

**MIDTERM
CONVENTION**

Saskatchewan Association of Rural Municipalities

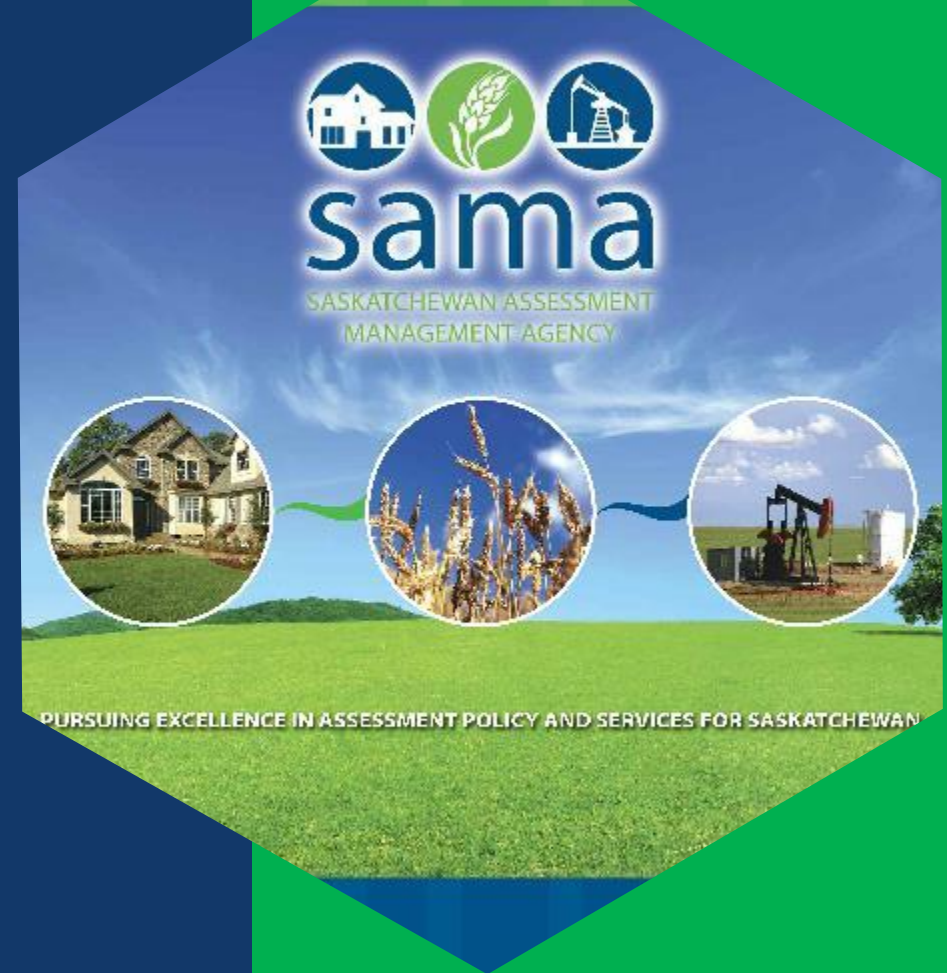
**20
24**

Understanding Assessment and Preparing for the 2025 Revaluation

November 21, 2024

SAMA Presenters

Shaun Cooney / Todd Treslan



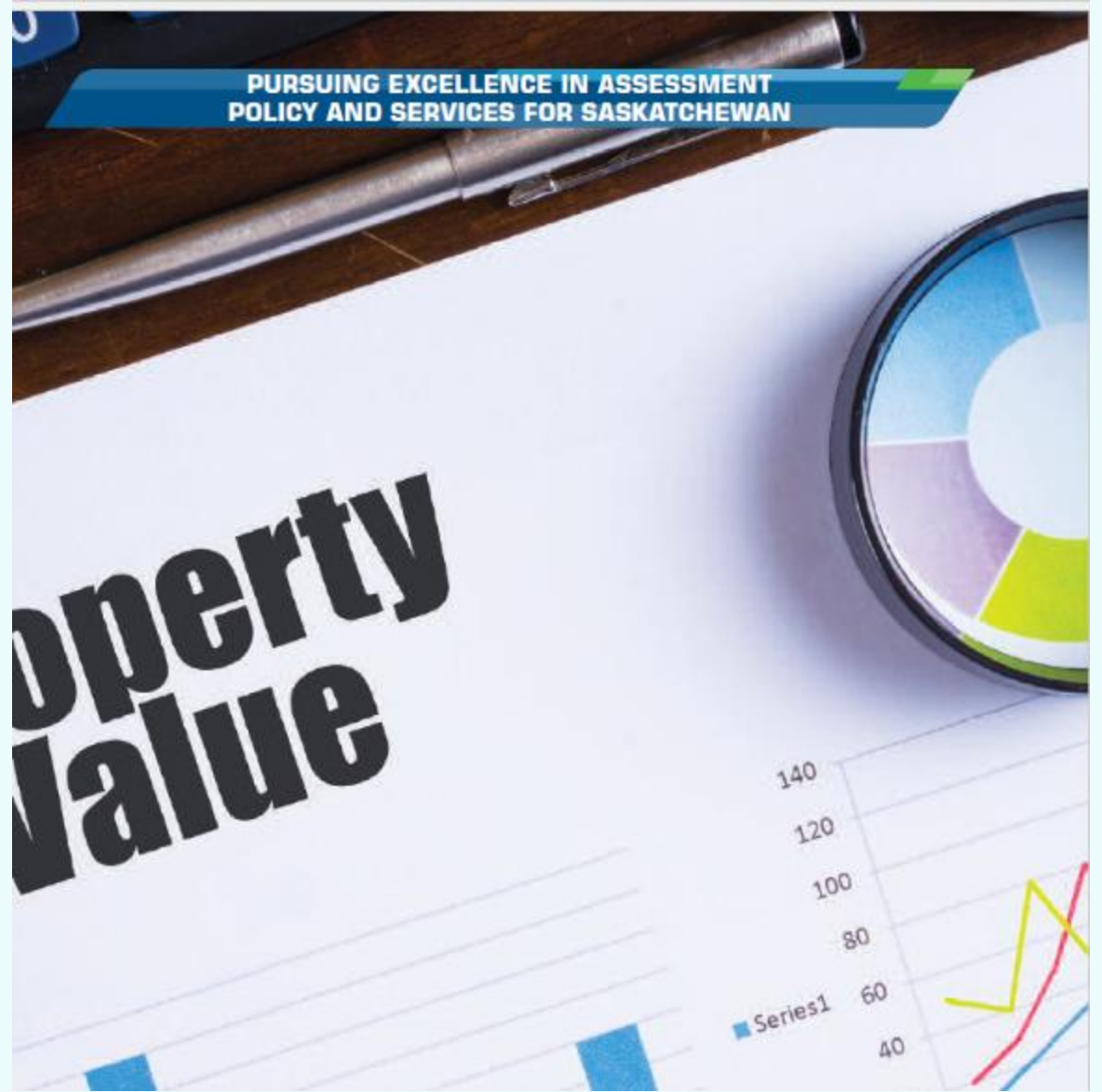


Agenda

- SAMA Overview and Assessment Basics (Shaun)
- SAMA's Assessment Policy Role (Shaun)
- Preliminary 2025 Assessment Trends (Shaun)
- SAMA Serving Municipalities (Todd)
- Mass Appraisal Valuation Approaches (Todd)
- 2025 Revaluation – Understanding Your Role (Todd)
- Questions and Answers

SAMA Overview

- Assessment governance of the \$271 Billion property assessment base
- Responsibilities: Governance, Assessment Service, Information, Quality, Communications, Innovation
- Assessments are the financial foundation for property tax system
- Over \$2.3 Billion in revenues for municipalities and education
 - ✓ \$1.55B for municipalities (up to 85% of municipal revenue)
 - ✓ \$762M for education





SAMA Overview

- Agency established in 1987 by *The Assessment Management Agency Act* (AMA Act).
- SAMA is funded jointly by the Province and Municipalities.
- Governed by a seven-person Board of Directors
- Assessment services for 762 municipalities (Annual Maintenance, Reinspections, Revaluations and Support of Value)
- Approximately 876,000 assessed properties
- 8 regional offices, Industrial Unit (located in Regina) and a Revaluation Unit
 - 163 permanent staff
 - 118 in Assessment Services
- Independent Service Providers = Saskatoon, Regina, Prince Albert, Swift Current

Customer and Stakeholder Partnerships

- Oversight for 2025 revaluation
- 107,000 to 110,000 property inspections and reviews in 2024, 100,000 planned for 2025
- \$1.59B added assessment 2023 to 2024
- \$182M in annual recurring revenues generated by SAMA's property reviews
- Stakeholder consultations, conventions, tradeshow
 - Plain language
 - Educational




Saskatchewan's Property Tax System





Assessment Revaluations – “Keeping pace with property values”

- Property values change over time
- Revaluations involve updating property values to reflect a new “base date”
- Keeps values current and understandable with improved fairness and equity
- Provinces revalue every 1 to 4 years. Saskatchewan on 4-year cycle since 1997



Next Revaluation - 2025 to 2028
- Base Date = Jan 1, 2023

SAMA's Assessment Governance Role

The Assessment Management Agency Act

being

Chapter A-28.1 of the *Statutes of Saskatchewan, 1986* (consult Table of Saskatchewan Statutes for effective date) as amended by the *Statutes of Saskatchewan, 1988-89, c.M-23.2, c.46 and c.55; 1989-90, c.5, c.15 and c.54; 1991, c.1; 1992, c.19; 1993, c.21; 1994, c.33; 1995, c.A-28.01; 1996, c.32 and c.67; 1999, c.N-4.001 and c.3; 2000, c.32; 2001, c.10; 2002, c.C-11.1 and c.39; 2003, c.18; 2004, c.53; 2005, c.L-11.2 and c.M-36.1; 2006, c.2; 2007, c.6, and c.19; 2009, c.M-28.1; 2010, c. N-5.2 and c.3; 2012, c.3; 2013, c.17; 2014, c.A-3.1, c.E-13.1 and c.9; and 2018, c.42.*

NOTE:

This consolidation is not official and is subject to House amendments and Law Clerk and Parliamentary Counsel changes to Separate Chapters that may be incorporated up until the publication of the annual bound volume. Amendments have been incorporated for convenience of reference and the official Statutes and Regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the official Statutes and Regulations, errors that may have appeared are reproduced in this consolidation.

The Assessment Management Agency Act – Section 12

- Research and Policy Development
- Revaluation Orders:
 - Base date, Market Evidence, Quality Assurance, Manual Orders
- Consultations
- Assessment Publications
- Inform Stakeholders
- Report Assessment Trends
- Supervise Provisions of Act
- Advise Board and Ministry

SAMA's Assessment Governance Role



- Policy objectives: Accurate, up to date, universal, equitable and understandable
- SAMA's goal = stable, cost-effective assessment system
- Consultation and liaison is the basis for assessment policy
- SAMA's Advisory and Consultation Committees review policies and make recommendations
- SAMA Board approves all assessment policy. Minister approves regulated policy.

Advisory Committees to the SAMA Board



**Urban Advisory
Committee**



**Rural Advisory
Committee**



**City Advisory
Committee**



**Commercial Advisory
Committee**

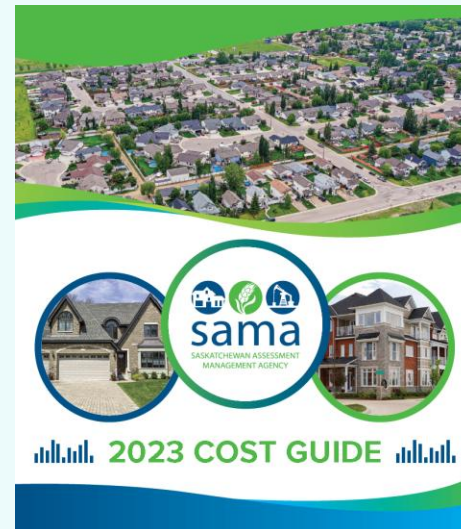
- Membership= SARM, RMAA, SSBA, PARCS, SUMA (Cities, Towns, Villages), UMAAS, City Representatives, CAPP, Pipelines, RAC, SMA, ITAC, WGEA, NGCOA, CFIB, CPTA, PWGSC, BOMA, RDBID, Saskatoon/Regina CoC, AIC, SRA, SAAA, Government, SAMA Board, Administration.

SAMA's Provincial Assessment Publications



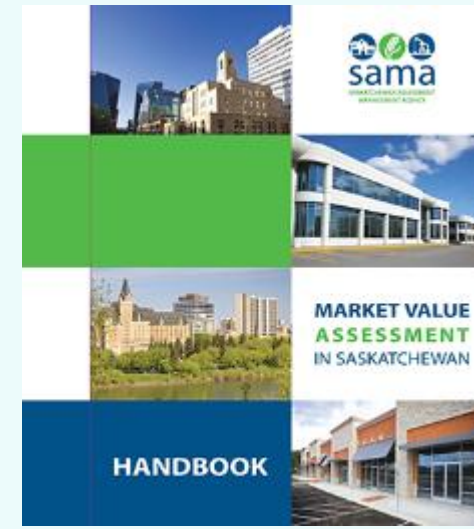
“Provincial Manual”

- Regulated Standard Property
- Formulas, Rules and Principles
- Force of Law



“Cost Guide”

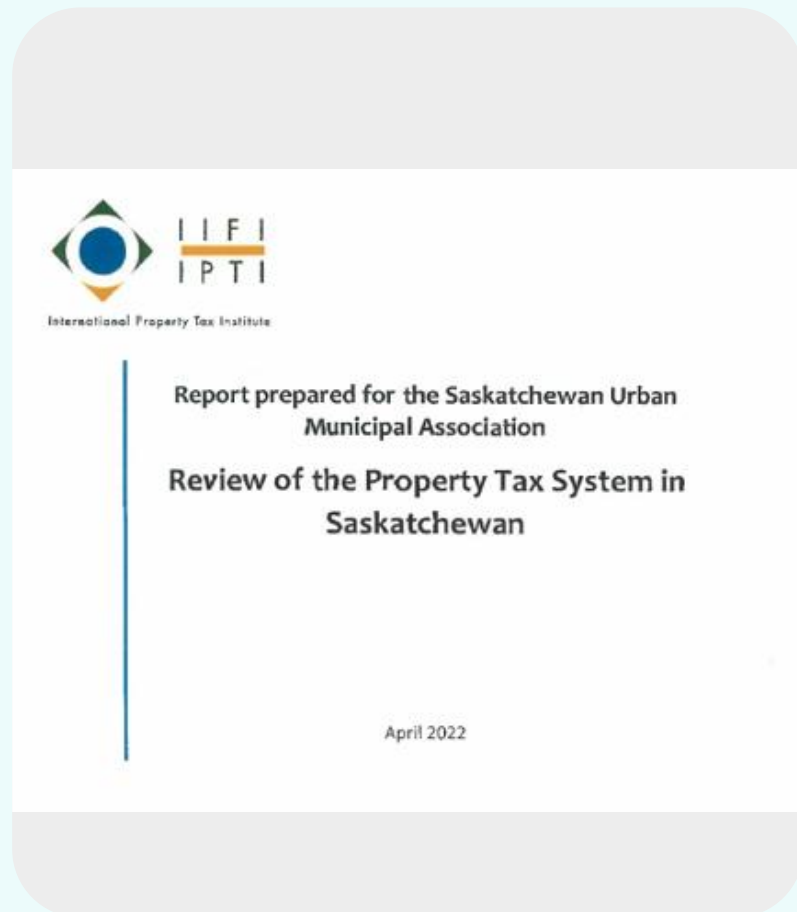
- Market Standard Property
- Cost Approach



“Handbook”

- Market Standard Property
- Income Approach

A Major Review of The Provincial Assessment System



- Major review of the current system
- Commissioned by SUMA
- Report from the International Property Tax Institute – April 2022 (IPTI)
- 342 Pages. Review of Assessment and Taxation. 8 Options for change.
- Any system changes are post 2025
- Requires future research, costing, and planning

SUMA IPTI Working Group Recommendations

1. Remove the Provincial Percentages of Value

Recommended Elimination

2. Shorten the 4 Year Revaluation

Recommended reviewing 2 Year Cycle

3. Change the Base Date (from 24 Months prior to Revaluation)

Recommended review of 12 or 18 Month options

4. True Market Values for Regulated Properties

Recommended against (retain Regulated Property Standard)



- SUMA is reviewing and consulting with membership
- Key considerations: Proper planning, adequate funding, enough trained appraisers.

Managing Assessment System Risks

- Oversight role involves monitoring risks and challenges for Assessment Service Providers (ASPs)
- ASPs report an inability to recruit new trained staff
- Province facing a shortage of skilled assessment “modellers”
- Existing resources being stretched to address the revaluation and assessment appeals
- Computer Assisted Mass Appraisal (CAMA) Systems are aging. Technology is costly. Need to plan for upgrades and replacement.



Assessment Appeals – Ongoing Challenges

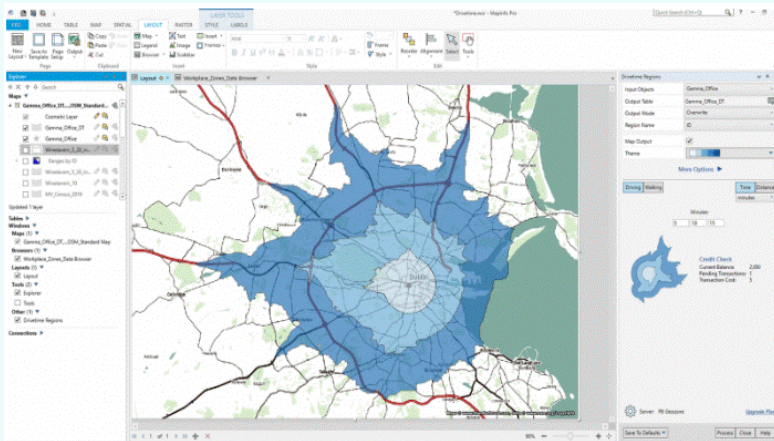
SAMA Appeals	2017	2021
Total Appeals	16,034	6,054
Total Court of Appeal	31	17
Total Court of Appeal - Active	0	8
Appeal "Life Cycle"	1,263	1,195

- Province is receiving good case law = assessment stability
- High profile assessment appeals now more adversarial, complex and resource intensive
- Reliance on solicitors now a necessity
- Focus on technical and procedural rules versus assessment
- \$5.93 Billion in assessment before the Saskatchewan Municipal Board and Court of Appeal (as of Q1 2024)

Technology Improving Assessments



- Geographic Information Systems (GIS) now play a major role in assessment
- SAMA has a new GIS working team and steering committee
- Developed 4-year GIS strategic vision
- Part of Provincial Imagery Collaborative
- SAMAView provides online GIS based mapping and assessment reports
- Very high return on GIS investment: improved efficiency, increased inspections, better accuracy



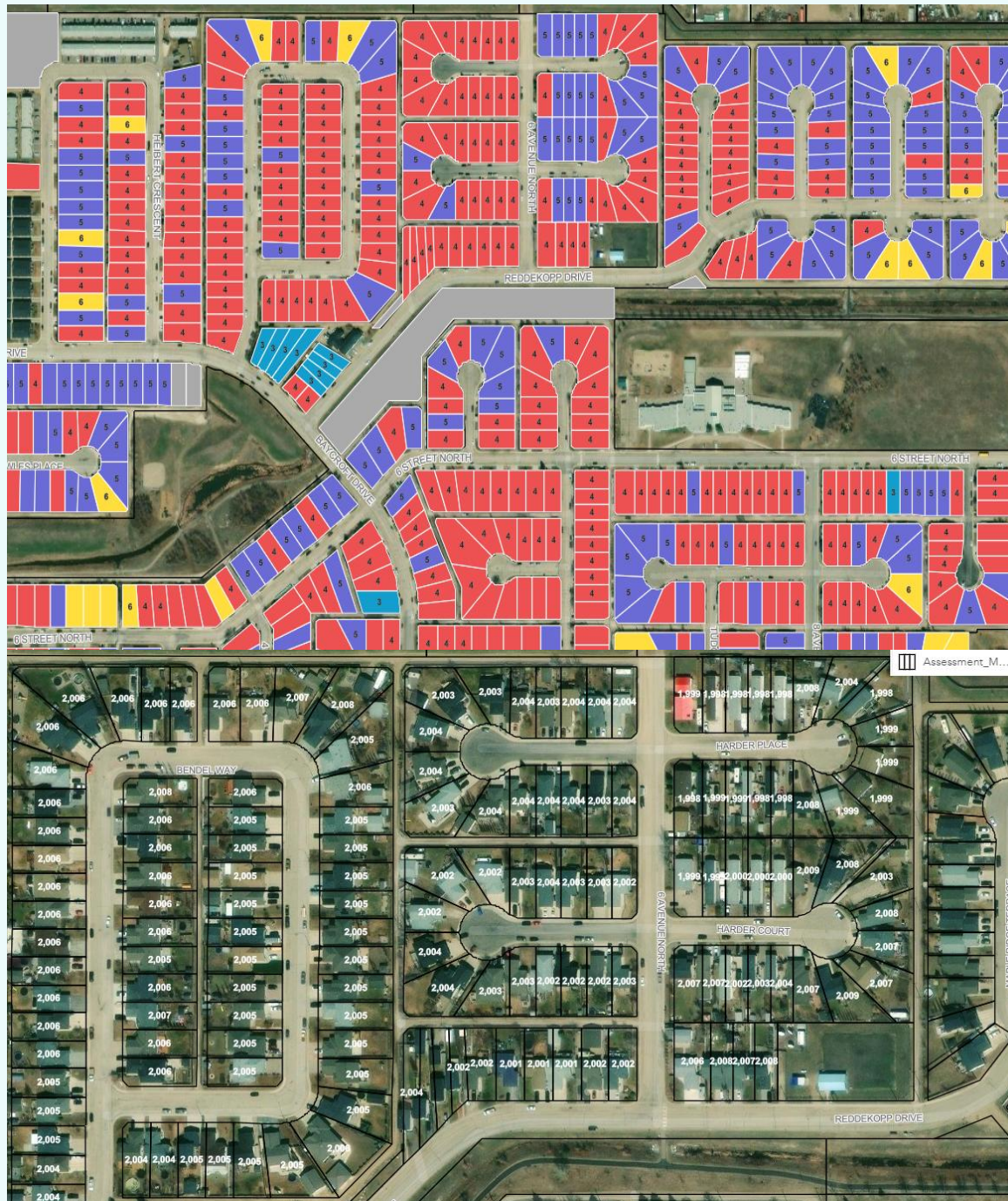
Eagle View Pictometry – Change Detection

- High resolution aerial images
- View ortho (top down) and oblique images
- Change detection compares images
- Measure parcels, building areas and heights



ArcGIS Insights Application

- Link data analysis to GIS map output
- Analyze sales, modelling, and impacts
- Quality control application
- Assessment Trend Mapping Project
- Moving to SAMA's GIS Portal for full staff access





Remote Sensing Project

- Focus on using established Enhanced Water Index for Identifying permanent water.
- Potential to save agrologists time as they start a reassessment with some polygons of waste already mapped out.



Preliminary 2025 Assessment Trends

2025 Revaluation
Milestones

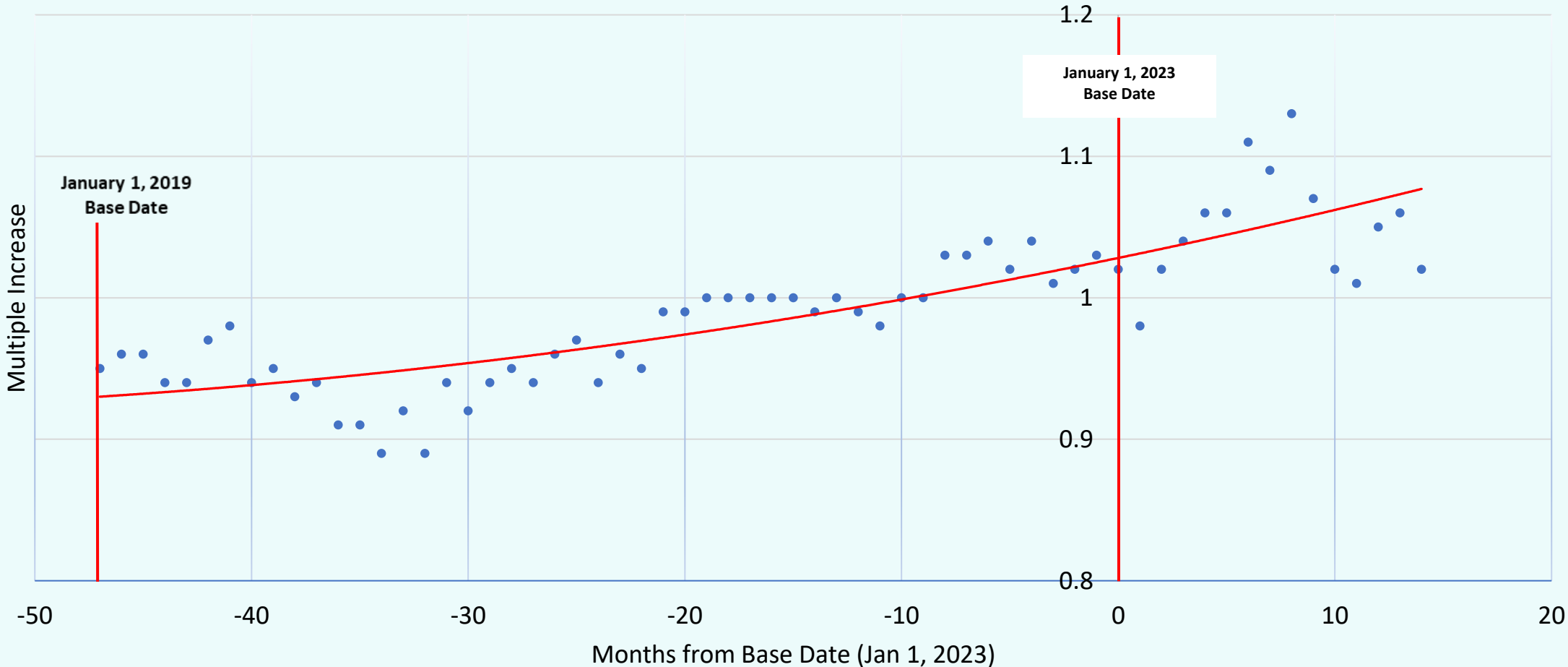
Sales Trends for
Residential and
Arable
Agricultural Land

2025 Preliminary
Assessed Value
Trends

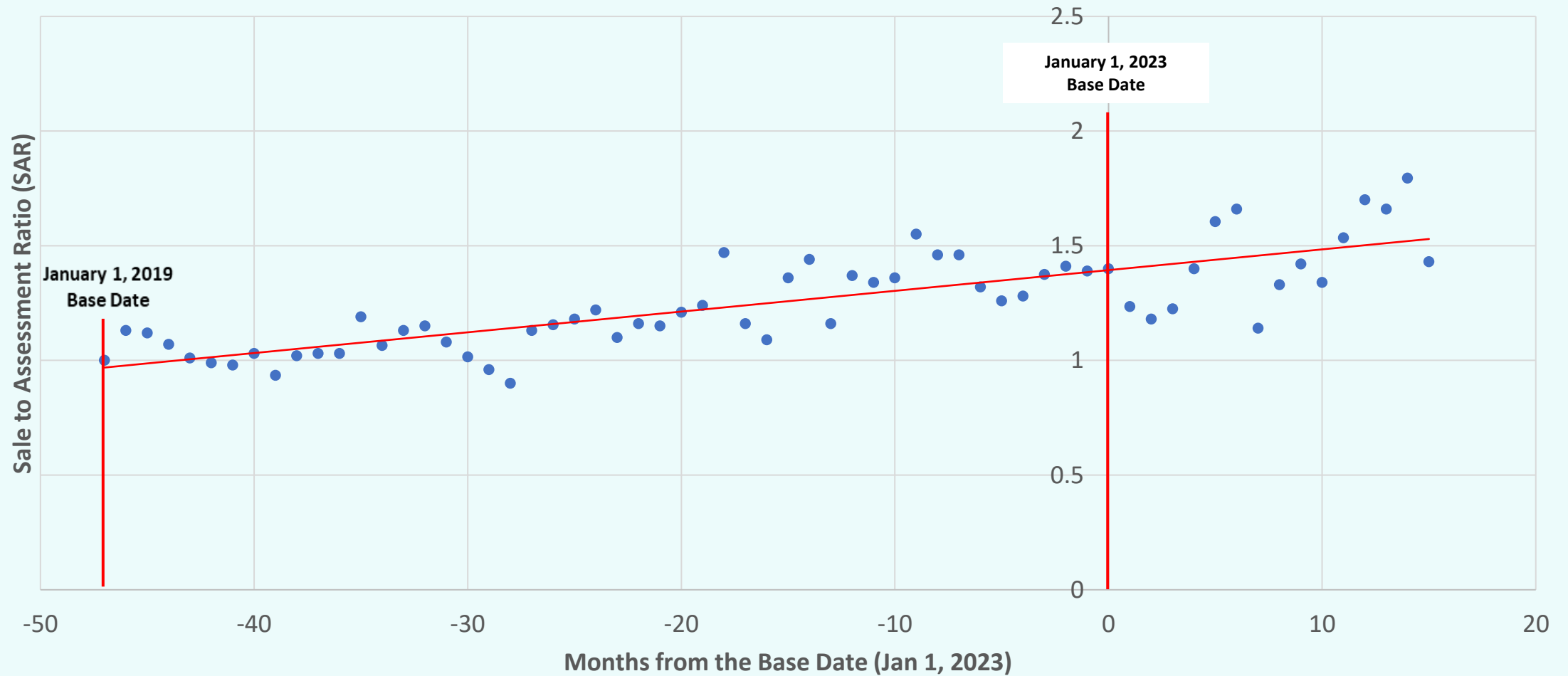
2025 Revaluation Timelines

Major Activity	Milestone	Status
2023 Manual Approval	Feb - March 2023	Completed
Market Analysis	Feb 2023 to March 2024	Completed
Preliminary Assessments For Provincial Tax Policy by	April 1 2024	Completed
Delivery of Preliminary Values to SAMA Client Municipalities	June - October 2024	Completed
Finalize Market Analysis and Regulated Assessments	April - November 2024	Completed
Provincial Percentages of Value	November 2024	
Apply Percentages of Value	November 2024	

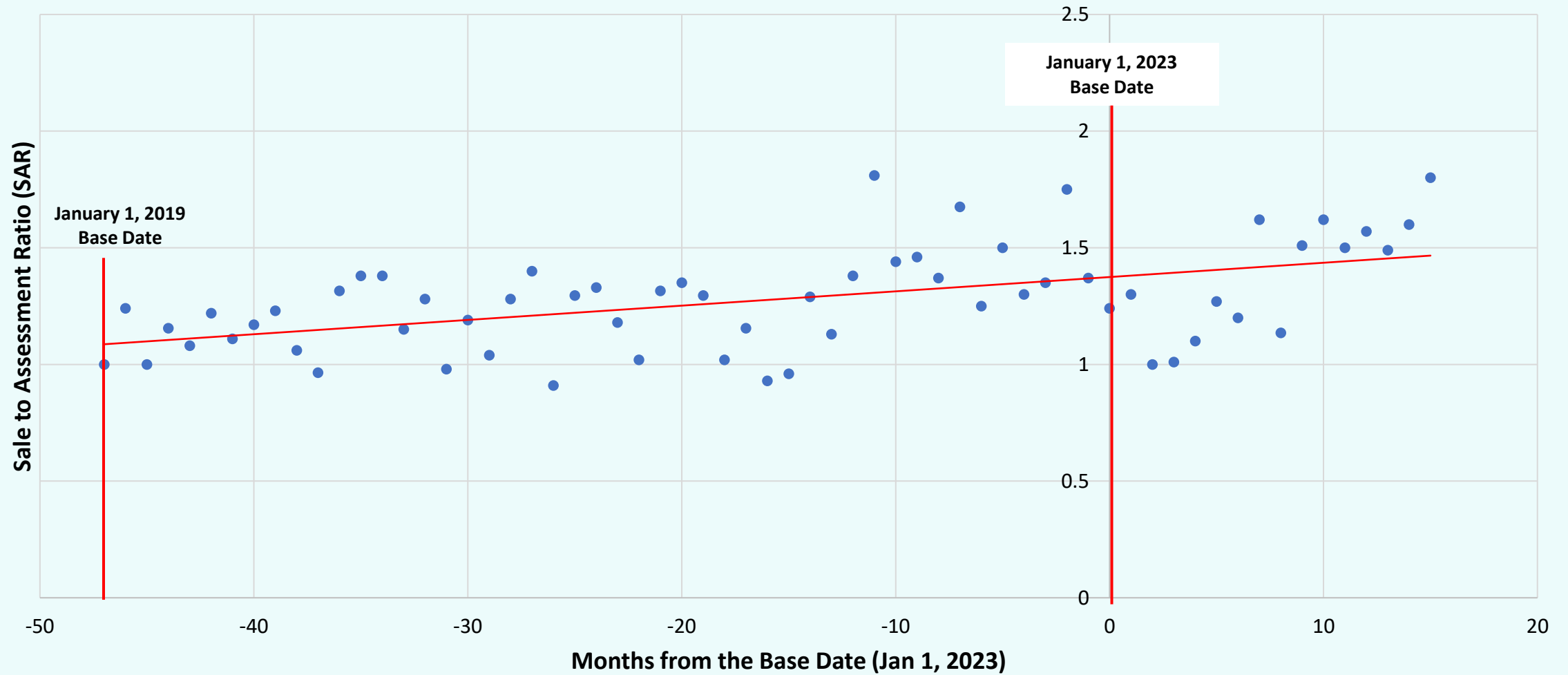
Residential Sales Trends (Monthly to February 2024)



Agricultural Arable Sales Trends (Monthly to March 2024)



Agricultural Pasture Sales Trends (Monthly to March 2024)



Assessment Changes \neq Tax Changes

Before Revaluation



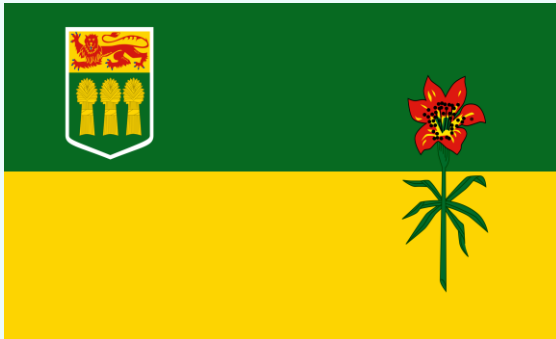
After Revaluation



Anticipated 2025 Assessment Trends

- Preliminary Assessed value changes from January 1, 2019 to January 1, 2023 base dates
- Local 2025 assessment trends available to council by June 30, 2024

Three Trend Levels to Consider



Provincial

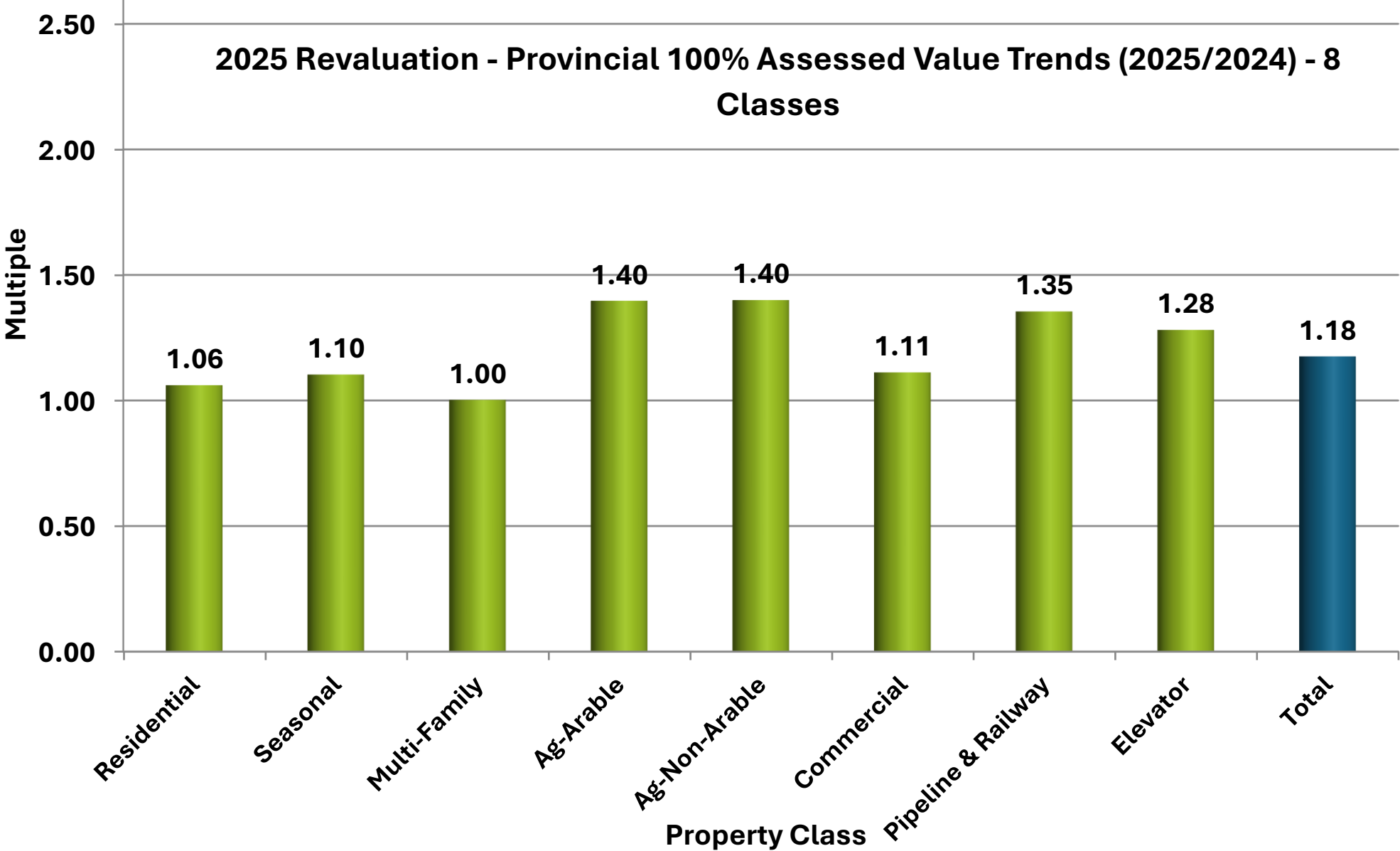


Local

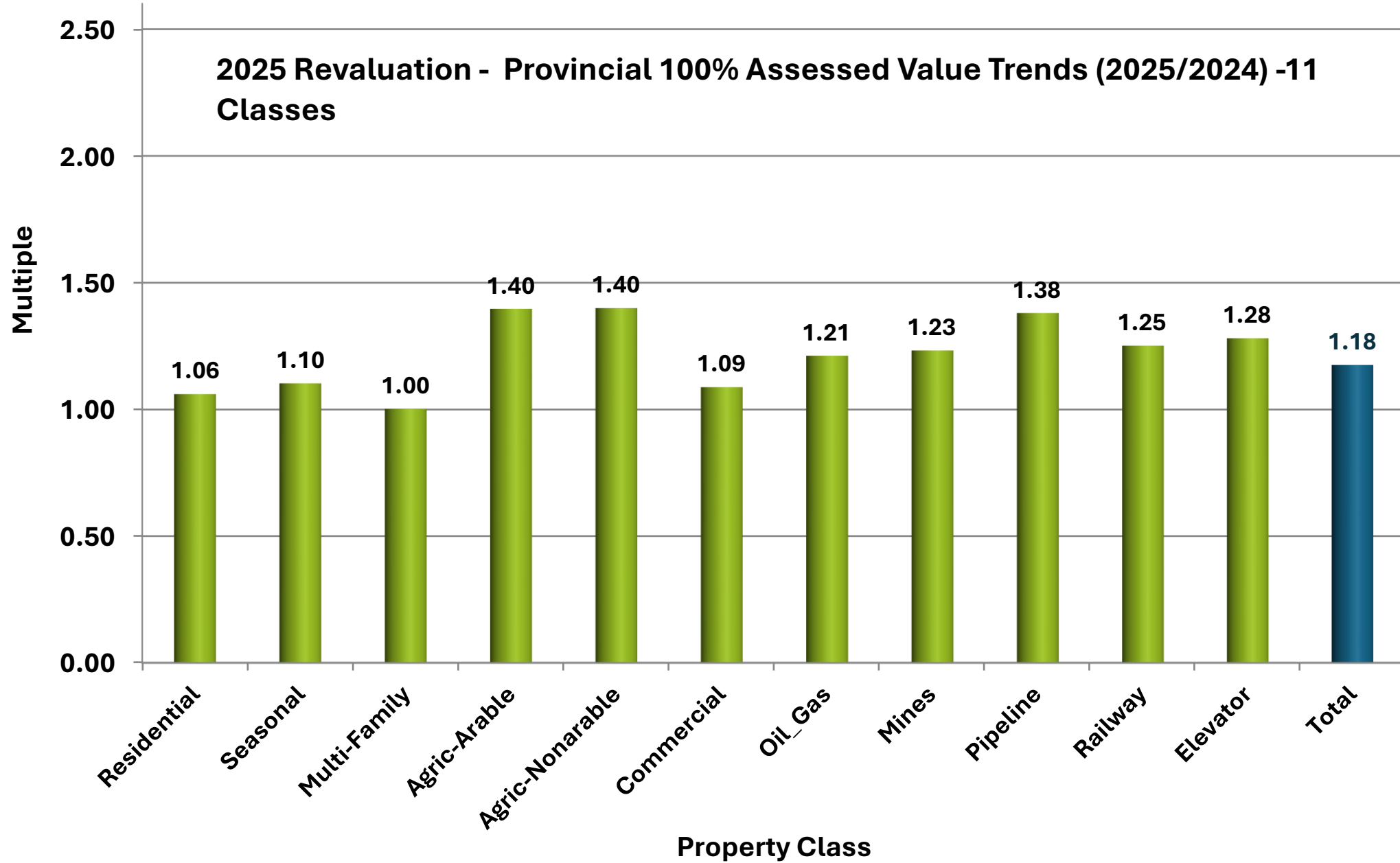


Property

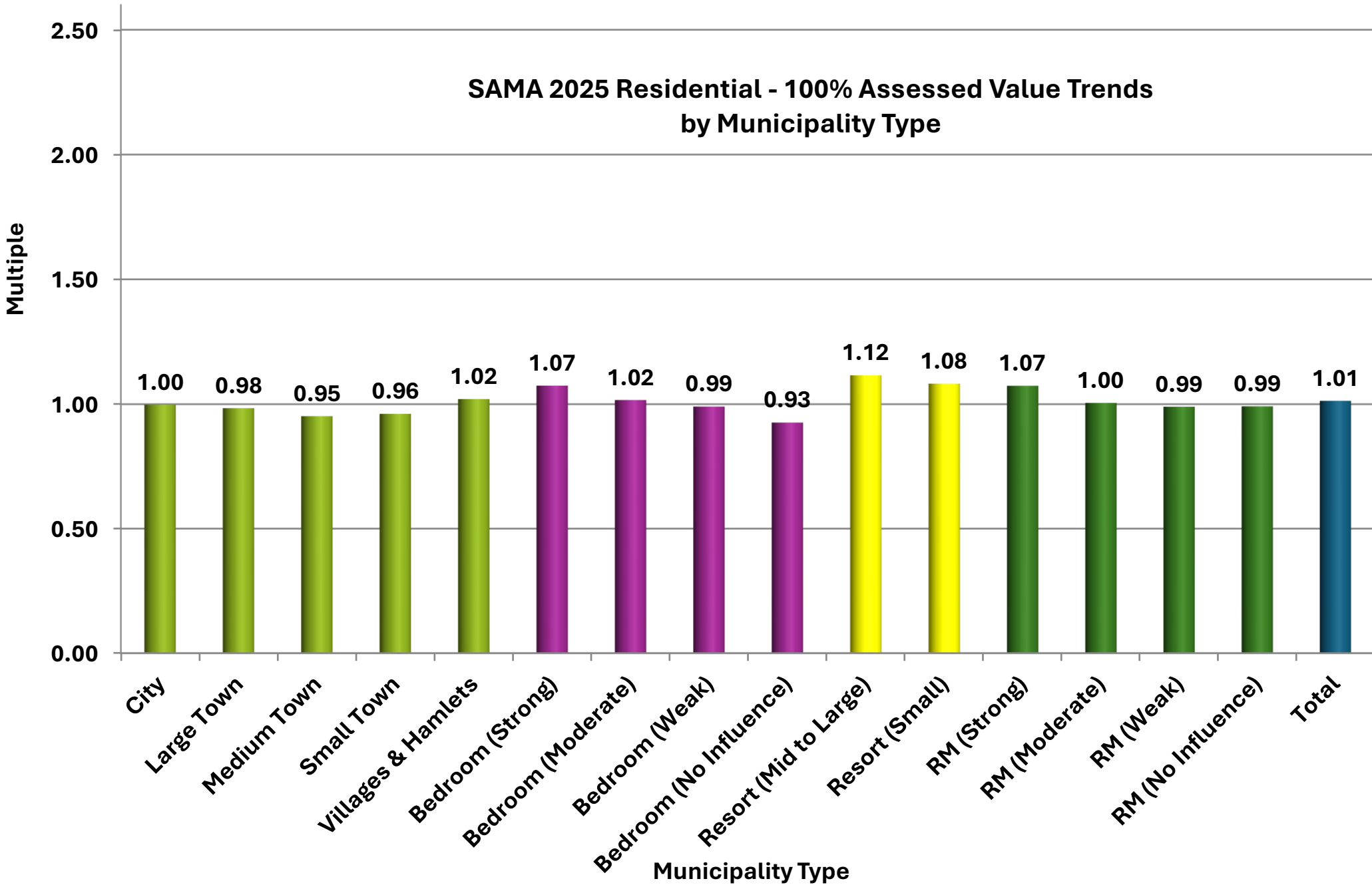
2025 Revaluation - Provincial 100% Assessed Value Trends (2025/2024) - 8 Classes



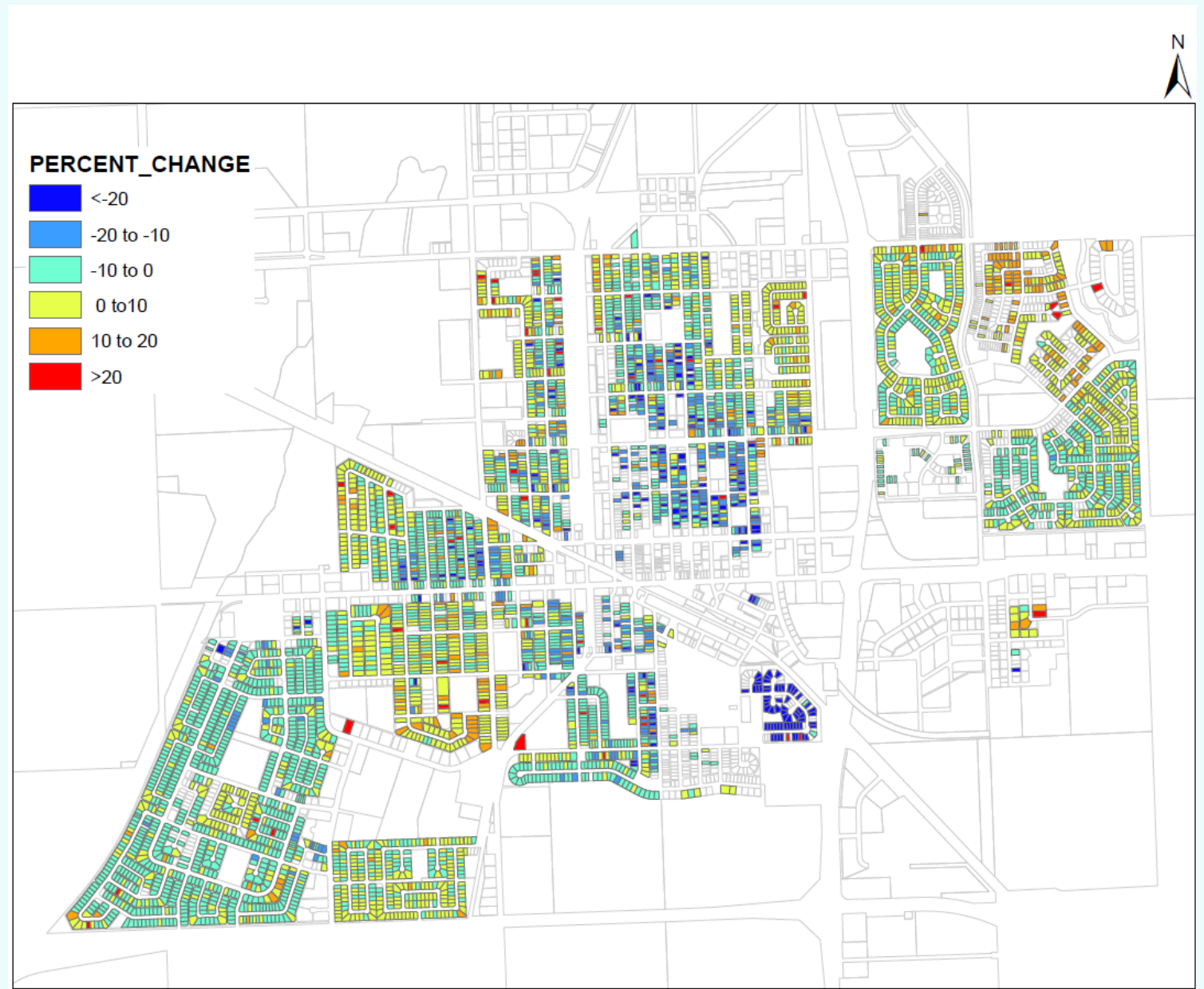
2025 Revaluation - Provincial 100% Assessed Value Trends (2025/2024) -11 Classes



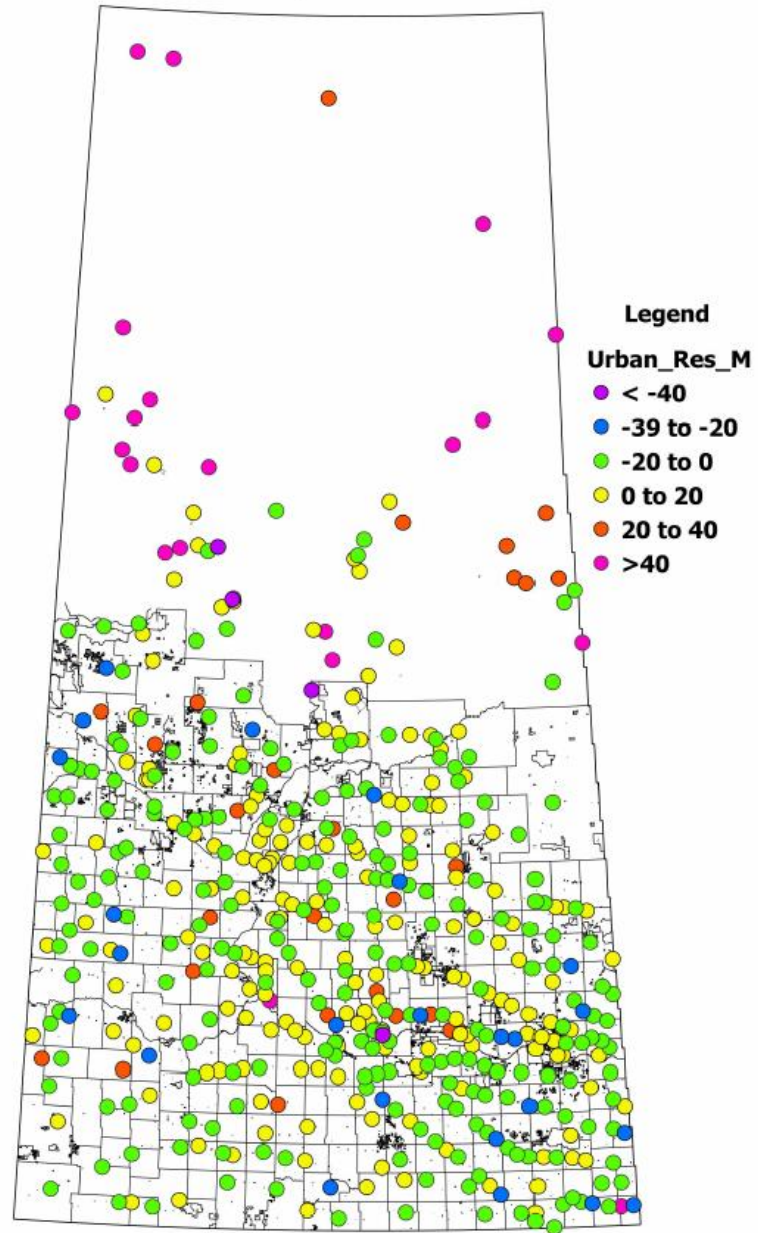
SAMA 2025 Residential - 100% Assessed Value Trends by Municipality Type



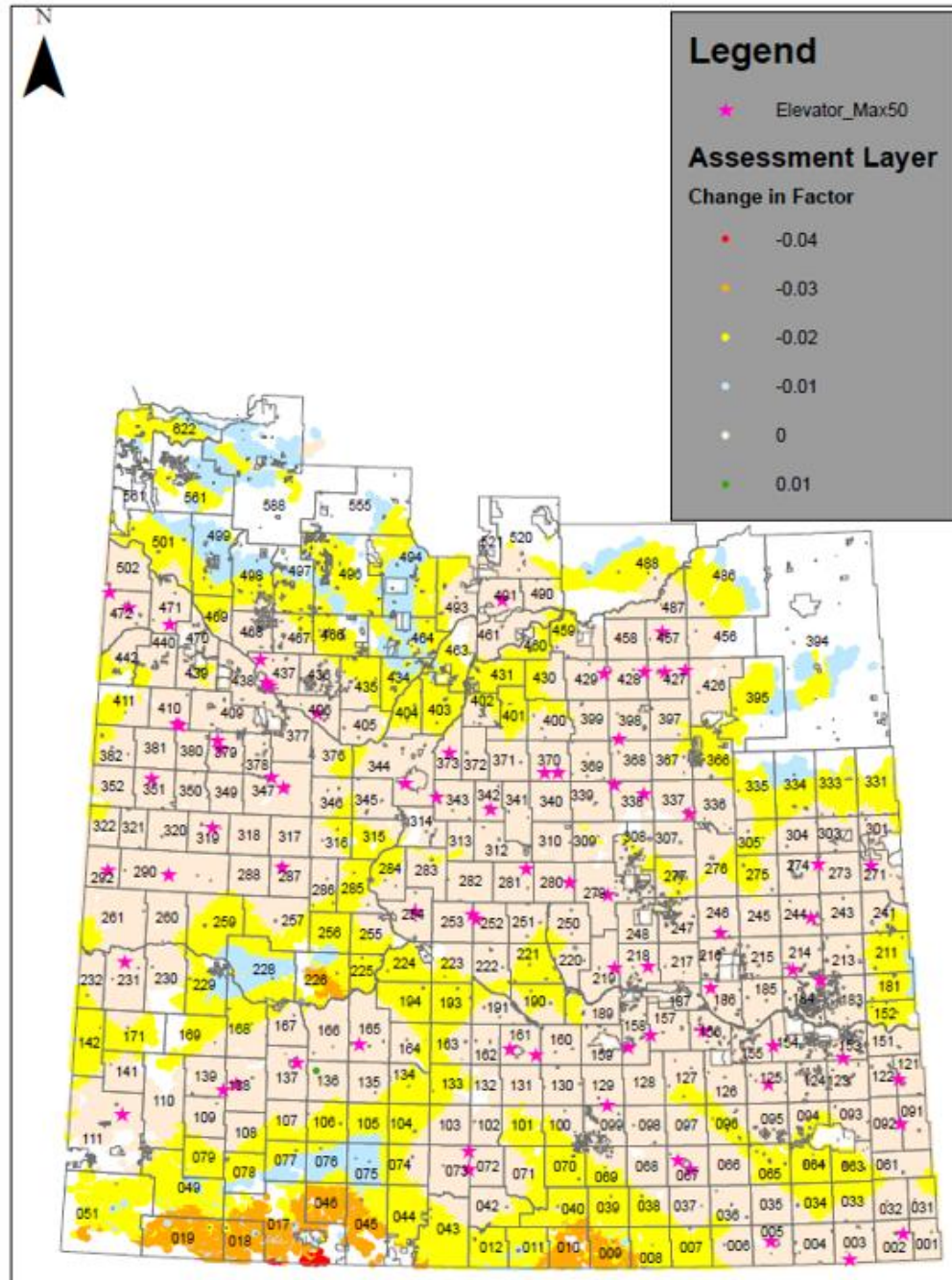
Residential Assessment Shift Sample Municipality (Median 0.99)



Shift Analysis Residential 2025



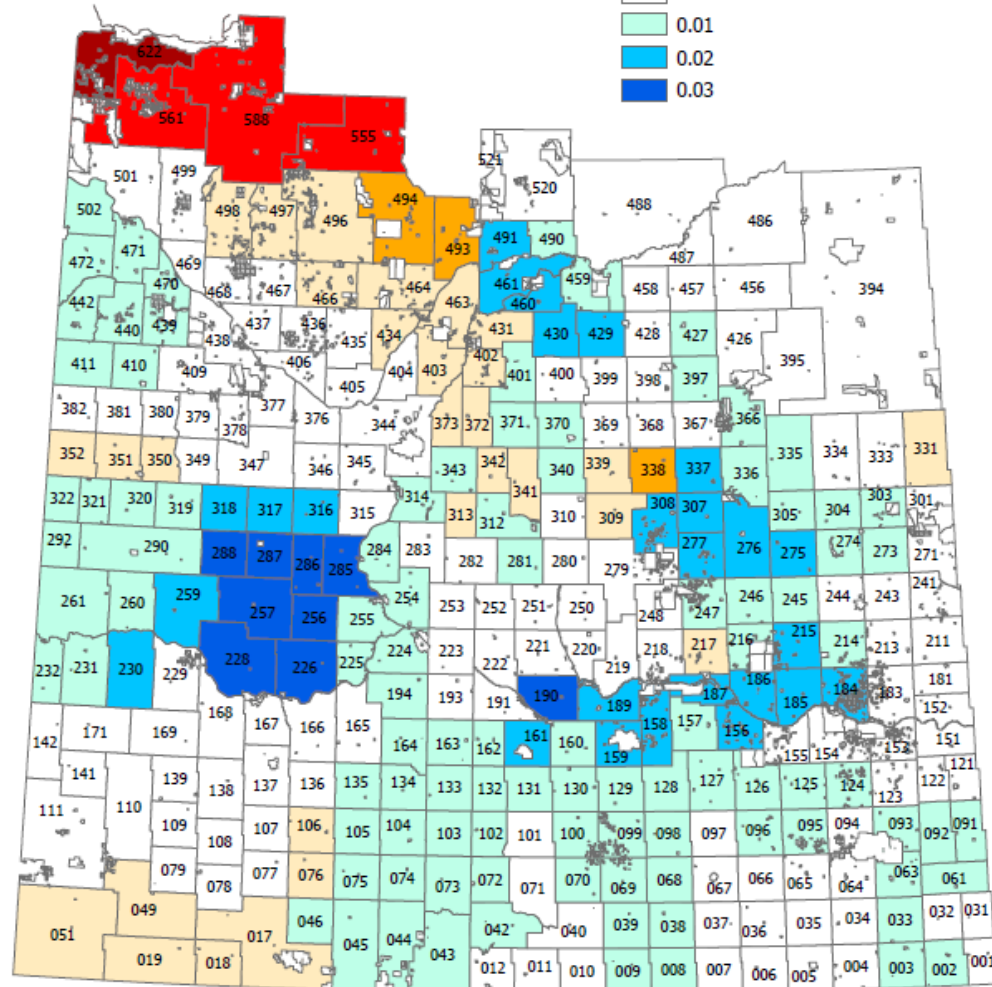
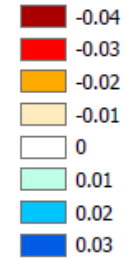
2025 Manual - Miles to Market Factor Trends



Legend

Change in Freight Factor

Change



SAMA Serving Municipalities



Working together to meet your assessment needs...

SAMA has two main functions: Property assessment governance and provision of assessment services

Provision of assessment services to municipalities:

- Annual assessment maintenance
- General re-inspections
- Provincial revaluations
- Assessment inquiries and appeals
- Communications and general assessment support

Role of the Assessor vs Assm't Appraiser

Municipal Assessor

- Prepare assessment roll
- Determine tax class of property
- Determine tax status

SAMA's Assessment Appraiser

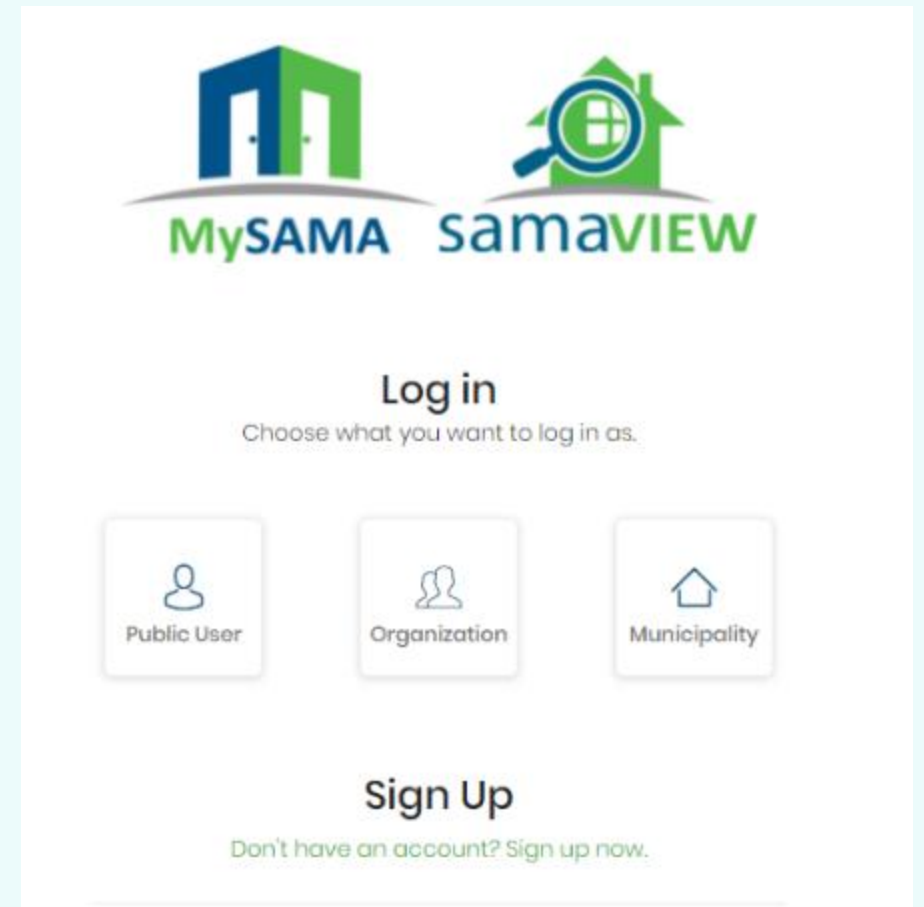
- “...establish, maintain and undertake valuations.” *Section 12(1)(b) AMA Act*
- Determine the non-commercial portion that exemptions apply to in a rural municipality of properties that are used in both the agricultural operation of the land and a commercial use

sama
SASKATCHEWAN ASSESSMENT
MANAGEMENT AGENCY



Annual Maintenance Process

- 30,000-40,000 requests received per year
- Use MySAMA
 - Start process by establishing your preferred delivery date
 - Minimum 60-day turnaround
 - Enter maintenance as property changes occur during the year or all at once using individual property search function, the Munisoft export function or by importing an Excel spreadsheet.
 - Maintenance submitted by early October has best chance of timely completion
 - Remember to review/approve any “callbacks” each year
- Questions: Contact your SAMA regional support person



On-Time Maintenance Delivery

2023 objectives – 85%+ by date requested /95%+ within 3 weeks

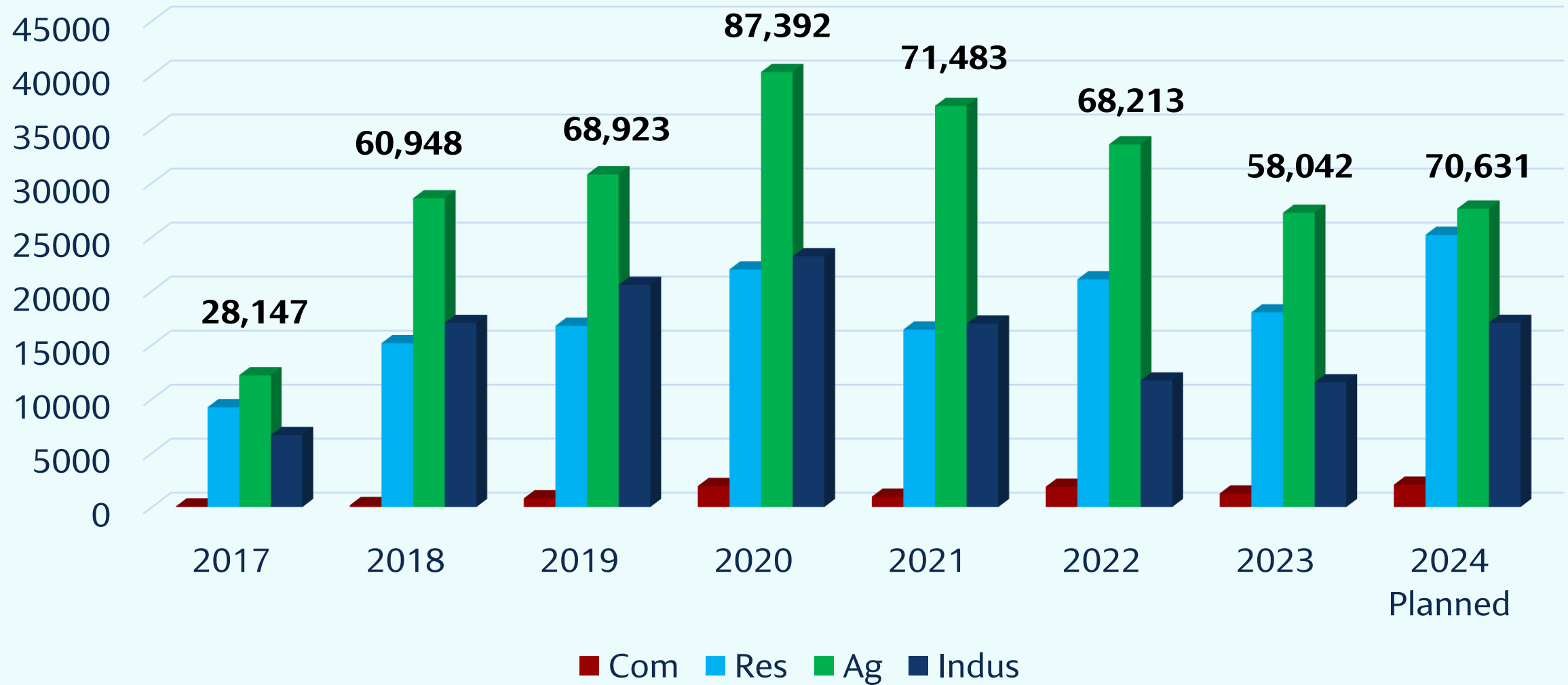


General Reinspections

- Opportunity to ensure all property physical data is brought up to date for a municipality
- Primary objective is to improve fairness and equity in the assessments of all properties in a municipality
 - Often also discover previously missed taxable assessments
- Significant focus on reinspections since 2018
- Primary selection criteria is time since last general inspection



Reinspection Counts



Understanding Revaluations



Property values change over time

- All Canadian jurisdictions update assessments every one to four years

Revaluations involve updating values to be more current and understandable with improved fairness and equity

Mass appraisal based assessments are as of the base date and use sales from the years leading up to the new base date

Ask your SAMA representative to explain the new values sooner rather than later!



Three Approaches to Value

- Cost Approach
- Sales Comparison Approach
- (Rental) Income Approach

Each approach can be used to meet the market valuation assessment standard

Essential ingredients

Validated sales, up to date property data,
property income and expense data

Cost Approach



- Estimate the land value based on vacant land sales
- Estimate the building value based on improved sales
 - Calculate Replacement Cost New (RCN) from SAMA's base date cost guide
 - Adjust for depreciation (based on the age and condition of the structure)
 - Adjust to reflect average selling prices for comparable improvements as of the base date by using a market adjustment factor (MAF)
 - A MAF is calculated for each sale and the MAF applied is developed from the median of comparable sales in the neighbourhood
- Property Value = land value + building value

Sales Comparison Approach



- Mass appraisal approach which determines the market value through a comparison of valid sales
- Sale prices are used directly to identify value determining variables and ultimately calculate assessments
- Preferred for single family or condo residential properties when adequate sales exist
- Multiple Regression Analysis (MRA) techniques are commonly used to build sales comparison models

(Rental) Income Approach



- Primary valuation approach for (rental) income producing properties
- Only considers property or rental income and does not consider owner's personal income
- Primary approach used by industry as the valuator undertakes the same analysis as buyers and sellers of income producing properties

Assessment Model Building and Testing



Compare Model to Population

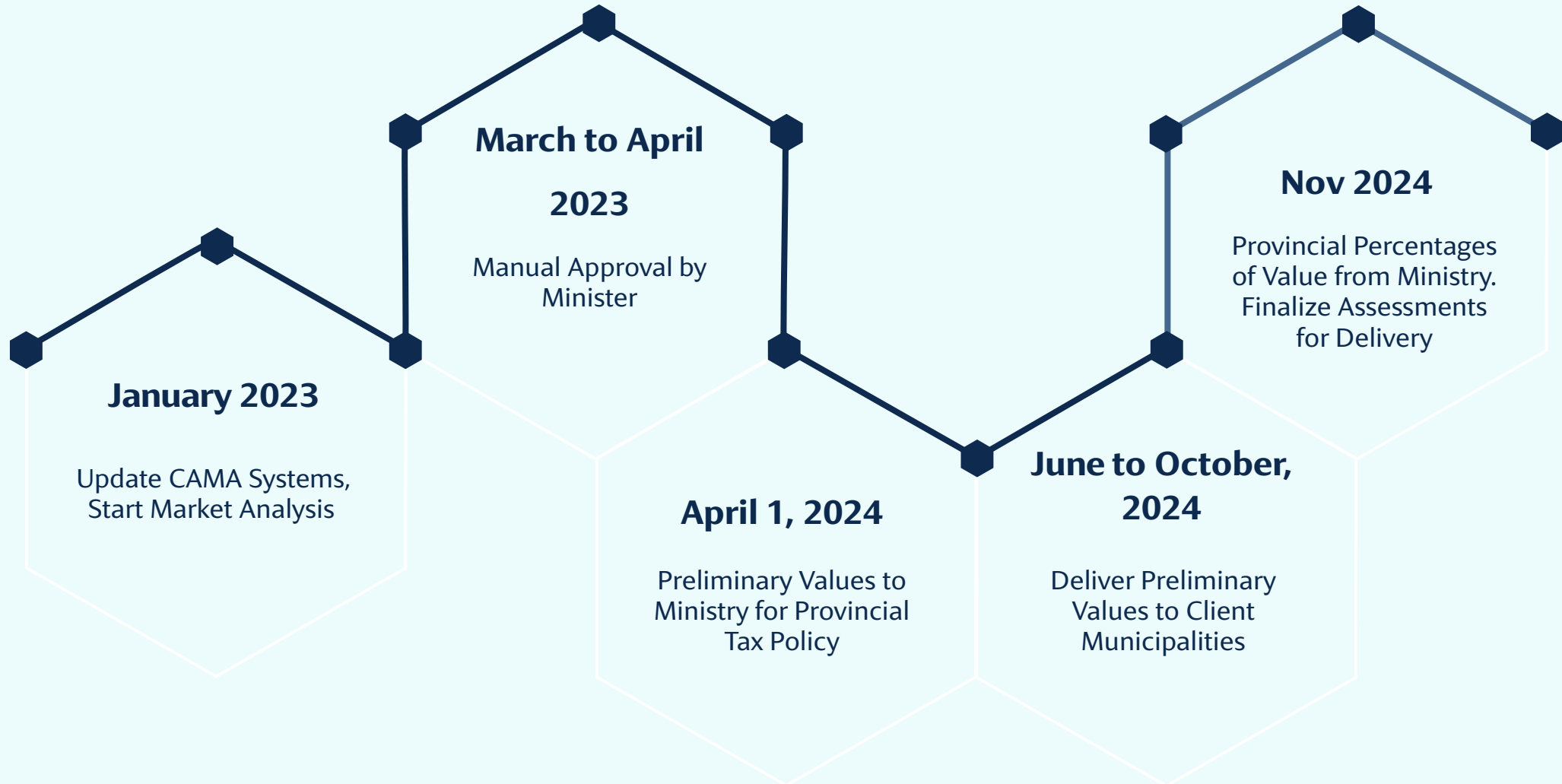


Conduct Quality Checks:

- Test Level - Assessment to Sales Ratio (ASR)
- Test Accuracy - Coefficient of Dispersion (COD)
- Seek feedback on new values
- Acceptable municipal ASR levels are required to pass quality assurance standards and confirmation audits



2025 Revaluation Timeline



Preliminary Value Packages

- Municipality 2025 Revaluation Highlights
- Municipal Assessed Value Trend Report
- Municipal Taxable Value Trend Report
- Preliminary Value Detail Report
- Shift Maps (2025 compared to 2024)

2025 Revaluation – Understanding Your Role

- Municipality 2025 Revaluation Highlights
 - What are the key property types or assessment trends that the municipality should be aware of?
 - What is changing considerably compared to 2021?
 - What is changing considerably compared to the provincial trend and why?
 - Are there any specific properties that have changed significantly since the last revaluation?



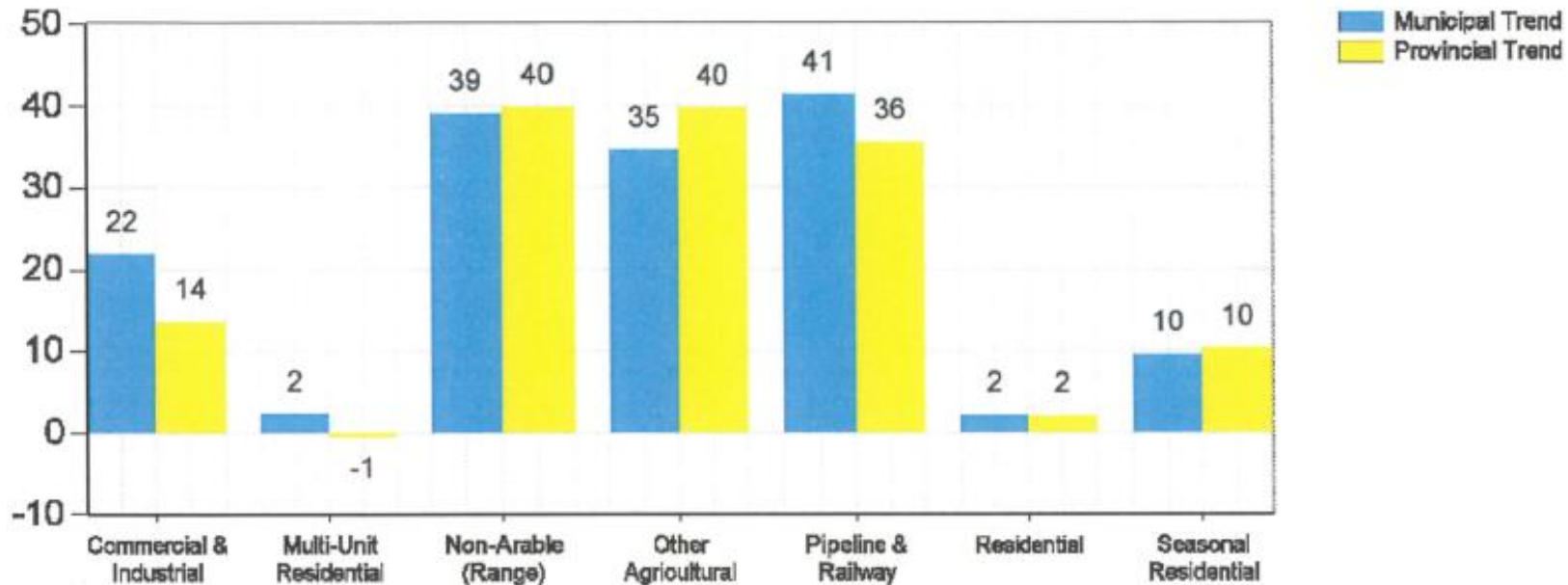
2025 Revaluation Assessed Value Trend Report (100% Value)

for _____

June 24, 2024

Tax Class (as defined in Regulations)

Tax Class (as defined in Regulations)	2024 Municipal Assessed Value	2025 Municipal Assessed Value	Municipal Trend	Provincial Trend
Commercial & Industrial	\$400,693,300	\$488,233,900	22%	14%
Multi-Unit Residential	\$9,943,500	\$10,173,900	2%	-1%
Non-Arable (Range)	\$31,616,900	\$43,978,700	39%	40%
Other Agricultural	\$221,858,700	\$298,715,200	35%	40%
Pipeline & Railway	\$130,280,700	\$184,231,600	41%	36%
Residential	\$77,977,500	\$79,680,900	2%	2%
Seasonal Residential	\$61,407,600	\$67,272,800	10%	10%
Total	\$933,778,200	\$1,172,287,000	26%	23%



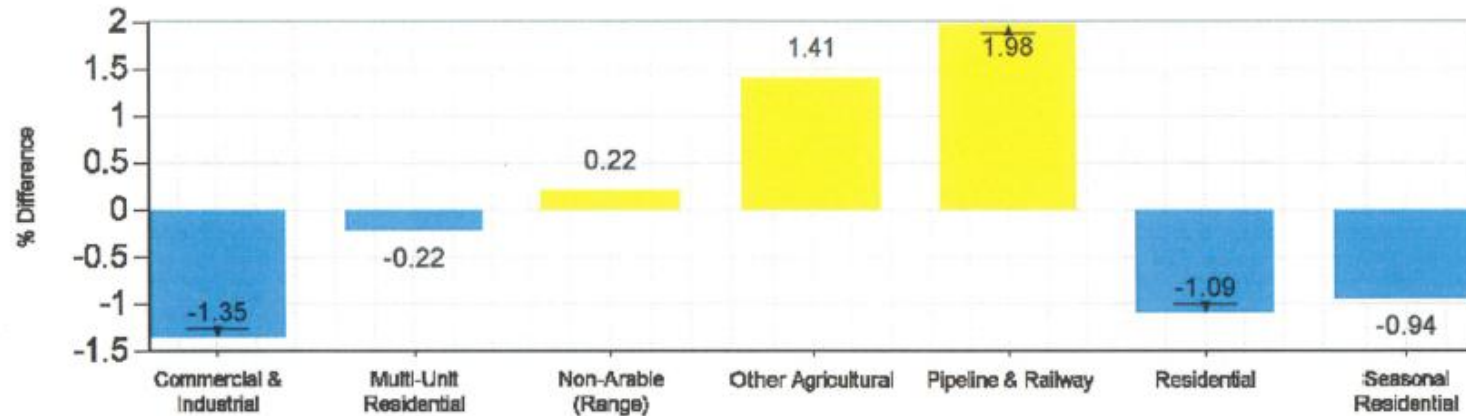


2025 Revaluation Taxable Assessed Value Trend Report for

June 24, 2024

Tax Class (as defined in Regulations)	2024 Taxable Assessed Value	2024 293 Exempt Assessed Value	2024 Taxable % of Total Value	2025 Taxable Assessed Value	2025 Estimated 293 Exempt Assessed Value	2025 Adjusted Taxable Assessed Value	2025 Adjusted Taxable % of Total	See Chart Change of % 2024 to 2025
Commercial & Industrial	\$332,248,340	\$0	49.09%	\$407,591,575		\$407,591,575	47.74%	-1.35%
Multi-Unit Residential	\$7,954,800	\$0	1.18%	\$8,139,120		\$8,139,120	0.95%	-0.22%
Non-Arable (Range)	\$14,212,710	\$0	2.10%	\$19,769,715		\$19,769,715	2.32%	0.22%
Other Agricultural	\$117,954,320	\$37,180	17.43%	\$160,875,990		\$160,875,990	18.84%	1.41%
Pipeline & Railway	\$110,738,595	\$0	16.36%	\$156,596,860		\$156,596,860	18.34%	1.98%
Residential	\$45,151,390	\$16,051,490	6.67%	\$62,747,750	\$15,117,784	\$47,629,966	5.58%	-1.09%
Seasonal Residential	\$48,492,720	\$8,800	7.17%	\$53,155,040	\$12,320	\$53,142,720	6.22%	-0.94%
Total	\$676,752,875	\$16,097,470	100.00%	\$868,876,050	\$15,130,104	\$853,745,946	100.00%	

Percentage Change 2024 to 2025





Preliminary Assessed Value Change Report (Not For Public Distribution)

2025 Preliminary Assessments for Discussion Only
These values are not to be used for the 2025 Assessment Roll

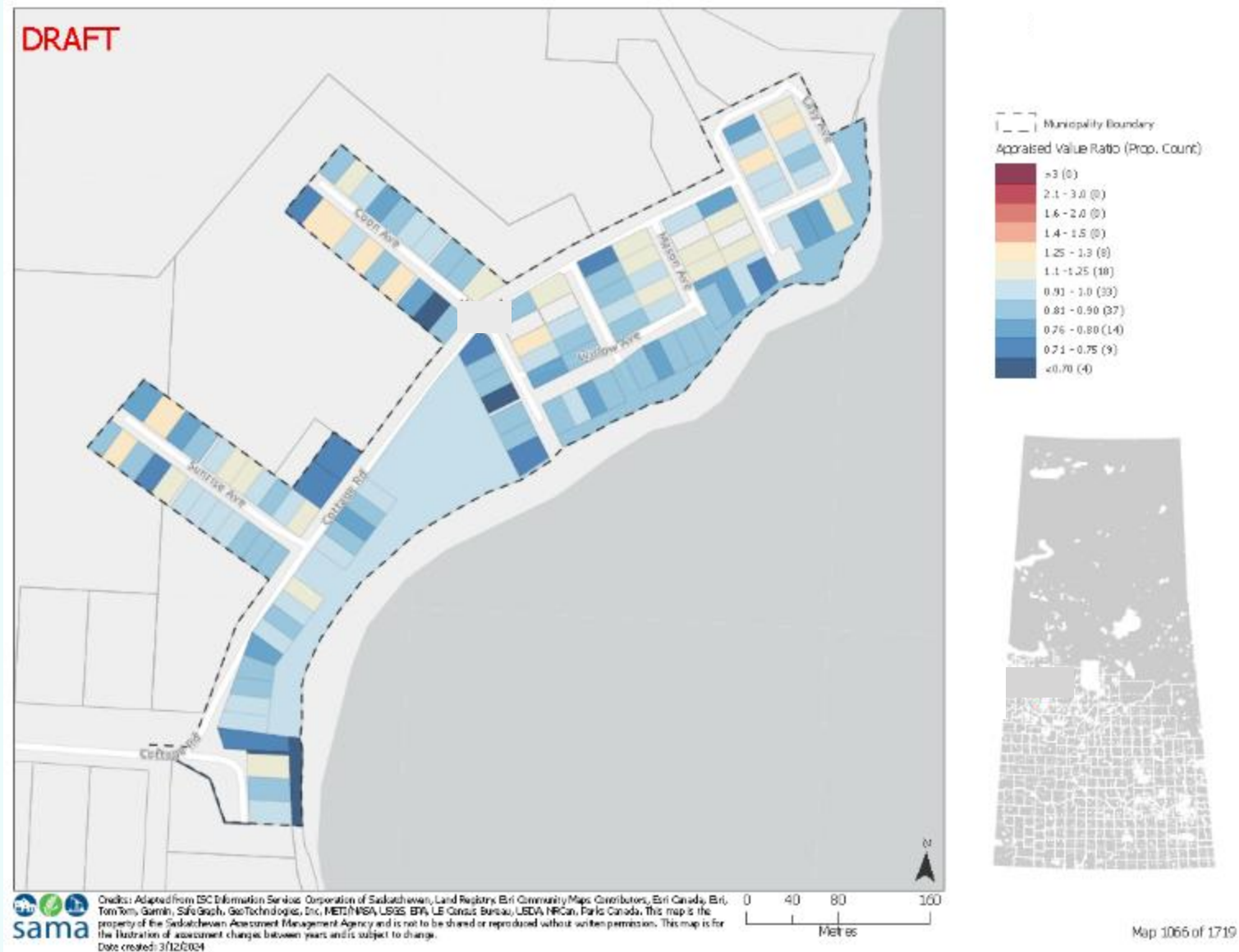
June 24, 2024

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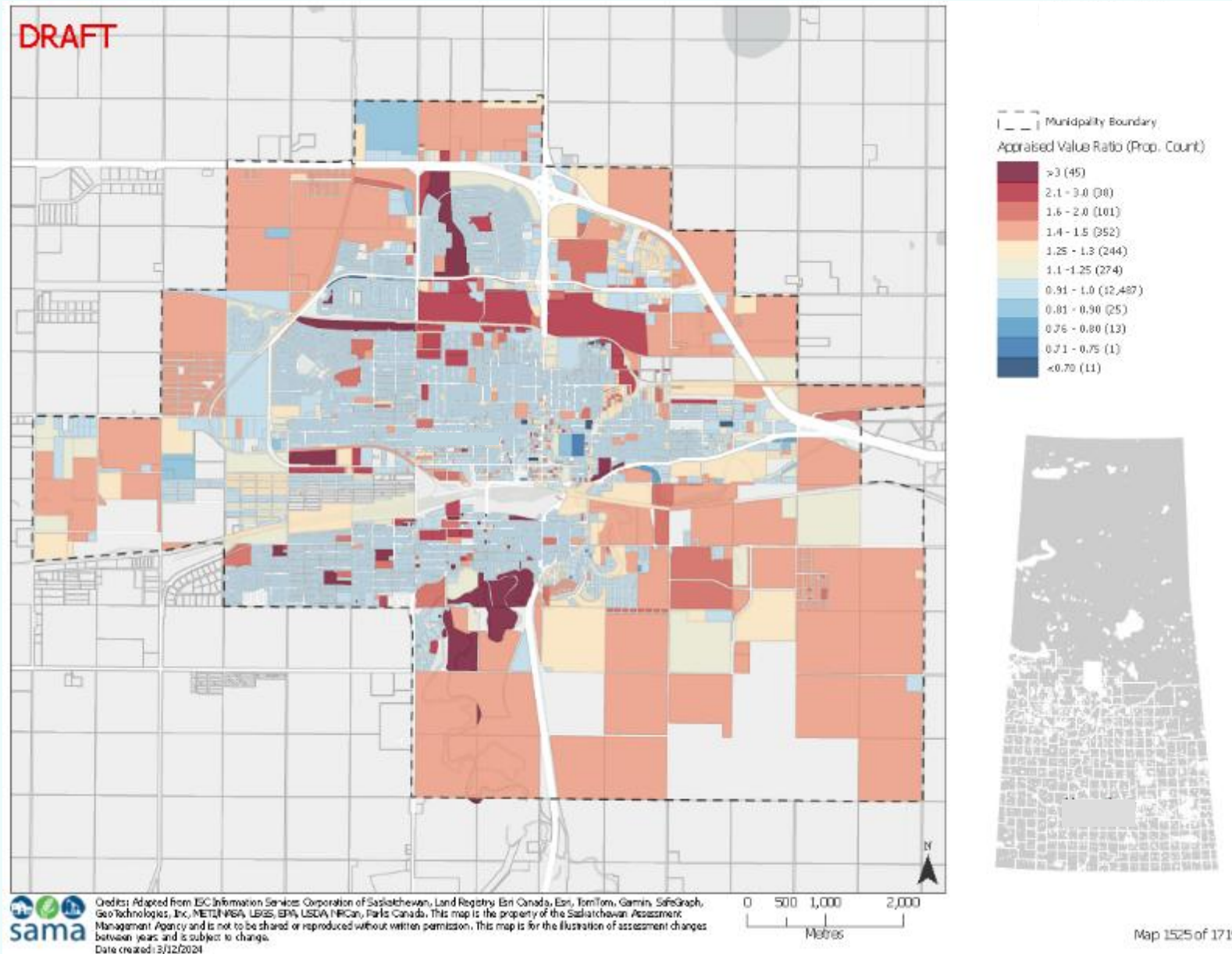
for

Assessment ID	Legal Land Location	Liab Subd	Tax Class	2024				2025				Value Diff	% Diff
				Land	Improvement	Property	Total	Land	Improvement	Property	Total		
000101100	Qtr NE	1	A	\$164,900			\$164,900	\$238,800			\$238,800	\$73,900	44.8%
000101200	Qtr NW	1	A	\$138,600			\$138,600	\$197,500			\$197,500	\$58,900	42.5%
000101201	Qtr NW	1	N	\$4,800			\$4,800	\$6,700			\$6,700	\$1,900	38.6%
000101300	Qtr SE	1	A	\$147,200			\$147,200	\$208,100			\$208,100	\$60,900	41.4%
000101400	Qtr SW	1	A	\$172,800			\$172,800	\$247,500			\$247,500	\$74,700	43.2%
000102100	Qtr NE	1	A	\$151,200			\$151,200	\$216,800			\$216,800	\$65,600	43.4%
000102200	Qtr NW	1	A	\$164,900			\$164,900	\$237,500			\$237,500	\$72,600	44.0%
000102300	Qtr SE	1	A	\$154,400			\$154,400	\$220,500			\$220,500	\$66,100	42.8%
000102300	Qtr SE	1	R	\$22,500	\$105,900		\$128,400	\$49,200			\$49,200	\$-79,200	-61.7%
000102400	Qtr SW	1	N	\$120,200			\$120,200	\$168,900			\$168,900	\$48,700	40.5%
000103100	Qtr NE	1	A	\$188,100			\$188,100	\$267,600			\$267,600	\$79,500	42.3%
000103200	Qtr PT NW	1	A	\$173,600			\$173,600	\$244,300			\$244,300	\$70,700	40.7%
000103201	Parcel A	1	A	\$17,800			\$17,800	\$25,800			\$25,800	\$8,000	44.9%
000103201	Parcel A	1	R	\$22,500	\$211,800		\$234,300	\$49,200	\$161,700		\$210,900	\$-23,400	-10.0%
000103300	Qtr SE	1	N	\$108,400			\$108,400	\$151,800			\$151,800	\$43,400	40.0%
000103400	Qtr SW	1	N	\$117,200			\$117,200	\$164,200			\$164,200	\$47,000	40.1%

Shift Maps



Shift Maps



Relative Assessment Changes Are More Important Than Absolute Value Changes In A Revaluation

Values before
Revaluation



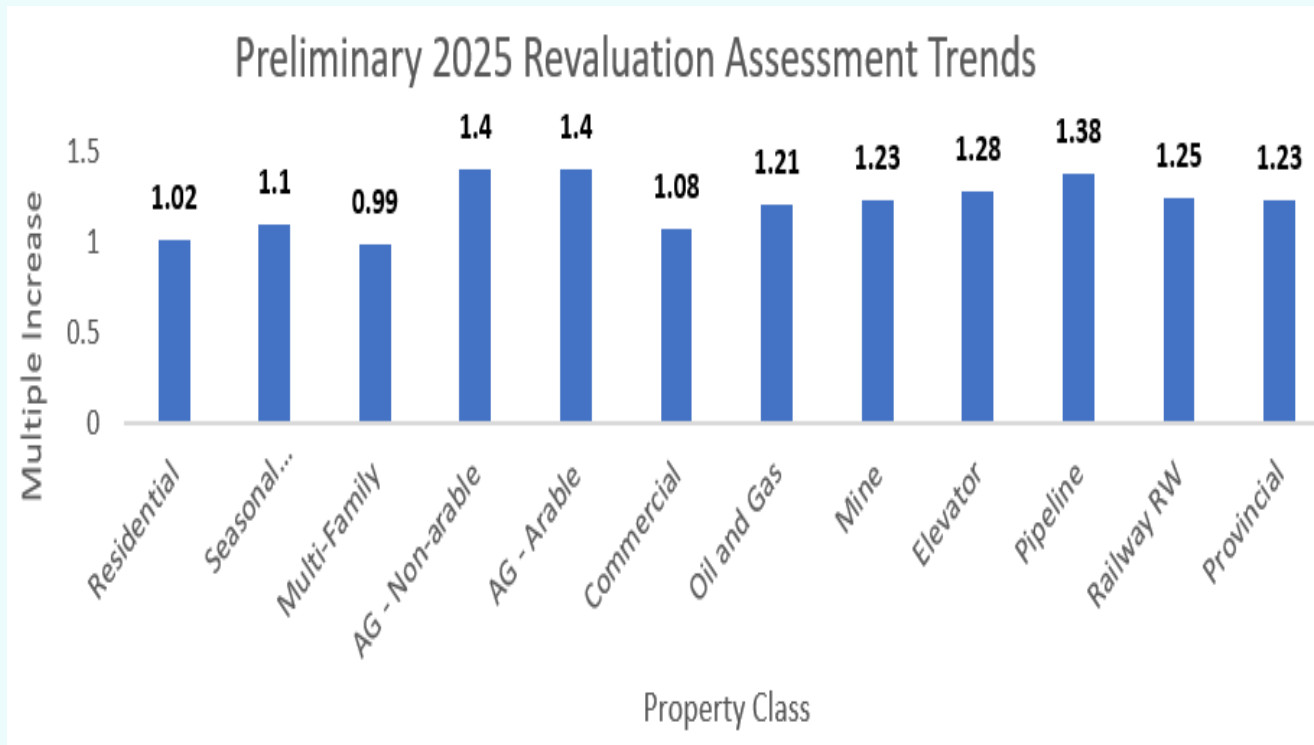
Values after
Revaluation



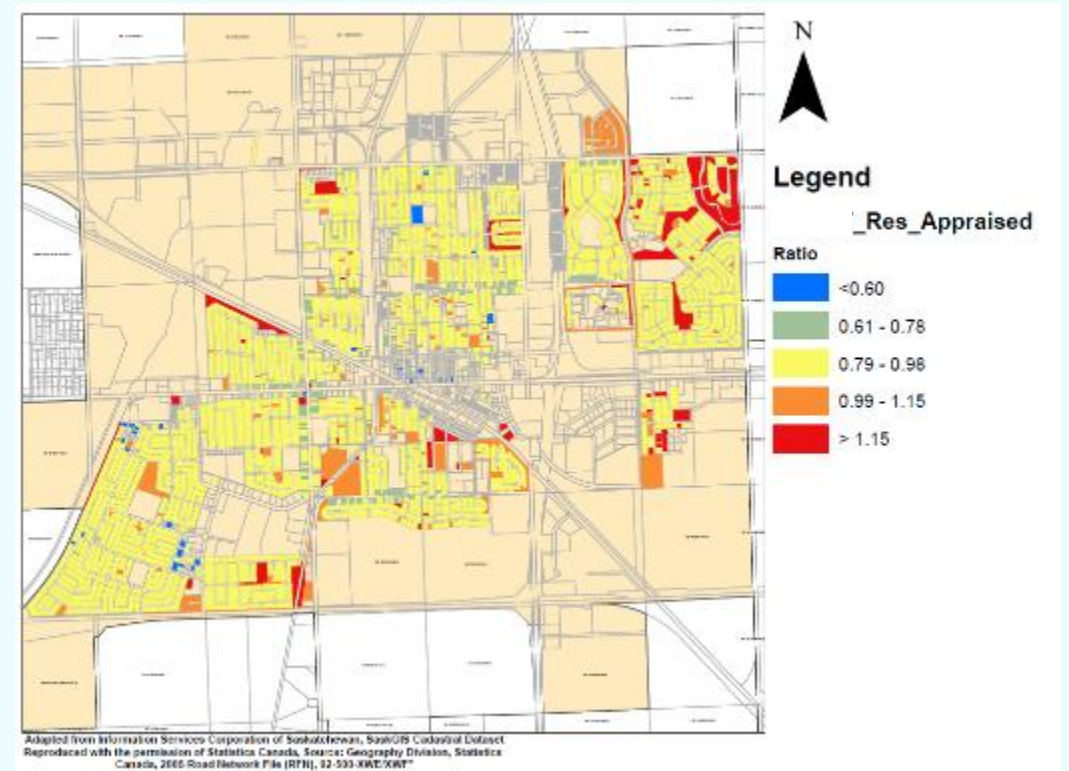
Revaluation Helpful Hint:

“Average changes are not the issue – the challenge will come from the outliers”

- Provincial Average Assessment Trends



- Property Specific Changes



Opportunities to Review Assessments

- Preliminary value submission prior to revaluation years
 - Delivered from June to October, 2024



- Message to Councils:
 - Please have a good look at the values and provide feedback to us
 - We are happy to meet with clients to discuss values as required

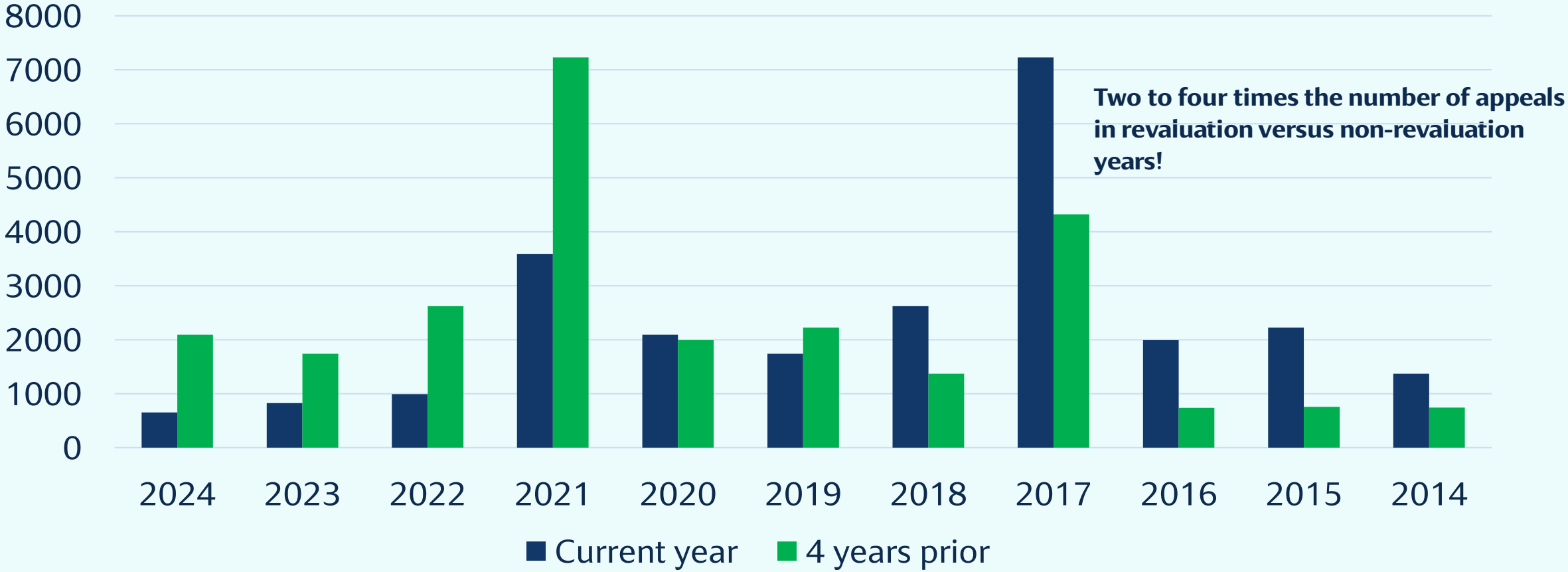
Opportunities to Challenge Assessments



- Contacting SAMA appraiser during open roll period (60/30 days)
- Agreements to Adjust
 1. Local Board of Revision
 - Assessment issues (SAMA)
 - Tax class or exemption (Municipality)
 2. Saskatchewan Municipal Board
 3. Court of Appeal

Support of Value – Historical Counts

Appeals to Board of Revision



SAMA Information Sources

SAMA's Website (www.sama.sk.ca)

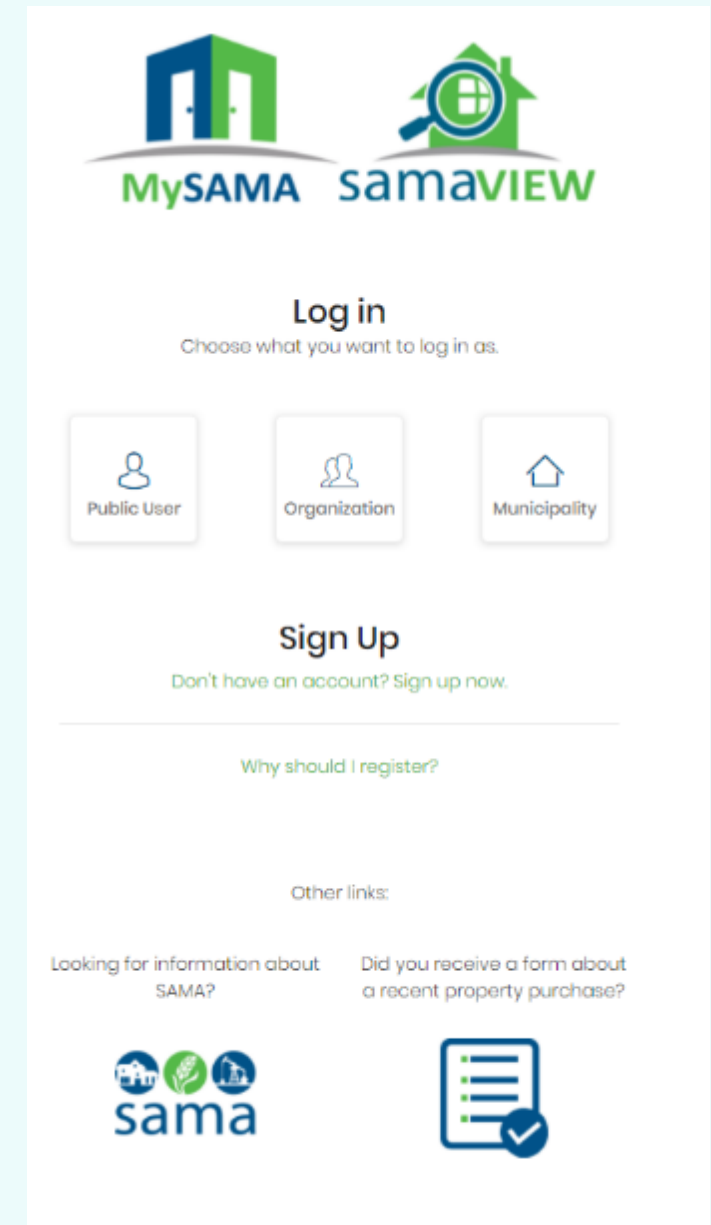
- On-line Manuals, Handbooks, FAQs, etc.
- Pamphlets and Fact Sheets
- Video on Property Assessment

<https://www.youtube.com/embed/aezCPeIB7NU>

SAMAView

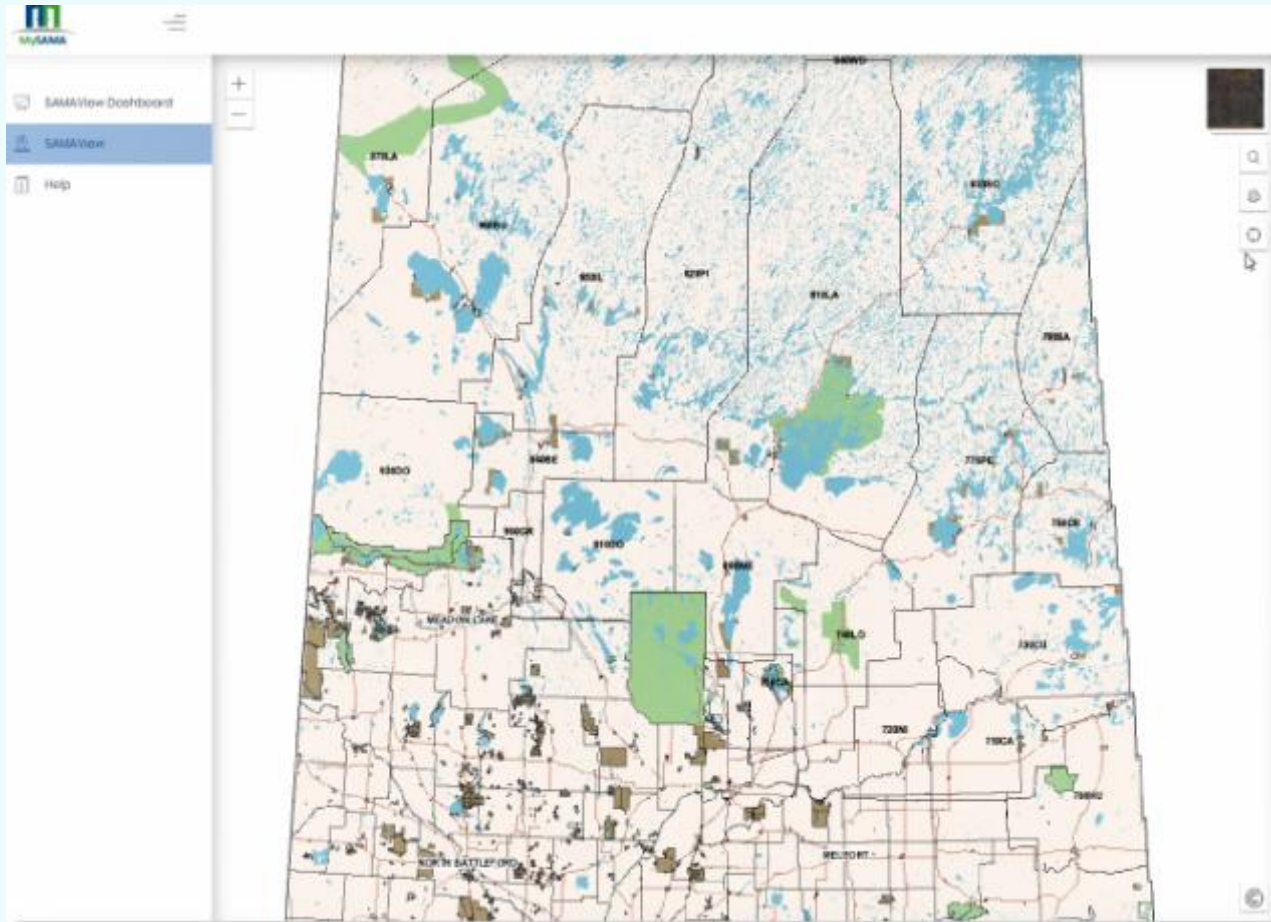
- GIS Based Assessment Information

<https://mysama.ca/account/login>



Property Assessment Inquiries -

Please encourage the use of SAMAView



Understanding Assessment and Preparing for the 2025 Revaluation

Questions Thank you



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