

SAMA Annual Meeting

2009 Revaluation:

Move to Market Value Assessments in Saskatchewan

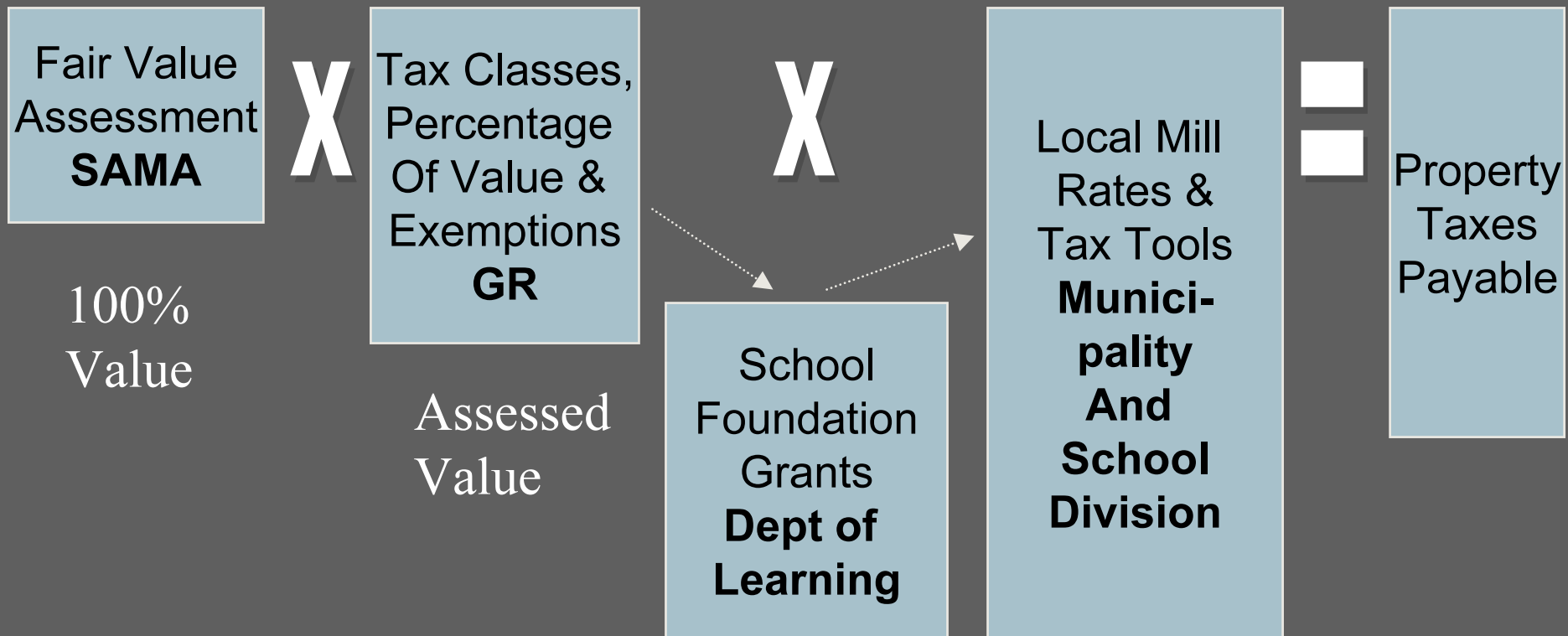
June 2006

Move to Market Value Assessments (MVA)

- Assessment Basics
- Move to MVA:
 - Vision
 - Benefits of MVA
 - Steps to Success – legislation, project plan, risk mitigation
- Questions
- Interactive Session – Communication Strategy

Move to MVA: Background Information

SAMA is Focused on Assessments



Move to MVA: Background Information

SAMA's Mission

Under legislative mandate, SAMA develops, delivers and promotes a cost-effective property assessment system for Saskatchewan that is:

- **Accurate;**
- **Up-to-date;**
- **Universal;**
- **Equitable; and**
- **Understandable.**

Assessment Fundamentals

- Ad Valorem Assessment System
- Mass Appraisal
- Base Date
 - Current System is highly regulated and procedure focused

Three Accepted Methods of Valuation

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

Move to MVA: The Future

Vision for 2009

“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.

Move to MVA – The Future

2009 Revaluation: Some Benefits of MVA

- The move to MVA is not a panacea, but does have substantial benefits
- Three approaches to value will be available to the assessment appraiser. Will result in more of a results-focus – is the value right;
- Market value assessments are more understandable and fair to the property owner; appraiser cannot rely solely on whether an assessment rule book was followed in defence of assessments
- No significant shifts expected between municipalities; shifts will be within municipalities; result is more accurate individual property values
- Assessment standards will be more similar to all other provinces = a more level property assessment from a competitive perspective; should improve Saskatchewan image for outside commercial investors
- MVA is the assessment policy “end game”.

Move to MVA

Current Project Status

- MVA policies and required legislative amendments established and Board approved following significant consultation in 2004 and 2005 (available on SAMA web site);
- SAMA has developed a detailed 2009 revaluation plan and is now implementing it
- Independent jurisdictions also preparing for MVA
- MVA amendments were enacted by government and became law on April 27, 2006
 - Data collection provisions – immediate;
 - MVA provisions in force for 2009
(copy of proposed amendments available on request).

Move to MVA

Recent Legislative Amendments

- Amendments include several foundational changes for MVA in legislation:
 - Inclusion of MVA and regulated property standards including addition of significant new valuation flexibility for MVA properties
 - Equity provisions that are appropriately results focused for MVA properties
 - Removal of statutory restriction regarding use of the income approach
 - Changes to ensure necessary information is provided and is kept confidential
 - Improvements to streamline the appeal process

Move to MVA

2009 Revaluation Detailed Plan

Plan Objectives

- Operational Plan for SAMA, including Moose Jaw (independent municipality issues similar to SAMA operational issues)
- High level objectives:
 - Legislative changes (2006)
 - Research and Policy finalization; Manual and handbook preparation (January 2007)
 - Sales and income data collection (March 1/August 1, 2007)
 - Market analysis, value reconciliation, SPAN data entry (Nov. 1, 2007)
 - Preliminary values to Government Relations (January 1, 2008)
 - Preliminary values to SAMA clients (May 2008)
 - Final values to SAMA clients (October 31, 2008)

Move to MVA

Minimizing Risks Going Forward

- Developed detailed five-year operational plan and financial projection
- Ensure necessary funding commitments to support the new approach and the MVA system in general (SAMA or the independents).
- Timely implementation revaluation plan: starts with data collection and legislative amendments
- Ensure that staff skills are developed and computer systems are refined to support MVA
- Provide open access to MVA handbook and regulated property manual
- Ensure clear, consistent communication through to 2009

Move to MVA Summary

- Market Value Assessments will stabilize assessment policy
- Assessments will be more accurate, equitable and understandable
- Confidentiality of information provided will be ensured
- Saskatchewan's move to market value will align this province with other jurisdictions in Canada

SAMA Annual Meeting

Move to Market Value Assessments in Saskatchewan

Questions/Discussion

SAMA Annual Meeting

Move to Market Value Assessments

MVA Communication Strategy:

What messages in the 2009 Revaluation Plan need to be reinforced with:

- municipalities and school boards
- The provincial government
- the commercial sector
- the public

SAMA Annual Meeting

Move to Market Value Assessments

MVA Communication Strategy:

What messages need to be clarified or expanded upon?

What would you recommend as the best methods to use to get the MVA message out to all stakeholders and the public?