

**Saskatchewan Assessment Management Agency**  
**CITY and COMMERCIAL ADVISORY COMMITTEES MEETING**

Thursday, November 16, 2017  
10:00 a.m. to 4:00 p.m.  
Sandman Inn - Great Room  
1800 Victoria Avenue East  
Regina, SK

**Draft Meeting Minutes**

Combined Information Session and Business Meeting

*Committee past practice is to combine the information session and business meetings into one overall meeting. Motions and resolutions from each committee may be made as required following individual agenda items.*

1. Call to Order
2. Opening Remarks
3. Introductions
4. Approval of the Meeting Agenda (*one motion*)
5. Minutes from the Previous Business Meeting held November 17, 2016 (*one motion*)
6. Business Arising from the Minutes of each respective Committee (*one motion*)
  
7. SAMA update
  - a. CEO Report
  - b. Assessment Services Division Report
  - c. Updates by the other Assessment Service Providers
  
8. Current developments:
  - a. Proposed 2015 Manual amendments
  - b. Proposed Market Value Assessment in Saskatchewan Handbook amendments
  - c. Feedback on Board of Revision administration
  - d. Court of Appeal update on property assessment appeals
  
9. Future developments:
  - a. SAMA TI Program update
  - b. 2021 Revaluation preparations - Manual, Board Orders
  - c. 2021 Revaluation preparations - Cost Guide, Handbook, policy considerations
  
10. Other Business:
  - a. SAMA 2018 Annual Meeting scheduled for April 11<sup>th</sup> in Saskatoon
  - b. Next City/Commercial Advisory Committee meeting scheduled for March 28, 2018

## **Commercial Advisory Committee**

### **Members**

Audrey Trombley - Committee Chair, SAMA Board Member  
Al Heron (non-voting), SAMA Board Member,  
Urban Sector  
Murray Purcell (non-voting), SAMA Board Member  
Jim Angus (non-voting), SAMA Board Member  
Rob Lawrence, Association of Saskatchewan Realtors  
John Hopkins (for Connie Li), Regina & District Chamber of  
Commerce  
Marilyn Braun-Pollon for Jennifer Henshaw, Canadian  
Federation of Independent Business  
Ryan Weir, Building Owners and Managers Association  
Shawn Graham, Inland Terminal Association of Canada  
Reg Hinz, Western Grain Elevator Association Tax Committee  
Kirk Wasyluk, Canadian Energy Pipeline Association  
Darwin Collins, Saskatchewan Mining Association  
Dave Hopkins, Railway Association of Canada  
Chandra Reilly, Saskatchewan Assessment Appraisers'  
Association  
Grace Muzyka, Saskatchewan Association of the Appraisal  
Institute of Canada

### **Members Absent:**

Myron Knafelc (ex officio), SAMA Board Chair  
Vacant, Regina Downtown Business Improvement District  
Kevin Johnson, Association of Saskatchewan Realtors  
Vacant, Saskatchewan Chamber of Commerce  
Ian Magdiak, Canadian Property Tax Association  
Vacant, Saskatchewan Home Builders' Association  
Jim Bence, Saskatchewan Hotel & Hospitality Association  
Barry Wiebe, National Golf Course Owners Association,  
Saskatchewan Chapter  
Robert Rolfe, Canadian Association of Petroleum Producers  
Ken Patsula, Public Works and Government Services Canada

### **Observers**

Norm Magnin, Ministry of Government Relations  
Jeremy Karwandy, Ministry of Economy  
Dianne Ford, Saskatchewan Municipal Board  
Gerry Krismer, City of Regina  
Michael Kehler, City of Swift Current  
Irwin Blank, SAMA CEO

### **Observers Absent**

Ken Dueck, Tourism Saskatchewan  
Darcy Huisman, City of Saskatoon  
Brenda Hendrickson, City of Moose Jaw  
Tim Furlong, City of Prince Albert  
Rod Wiens, Saskatchewan Association of Rural Municipalities

### **Guests Absent**

Sheldon Affleck, Saskatchewan Short-Line Railway  
Association

### **Administration**

Darwin Kanius, Committee Secretary, SAMA

## **City Advisory Committee**

### **Members**

John Wagner, (voting), SAMA Board Member  
Bev Dubois, City of Saskatoon  
Jean-Marc Nadeau for Gordon Barnhart, Saskatchewan  
Urban Municipalities Association  
Gerry Krismer, City of Regina

### **Members Absent**

Dawn Luhnig, Committee Chair, SAMA Board Member  
Myron Knafelc (ex officio), SAMA Board Chair  
Matt Noble, City of Moose Jaw  
Frazer Tolmie, City of Moose Jaw  
Vacant, City of Prince Albert  
Vacant, City of Prince Albert  
Deborah Bryden, City of Regina  
Shelley Sutherland, City of Saskatoon  
Eric Bloc-Hanson, Saskatchewan School Boards  
Association  
Dwain Weeks, Saskatchewan Assessment Appraisers'  
Association

### **Observers**

Irwin Blank, CEO, SAMA

### **Observers Absent**

John Edwards, Ministry of Government Relations  
Ron Boechler, Saskatchewan School Boards Association,  
Trustee  
Laurent Mougeot, Saskatchewan Urban Municipalities  
Association, Administration  
Brenda Hendrickson, City of Moose Jaw  
Tim Furlong, City of Prince Albert  
Vacant, City of Regina  
Darcy Huisman, City of Saskatoon

### **Guests**

Travis Horne, City of Saskatoon  
Karlo Simonson, SAMA

### **Administration**

Shaun Cooney, Committee Secretary, SAMA

**Agenda Item:****Decision/Resolution:**

- |  |  |                |
|--|--|----------------|
| 1. Call to Order of Joint Session                            | Audrey Trombley, Chair Commercial Advisory Committee called the meeting to order at 10:03 AM.  |                |
| 2. Opening Remarks   | The Committee Chair, Audrey Trombley welcomed the attendees.   |                |
| 3. Introductions   | Introductions by all attendees present.  |                |
| 4. Approval of the Meeting Agenda                            | The Agenda was approved.<br><br>MOTION by John Hopkins to approve the Agenda.  | <b>Carried</b> |
| 5. Approval of the Meeting Minutes March 30, 2017            | MOTION by Shawn Graham that the minutes for the March 30, 2017 Joint City/Commercial Advisory Committee Information Session be adopted as circulated.  | <b>Carried</b> |
| 6. Business Arising from the Joint Minutes November 17, 2016 | Steve Suchan, SAMA <ul style="list-style-type: none"> <li>➤ Regarding further meetings. It was suggested by a committee member at the last meeting that alternatives be explored besides face to face meetings as a cost savings measure. The issue was discussed and it was decided to maintain the face to face meetings. This option allows for better networking opportunities and better flow of dialogue and discussions.</li> <li>➤ The Ministry suggested to amend the Market Evidence Board Order to limit the use of data to within the provincial boundaries. This item will be discussed later in the meeting.</li> </ul>  |                |
| 7. SAMA Update   |  |                |
| 7a & 9a CEO Report & IT Report                               | Irwin Blank, SAMA CEO provided a Power Point on the CEO's Report.<br><br><b><u>Committee Comments</u></b> <ul style="list-style-type: none"> <li>➤ RDCC: enquired how much taxes is collected by the School Boards.</li> <li>➤ GR: confirmed the amount to be about \$750 million.</li> <li>➤ ITAC: enquired what the split is of the 1.9\$ billion in tax revenue that is made up from the four independent Cities.</li> <li>➤ SAMA responded that it is about 40%.</li> <li>➤ RDCC: enquired about whether there is any discussion on shortening the reassessment cycle to two years.</li> <li>➤ SAMA responded that there has been some discussion on the issue and some work has been done regarding the costs to implement the change. For SAMA the cost increase is \$2.7 million or a 14% increase. The support for change is not consistent, with the larger Cities (Regina/Saskatoon) in favour of a 2 year cycle, whereas, the small and/or rural communities are not in favour of the change.</li> <li>➤ CFIB: enquired when the Market Value Standard was implemented.</li> <li>➤ SAMA responded that it was in 2009.</li> </ul> |                |

**Agenda Item:****Decision/Resolution:**

- ITAC: enquired whether there is a division between the rural and urban appeals.
- SAMA responded that there is no real trend, however, the more complex appeals are found in the Cities.
- SAAA asked to clarify the appeal count.
- SAMA responded that the count is about 7,000 for SAMA only.
- CFIB: enquired about the details on the appeals.
- SAMA responded that there are a significant number of appeals just dealing with data issues. These appeals are straight forward and require less time to complete. A relatively small number of appeals are the complex, higher valued property and they are found in both the non regulated and regulated property groups. In this assessment cycle more attention is being paid by residential property owners. This trend is more than likely due to a softer residential market in some SAMA jurisdictions.
- WGEA: wanted to know if the appeal impact is more than double the count from the last cycle.
- SAMA responded that it is less than double, around 80% higher.
- SAAIC: wanted to know about the inspections of the older sold properties.
- SAMA responded that the older sold properties are inspected so the modelling process won't be biased.
- SAMA Board Member commented that the IT project has been managed well in terms of its budget and what will be implemented will have long term benefits.
- ITAC: enquired if SAMA going to sell the Govern product to others.
- SAMA responded that it could not. The computer application is the property of Govern. SAMA has full rights to use the application in Saskatchewan but does not have the right to market the product outside of the province.
- WGEA: wanted to know about the remote data collection devices and whether SAMA had reviewed other jurisdictions.
- SAMA responded that it had done so and cited BC Assessment and the City of Regina as well as organisations outside of property assessment such as Municipal Hail Insurance as examples.

MOTION by John Hopkins to receive the CEO presentation.

**Carried**

**7b. Assessment Services  
Division Report**

Todd Treslan of the Assessment Services Division (ASD) provided a verbal presentation based on a distributed handout.

- Slightly over 37,000 properties were inspected as part of SAMA's annual maintenance program in 2017.
- 7,131 appeals in 2017 (1,587 industrial), compared to 4,321 appeals in 2013. This is a 65% increase over 2013.
- To date: 32 appeals to the SMB in 2017. The number is expected to increase significantly.
- Service Charters completed with 106 municipalities.
- 19% complete of the maintenance for 2018.

**Agenda Item:****Decision/Resolution:****Committee Comments**

- GR: enquired if the SAMA has a breakdown of the appeals based on property type and how much the property values had decreased in value in those groups.
- SAMA responded that we do not have that specific report as part of our standard appeal reports, but a valuation variance report with a breakdown by property type could be done as a custom job and provided to the Ministry, if formally requested.
- Board Member commented that the agricultural land appeals are physical data changes that are usually resolved without having to go through the formal Board of Revision hearing process. This would also include oil well sites where physical data issues are being challenged.
- WGEA: enquired if the SAMA-Municipality service charters are a legal document.
- SAMA responded that they are a working document.
- ITAC: wanted to confirm if the reinspection program is targeting Elevators and if SAMA is going to reinspect all of them in 2018. It appeared to the ITAC representative to be unfair to target the Elevator group.
- SAMA responded that it is important to our client municipalities to ensure that the high valued properties are accurate as they represent, in some cases, a large portion of the tax revenue for a municipality.
- ITAC did acknowledge that they weren't averse to paying its fair share of taxes.
- SAMA responded that the refocused inspection effort for elevators that will be conducted by our industrial assessment team will treat all the properties consistently, whereas historically each region may have had some inconsistencies within the physical data.
- CFIB: enquired if the 60 day appeal period in the revaluation year could be extended to the full cycle.
- GR responded that it is unlikely that the legislation would change to allow the appeal period to be extended to the entire cycle.
- CFIB: asked that this option be considered.
- City of Regina reminded the committee members about all the legal time lines within the appeal process. The extended time line narrows the time that the Board can actually make decisions. This impacts tax enforcement because the assessment roll wouldn't be confirmed within the required timeline.

**Agenda Item:****Decision/Resolution:**

- SAMA explained that all of SAMA's assessments are posted on SAMAView. The property owners then have the ability to review their assessments on an on-going basis.
- CFIB thought that the business community was not aware of this. It could be a good opportunity to educate them on the features of SAMAView.

7c. Updates by the other  
Assessment Service  
Providers**City of Regina Update:**

- 2018 roll went out November 10th and will close December 11th.
- 2017 Appeals:
  - About 355.
  - 110 withdrawn.
  - 85 are residential (compared to 44 residential in 2013).
  - 195 went to hearing and most will end up at the SMB.
- 2014 appeals at the Court could impact as much as \$2 million per year in taxes for 2014, 2015 and 2016.
- City Budget is about \$450 million and just over 50% come from property taxes.
- 20% of commercial property pay 90% of the taxes and 10% of commercial properties pay 80% of taxes.
- 21 staff:
  - 3 current vacancies
  - 5 vacancies in total by early 2018
- 2014 Pictometry compared to 2016 using change recognition software (about \$30K) we were able to capture about \$10K in additional taxes from missed data (typically because permits were not taken out).

**City of Saskatoon Update:**

- 2016 Request for Information
  - Approximately 3,200 requests for information forms were mailed out in February of 2017.
  - The response rate to date is 94%.
- Sales Verification
  - 628 Commercial & Multi Residential sales verification forms sent out for 2015, 2016, and 2017.
  - 565 have been completed.
  - 90% complete.
- Appeals BOR
  - Commercial appeals in 2017 = 284 vs # parcels 94,000 = 0.30% appeal rate (2017 total 608)
  - Commercial appeals in 2013 = 268 vs. # parcels 84,500 = 0.32% appeal rate.
  - Even though there are more commercial appeals in 2017 than 2013, the rate of appeals as a percentage of the total number of commercial assessments is actually less.
  - 211 agreements or 35%
  - 20% were withdrawn or no one appeared at the hearing.
  - Only one supplementary assessment appeal has been filed since

**Agenda Item:**

**Decision/Resolution:**

the Board finished hearings on October 31<sup>st</sup>.

- SMB
  - 24 appeals to the 2017 A.A.C. More expected.
  - 57 appeals outstanding at the SMB (2014-2016); some have been heard, while others not scheduled (most due to the outstanding Court of Appeal issues).
  - 3 outstanding issues at the Court of Appeal.
  - 2013 Wal-Mart – waiting for decision.
  - 2014 Wal-Mart – scheduled for March 2018.
  - 2014-2016 – warehouses granted leave in part.
- Permit volume
  - 1,174 permits from January, 1st to current for new homes.
- Supplementary Assessments
  - 2,390 from January 1st to current.

**City of Prince Albert Update:**

- No report

**City of Swift Current Update:**

- 2017 assessment notices were sent on January 6 and roll closed March 8, 2017.
- Had 16 assessment appeals – The Swift Current BOR hearings completed on June 15, with all decisions returned on or before June 30, 2017.
- There are 3 decisions of the BOR that have been appealed to the SMB-AAC, which are scheduled for December 7, 2017.
- Supplemental Assessment roll completed. Notices were mailed on October 6 with the Supplementary roll closing on November 6, 2017. There were no supplementary appeals.
- 2018 Assessment Notices are projected to be mailed on December 8, 2017 – with an expectation of the 2018 roll being open until January 8, 2018.

**CD Consulting Services Ltd. Update:**

- No report

**Committee Comments**

- RDCC: enquired whether the City of Saskatoon will change the tax relationships between residential and commercial property.
- City of Saskatoon responded that taxation issues are outside the assessment office and is left with the City's Administration.

MOTION by Chandra Reilly to receive the verbal reports from the SAMA and the other assessment providers.

**Carried**

**Agenda Item:**

8: Current  
Developments

8a: Proposed 2015  
Manual  
Amendments

**Decision/Resolution:**

Shaun Cooney, SAMA Administration provided a power point presentation.

- **This issue relates to the assessment of all oil and gas well resource production equipment (RPE) in the province. SAMA relies on information from the Ministry of Economy to determine these well assessments. This is a long standing practice achieved through consultation with industry dating from 1997.**
- In 2017 there were a significant number of oil and gas well RPE appeals that relate to well type. The appeals challenged the use of the Ministry's data provided to SAMA for assessment purposes.
- Wells are registered with Ministry as Injection Wells and are assessed as such.
- In 2017 the owners also reported these wells to the Board of Revision and SAMA as Disposal Wells (non-assessable)
- 2017 Appeal Risk for 980 Injection Wells in 48 RM's is \$55M in assessment.
- Future potential appeal risk:
  - 3,500 Water Injection Wells
  - \$206 Million in assessment

**Committee Comments**

- ASR wanted SAMA to explain what a disposal well is and why it isn't assessed.
- SAMA explained that only certain RPE that is used to extract a mineral or resource to the surface is assessable pursuant to legislation.
- Disposal wells are non producing wells because they do not extract a resource to the surface and are therefore not assessable.
- WGEA: enquired for clarification whether injection wells are assessable.
- SAMA explained that injection wells are producing wells used for enhanced oil recovery and are assessable under legislation. Disposal wells are non-producing wells used for waste water disposal and are hence non assessable.
- SAMA recently won a 2017 board of revision appeal on this issue. The particular appeal was a lead appeal for 316 similar properties under appeal. The Board of Revision upheld the wells as being injection wells as reported to the Ministry, as opposed to disposal wells. The appeal win affirms SAMA's right to determine the source of information to be used for assessment purposes. Despite this win, SAMA still feels this is a potential risk are for the Manual and assessment stability, and for this reason the amendment is still required.
- CFIB: enquired about the province of Alberta's approach.
- SAMA responded that is was not sure if Alberta uses IRIS and could not confirm the provinces categorizes these wells in a similar way.
- SAMA CEO explained that the current definition, which was established with the industry in the 1990's, limited what was assessable as resource production equipment in Saskatchewan to the specific items set out in legislation. Under that definition disposal wells are not



**Agenda Item:****Decision/Resolution:**

- considered to be assessable as resource production equipment in Saskatchewan.
- ITAC: was concerned that there is a disconnect between the technology that wasn't in place in the 1990's and the legislation, which appears to be about 25 years behind the technology and current technology which should be reviewed for new assessable items.
  - SAMA Board Member explained that the amendment recommended by SAMA is taking a grey area, namely the official source of data for assessing oil and gas RPE, and putting it into black and white in the 2015 Manual.
  - SAMA has two recent legal opinions on this issue. The legal opinions confirmed that SAMA has the right under legislation to determine a source of information for these assessments. The legal opinions also cited that not specifying this in the Manual is a risk area that can potentially lead to further assessment instability.
  - ITAC: supports the standardization of the reporting but doesn't understand the 25 year lag in legislation with industry technology.
  - SKAIC: enquired about the reporting time from the Ministry.
  - SAMA is now getting up to date or virtual real time reporting from the Ministry. SAMA can take the data at the needed point in time to run standardization. Before the implementation of IRIS, SAMA relied on a custom report from the Ministry that often led to standardization errors. SAMA is now using the Ministry's standard report shared with other users, so the information extract is standardized and more reliable than the custom ad hoc report used in the past.
  - SAAA enquired about the current error rate.
  - SAMA responded that the system is not perfect and errors can occur. However, the Ministry maintains the official registry of oil and gas RPE and uses strict procedures, definitions and reporting requirements to make the data as accurate and reliable as possible.
  - SAAA enquired about the language with the use of "shall" rather "may".
  - SAMA indicated that "shall" is more directive which makes the use of the Ministry data more clear.
  - GR: wanted to confirm if the Ministry of the Economy is not directly involved in the appeals.
  - SAMA responded that the new IRIS system has required some additional input from the Ministry to work through the initial phases. As with any new system, there is some older data and newer reporting processes that the Ministry is working hard with companies to reconcile and update within IRIS. However, SAMA does not envision the Ministry needing to be involved in actual appeals at this time. With the Manual amendment it will be made more clear that the Ministry's data is used for determining oil and gas well regulated property assessments. Information is self reported by companies and they have recourse to update the information in IRIS if it is not accurate.
  - SAMA, CEO explained that the preliminary assessments are sent by SAMA to the Oil and Gas companies for their review each year prior to the assessments going to the municipalities. This is a mechanism for the industry to review and give SAMA feedback on these assessments before the need for appeal.
  - ASR: wondered if SAMA was reflecting the market for these well sites.
  - SAMA explained that there is a production adjustment factor (PAF) for

**Agenda Item:**

**Decision/Resolution:**

oil and gas wells in the Manual, that does have a market derived link based on the world price oil. If a well falls below a certain economic break point and is no longer considered profitable, it will qualify for a - 25% PAF adjustment.

- CFIB: wanted to know the time lines for consultation.
- SAMA would like a response as soon as possible for the 2018 implementation.
- Reg Hinz made a motion to approve the recommended amendment to the 2015 Manual.
- There was some general discussion on a motion with ITAC not pleased with the current situation regarding its position that the definition of assessable oil and gas well RPE is not in sync with technology and hence needs to be reviewed.
- Shawn Graham moved that in addition to the amendment to the 2015 Manual, the motion be amended to include wording that SAMA engage the government to review the specific legislation responsible for this manual amendment to sync with the technology.

Motion-

“ 1. That the City and Commercial Advisory Committees approve the 2015 Manual Amendment as follows:

*Chapter 4, Document Number 4.1.1, Page 2:*

*For the purposes of identifying the presence and classification of oil and gas well resource production equipment so as to determine its replacement cost new using the standard unit method, the assessor shall use and rely upon information reported by the Saskatchewan Ministry of the Economy and/or its Minister (or any successor of either) in the administration of The Oil and Gas Conservation Act and corresponding regulation (or any successor legislation), to the extent such information is available.” and,*

2. That SAMA engage the government to review the definition of assessable oil and gas well RPE in legislation to consider newer technology and industry standards.

MOTION by Shawn Graham to support the amendment as amended. **Carried**

**Lunch**

**12:15 pm reconvened at 1:05 p.m.**

8b: Proposed Market Value Assessment in Saskatchewan Handbook amendments

Shaun Cooney, SAMA Administration provided a power point presentation.

**Committee Comments**

- None.
- MOTION by John Hopkins to accept the amendments. **Carried**

**Agenda Item:**

8c. Feedback on Board of Revision administration

**Decision/Resolution:**

Steve Suchan, SAMA Administration provided a power point presentation.

**Committee Comments**

- SAAA: wanted to know if there could be a standard fee schedule to launch an appeal.
- ITAC: wanted to know if Boards of Revision members get a standard rate of pay and what would their time commitment be. It was stated by ITAC that standard pay and education was necessary if you want people with the right backgrounds on the BOR's.
- SAMA responded that there is no set standard fee to launch and appeal and there is no standard of rate of pay. The administration of the Boards is left with the municipality.
- GR: commented that there is no money in it to make a living. It is a secondary occupation, not a career option. It is difficult to engage the interest of people to get onto the Boards. Typically, within SAMA's jurisdictions the Boards attract retirees. The one exception is the lone professional travelling Board.
- SKAAIC: commented about her experience with the PILT panel that reviews grants in lieu. The issue of attracting qualified panel members was similar to SAMA's experience with local Boards of Revision. The solution was to increase the pay of these panel members.
- SAMA explained some history around the changes to the appeal process and Board structure and how things have evolved within SAMA.
- ASR: explained the experience encountered by the tax agent where the taxpayer requests the agent to review the assessments within a very short window before the end of the appeal period. It can be very complex and difficult process. There are very few people capable to lodging an appeal.
- The City of Regina clarified that the issue currently under review is the Board of Revision process.
- SAMA CEO, explained that Alberta had encountered some of the same things regarding the Boards as currently being experienced in Saskatchewan. The solution was to offer mandatory training that was not onerous. It is a two to four day certification training program.
- SMB: would support mandatory training (education) of the Boards of Revision and a Regional Board structure.
- City of Regina indicated that if a regional appeal board was not possible, perhaps start with a regional Board Secretary structure. It could be the clearing house of appeals at initial appeal stage and offer a streamlining of the appeal process.
- SAMA still maintains that a two tier appeal process both local Boards of Revision and the Saskatchewan Municipal Board is advantageous to all parties.

MOTION by Shaun Graham to receive the report.

**Carried**

**Agenda Item:****Decision/Resolution:**

8d. Court of Appeal update on property assessment appeals.

Steve Suchan, SAMA Administration provided a power point presentation.

**Committee Comments**

- General comments on the appeals to clarify the issues before the Court.

MOTION by John Hopkins to receive the report.

**Carried**

9: Future Developments

9a. SAMA IT Program Update refer to Agenda Item 7.

Irwin Blank, SAMA CEO provided this power point presentation as part of his initial CEO Update presentation.

**Committee Comments**

- See Agenda Item 7a.

9b. 2021 Revaluation Preparations - Manual, Board Orders

Shaun Cooney & Steve Suchan, SAMA Administration provided a power point presentation.

- March 2017 Advisory meeting feedback included a potential Market Value Evidence Order amendment
- The proposed amended would restrict market and physical property data used in determining assessments to within our province
- Assessors lack the resources and means to adequately verify all out of province market data
- Property specific physical data from elsewhere in Canada or the world cannot be inspected
- This has emerged as an issue including on appeals
- Use of market value evidence from outside of our province may lead to assessment inaccuracy, instability and inequity
- Draft Wording is:

***“2. Market Data for property located outside of the province of Saskatchewan, including cost and physical property information, shall not be used to determine non-regulated property assessments for the years 2021 to 2024”.***

**Committee Comments**

- GR: wanted to know where this issue is occurring.
- SAMA explained that it is primarily targeted to high valued single purpose properties or industries that may not have a local or regional market. This has been an issue on appeal and can have the impact of changing mass appraisal models based on information not available or discoverable by assessors at the time of their market analysis.
- City of Regina suggesting that the wording could include things like sales and rental data.
- SAMA indicated that the final wording will be reviewed by a legal team.
- CFIB: enquired about how other provinces deal with this issue.
- SAMA responded by explaining that our province is unique where mass appraisal is, by design, the function the valuing the property and supporting the value upon appeal. The tribunals are not allowed to consider single property valuation techniques.

**Agenda Item:**

**Decision/Resolution:**

- SKAIC: is confused about how the functional obsolescence is determined in the province.
- SAMA explained that provision exists in the manual to allow for the "replacement cost method" without being tied to specific property outside the province. In essence, it is determining a cost value of building without the "flaws" and comparing that cost to the original buildings cost. The difference is the functional obsolescence.
- There was a general discussion about intent of the amendments to the Board Orders being an attempt to conform case law from the Court of Appeal that the use of market data can be restricted to the municipality.

Group members recommended that the phrase "*including cost and physical property information*" be removed from the recommended amendment. Recommendation as amended:

***"2. Market Data for property located outside of the province of Saskatchewan, shall not be used to determine non-regulated property assessments for the years 2021 to 2024".***

MOTION by Rob Lawrence to adopt, in principle, as amended, the amendments to the Board Orders.

**Carried**

9c. 2021 Revaluation Preparations - Cost Guide, Handbook, Policy considerations

Shaun Cooney & Steve Suchan, SAMA Administration provided a power point presentation.

- Recalibrate components of the arable land, pasture land and waste land models. May cause shifting.
- Third party study of the climate rating by the U of R and ISM. Update to original 1990 U of R study.
- General review of the arable productivity model by the U of S; discussions with U of S are ongoing
- Goal is more current soil and economic rating criteria
- Look for opportunities to improve and simplify the Manual documentation (no shifting)

**Committee Comments**

- CFIB wanted an explanation on the climate rating as it is used for the agricultural land productivity model.
- SAMA responded by explaining that the arable land productivity model is a 100 point rating system of which 32 points is comprised of the climate rate. The climate ratings are lower in the Brown soil zone (drier weather) and higher in the Black soil zone (wetter weather). Well over a decade ago SAMA had Dr. David Sauchyn at the U of R review climate factors across Saskatchewan which were used by SAMA to establish climate rates that have been used in our assessment manuals since they were originally established. SAMA is now having this report updated by Dr. Sauchyn at the U of R with support from ISM.

MOTION by Rob Lawrence to receive the report.

**Carried**

**Agenda Item:**

**Decision/Resolution:**

10: Other Business

10a: SAMA 2018  
Annual Meeting

Committee chair advised that the next SAMA Annual Meeting is scheduled for April 11th, 2018 in Saskatoon.

10b: Next Scheduled  
City/Commercial  
Advisory Committee  
Meeting

The next City and Commercial Advisory Committee meeting is scheduled for March 28, 2018 at the Sandman Inn, Regina.

CFIB commented that the next Advisory meeting may conflict with provincial budget. It is something to be aware of.

Adjournment

Meeting adjourned by John Hopkins at 3:05 P.M.



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Darwin Kanius  
Commercial Advisory Committee, Secretary



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Shaun Cooney  
City Advisory Committee, Secretary