70% to 80%.
  - Non-arable agricultural land going from 40% to 45%.
  - Commercial/industrial, pipeline, railway, grain elevators remain at 100%.

#### 2017 Revaluation Delivery (cont'd)

- Data file to Government Relations December 12, 2016 for estimating education mill rates.
- Delivery of values to municipalities begins in late January, 2017.
- Values posted to SAMAview after municipalities receive their packages.

#### **Preliminary 2017 Assessment Shifts**

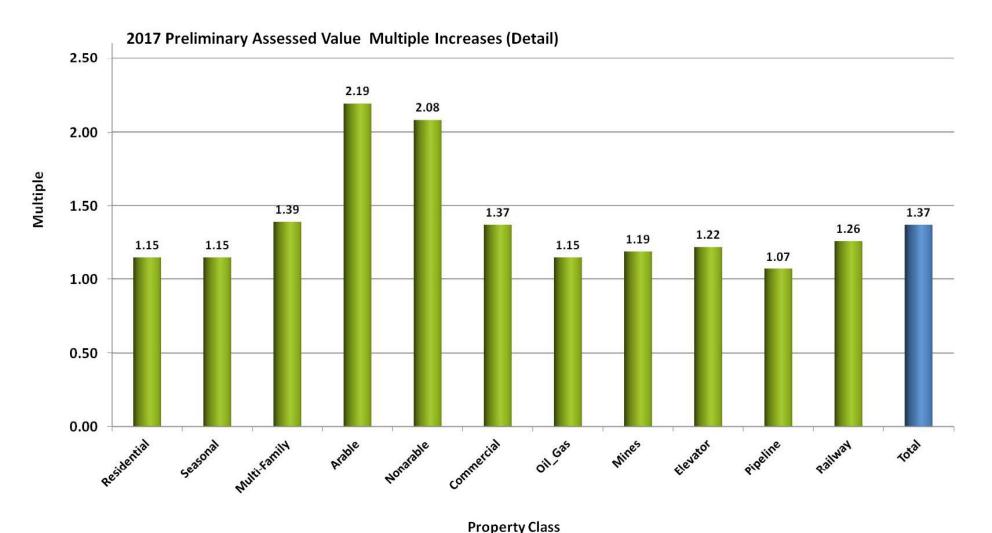
- Preliminary Assessed value changes from January 1, 2011 to January 1, 2015 base dates
  - Three levels of trends to consider

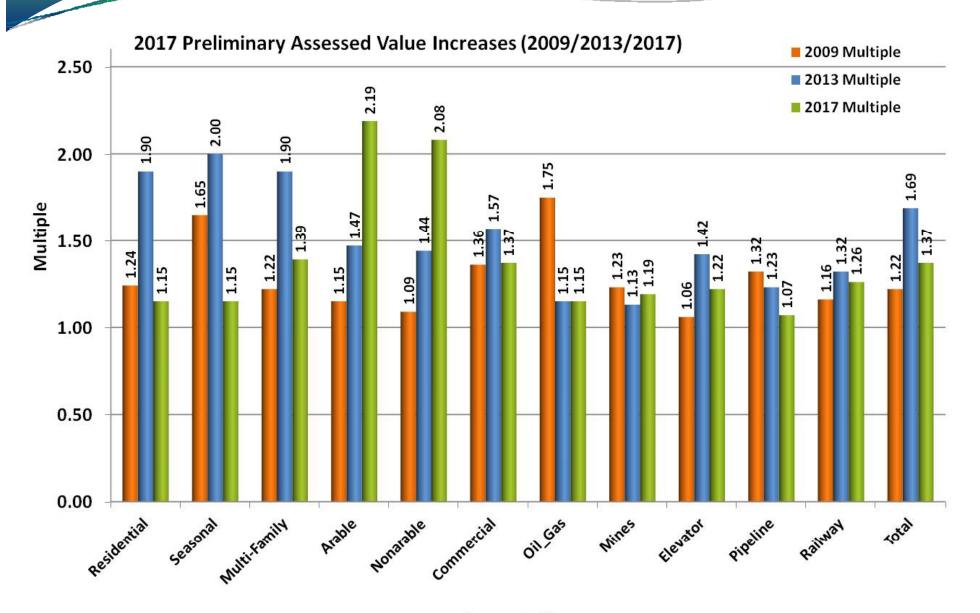
Provincial

Local

**Property** 

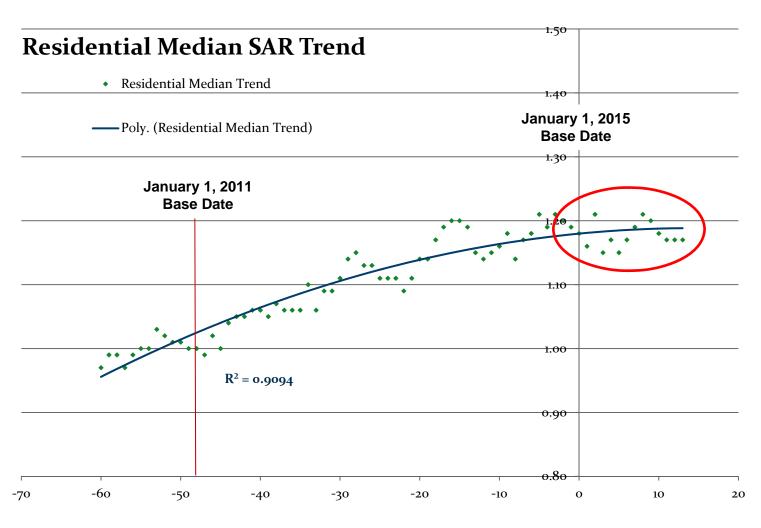
#### Provincial Assessed Value 2017 / 2016 Multiple



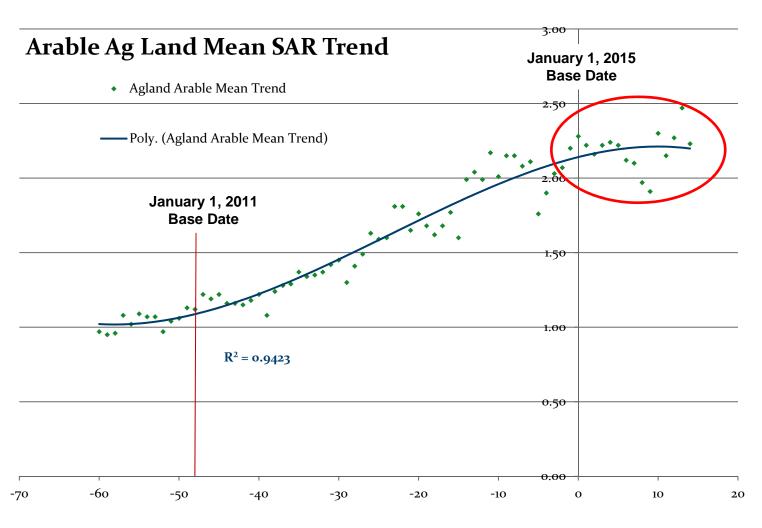


**Property Class** 

# Residential Sales Trends (to March 2016)



# Arable Ag Land Sales Trends (to March 2016)



#### 2017 Assessed Value Trend Report – Ag RM

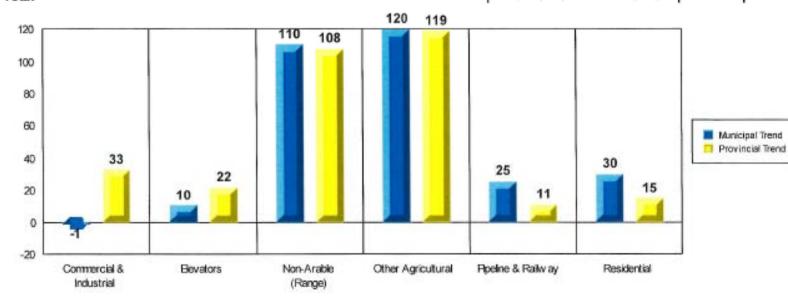
sama

2017 Revaluation Assessed Value Trend Report (100% Value)

for

June 28, 201

Tax Class (as defined in Regulations)	2016 Municipa Assesse Valu	d Assessed	Trend	Provinci Tren
Commercial & Industrial	\$1,700,70	00 \$1,676,000	-1%	33'
Elevators	\$5,269,70	00 \$5,815,500	10%	22
Non-Arable (Range)	\$3,925,80	00 \$8,255,900	110%	108°
Other Agricultural	\$83,304,90	00 \$182,955,900	120%	119
Pipeline & Railway	\$11,316,90	00 \$14,161,900	25%	119
Residential	\$4,933,90	00 \$6,399,300	30%	151
Total	\$110,451,90	00 \$219,264,500	99%	371





#### 2017 Taxable Assessed Value Trend Report - Ag RM

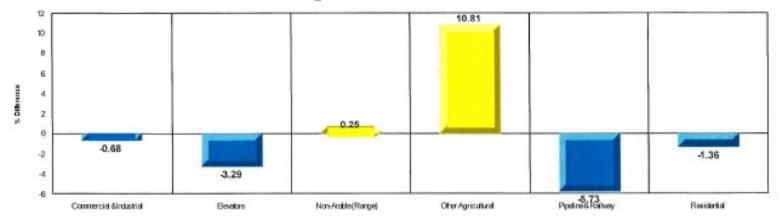


#### 2017 Revaluation Taxable Assessed Value Trend Report for

June 28, 201

MANAGEMENT AGENCY								,
Tax Class (as defined in	2016 Taxable Assessed	2016	2016	2017 Taxable Assessed	2017 Estimated 293 Exempt	2017 Adjusted Taxable		See Cha Change c
Regulations	Value	293 Exempt Assessed	of Total	Value	Assessed		Taxable %	% 2016 t
•		Value	Value		Value	Value	of Total	201
Commercial & Industrial	\$723,800		1.08%	\$509,800		\$509,800	0.40%	-0.68
Elevators	\$5,269,700		7.86%	\$5,815,500		\$5,815,500	4.57%	-3.29
Non-Arable (Range)	\$1,495,360		2.23%	\$3,147,880		\$3,147,880	2.48%	0.25
Other Agricultural	\$45,755,270		68.25%	\$100,518,880		\$100,518,880	79.06%	10.81
Pipeline & Railway	\$11,307,300		16.87%	\$14,153,100		\$14,153,100	11.13%	-5.73
Residential	\$2,491,205	\$702,125	3.72%	\$4,153,310	\$1,194,189	\$2,999,021	2.36%	-1.36
Total	\$67,042,635	\$702,125	100.00%	\$128,298,470	\$1,194,189	\$127,144,181	100.00%	

#### Change of % 2016 to 2017





#### **2017** Detailed Assessed Value Change Report

Preliminary Assessed Value Change Report
(Not For Public Distribution)
for MAIDS - MAIDSTONE

2017 Preliminary Assessments for Discussion Only These values are not to be used for the 2017 Assessment Roll June 28, 2016

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					2016	6			2017			
Assessment ID	Legal Land Location	Liab Subd	Tax Class	Land	Improvement	Property	Total	Land	Improvement	Property Total	Value Diff	% Diff
MAIDS-494900050	Lot 45 Block 1 Plan 101917728 Sup 00	1	R	\$15,800	\$124,300		\$140,100	\$40,400	\$121,800	\$162,200	\$22,100	15.8%
MAIDS-494900125	Lot 35-37,5-6 Block 1 Plan 80B14692 Sup	1	R	\$24,200	\$493,000		\$517,200	\$38,100	\$712,100	\$750,200	\$233,000	45.1%
MAIDS-494900250	Lot 7 Block 1 Plan 80B14692 Sup 00	1	R	\$15,800			\$15,800	\$40,400		\$40,400	\$24,600	155.7%
MAIDS-494900400	Lot 8 Block 1 Plan 80B14692 Sup	1	R	\$15,800	\$272,900		\$288,700	\$40,400	\$378,900	\$419,300	\$130,600	45.2%
MAIDS-494900450	Lot 9 Block 1 Plan 80B14692 Sup	1	R	\$15,800	\$96,500		\$112,300	\$40,400	\$113,600	\$154,000	\$41,700	37.1%
MAIDS-494900500	Lot 10 Block 1 Plan 80B14692 Sup	1	R	\$15,800	\$234,600		\$250,400	\$40,400	\$291,600	\$332,000	\$81,600	32.6%
MAIDS-494900550	Lot 11 Block 1 Plan 80B14692 Sup	1	R	\$15,800			\$15,800	\$40,400		\$40,400	\$24,600	155.7%
MAIDS-494900600	Lot 12 Block 1 Plan 80B14692 Sup	1	R	\$15,800	\$145,700		\$161,500	\$40,400	\$195,000	\$235,400	\$73,900	45.8%
MAIDS-494900650	Lot 13 Block 1 Plan 80B14692 Sup	1	R	\$15,800	\$157,800		\$173,600	\$40,400	\$201,900	\$242,300	\$68,700	39.6%
MAIDS-494900700	Lot 14-15,25 Block 1 Plan 80B14692 Sup 00	1	R	\$27,100	\$187,300		\$214,400	\$38,200	\$332,200	\$370,400	\$156,000	72.8%
MAIDS-494900800	Lot U1 Block 1 Plan 80B14692 Sup 00	1	R	\$4,200			\$4,200	\$6,900		\$6,900	\$2,700	64.3%



#### **2017 Revaluation Communication Activities**

- SAMA's website and SAMAview.
- Pamphlets and Fact Sheets.
- Video on property assessment.
  - http://www.sama.sk.ca/html/2/understanding.html.
- Administrator training sessions in January, 2017.
  - Assessment component by SAMA, tax component by Government Relations.
  - Facilitated by RMAA and UMAAS.
- Board of Revision training sessions as required in February-March, 2017.
- SAMA staff available to attend council meetings, open houses, ratepayer meetings.

#### A LOOK AHEAD-

#### -TO 2017





#### Additional Resources – SAMA

- SAMA's website www.sama.sk.ca
  - On-line manuals, handbooks, FAQs, etc.
- SAMAView <u>www.samaview.ca</u>



#### **Additional Resources – Government Relations**

 2017 Property Revaluation & Tax Policy Presentation <a href="http://publications.gov.sk.ca/documents/313/93">http://publications.gov.sk.ca/documents/313/93</a>
 311-WebPres2017.pdf

- Government Relations Tax Policies
   <a href="http://www.saskatchewan.ca/government/municipal-administration/taxation-and-service-fees">http://www.saskatchewan.ca/government/municipal-administration/taxation-and-service-fees</a>
  - General info, appeal process, tax tools et @@@

# Regina District Association of Rural Municipalities Presentation

Questions?

