

**Saskatchewan Assessment Management Agency
Rural/Urban Advisory Committee
Meeting Minutes for November 19, 2019
DoubleTree Hotel – Swift Current Room
1975 Broad Street, Regina, SK**

Urban Advisory Committee

Members Present:

Al Heron, Committee Chair, SAMA Board Member, Urban Sector
Audrey Trombley, SAMA Board Member
Kevin Tooley, City of Warman
Barry Elderkin, Town of Maple Creek
Bruce Fidler, Town of Buffalo Narrows
Dale Domeij, Village of Mortlach
Lee Finishen, Saskatchewan Urban Municipalities Association

Members Absent

Myron Knafelc (ex officio), SAMA Board Chair
Dawn Luhnig, SAMA Board Member, City Sector
Walter Streelasky, City of Melville
Mike Strachan, Village of Torquay
Doug Allan, Provincial Association of Resort Communities of Saskatchewan
Marla Walton, Saskatchewan School Boards Association
Mindy Olm, Saskatchewan Assessment Appraisers' Association

Rural Advisory Committee

Members Present:

John Wagner, Committee Chair, SAMA Board Member, Rural Sector
Jim Angus, SAMA Board Member
Jeannie DeRochers, Division 1, R.M. of South Qu'Appelle No. 157
Delbert Schmidt, Division 2, R.M. of Longlaketon No.219
Troy Heggstad, Division 3, R.M. of Frontier No. 19
Roman Charko, Division 4, R.M. of Moose Range No. 486
Gordon Meyer, Division 6, R.M. of Progress No. 351
Garry Dixon, Provincial Association of Resort Communities of Saskatchewan
Tim Weinbender, Saskatchewan School Boards Association
Frances Simonson, Saskatchewan Assessment Appraisers' Association

Members Absent:

Myron Knafelc (ex officio), SAMA Board Chair
Murray Purcell, SAMA Board Member, Rural Sector
Wade Sira, Division 5, R.M. of Rosedale No. 283
Judy Harwood, Saskatchewan Association of Rural Municipalities

Observers Present:

Irwin Blank, SAMA CEO
Brian Hicke, Saskatchewan School Boards Association

Observers Absent:

Kelly Munce, Ministry of Government Relations
Jean-Marc Nadeau, Saskatchewan Urban Municipalities Association
Rodney Audette, Urban Municipal Administrators Association of Saskatchewan

SAMA Administration:

Kevin Groat, Committee Secretary, SAMA
Shaun Cooney, SAMA Administration
Karlo Simonson, SAMA Administration
Betty Rogers, SAMA Administration

Observers Present:

Melissa Mcloy, Ministry of Government Relations
Dan Way, Ministry of Government Relations
Mike Wirges, Rural Municipal Administrators Association of Saskatchewan
Irwin Blank, SAMA CEO

Observers Absent:

Jay Meyer, Saskatchewan Association of Rural Municipalities
Scott Sander, Saskatchewan School Boards Association

SAMA Administration:

Kim Hardy, Committee Secretary, SAMA
Betty Rogers, SAMA ADMIN
Todd Treslan, SAMA ASD
Karlo Simonson, SAMA QAD

Guests:

Jason Penner, Ministry of Sask Ag and Food

Agenda Item

Decision/Resolution:

1. Call to order
John Wagner, Chair of the Rural Advisory Committee, called the meeting to order at 10:05 AM.
2. Opening remarks
John welcomed everyone to the meeting and indicated that he was filling in for Board Chair, Myron Knafelc, who could not attend today.
3. Introductions
Introduction of individuals present.
4. Approval of meeting agenda
5. Minutes from the previous meeting held March 26, 2019
MOTION by Gordon Hubbard that the minutes of the March 26, 2019 joint Rural and Urban Advisory Committees business meeting be adopted as circulated.

Carried
6. Business arising from the Joint Minutes
SAMA CEO: There is follow-up with regards to the treatment of tanks at an oil well site. More information will be provided later at this meeting.
7. SAMA Update
Item 7a: CEO Report
Power point presentation by Irwin Blank, SAMA's CEO.

Committee Comments

Rural Member: There has been a decline in populations in small towns, villages, and hamlets resulting in the closure of schools and recreational centres. There have been instances where individuals offer to buy a school for \$1 where they don't consider the taxes that are associated with that property. When a school closes, it is still taxable. How are schools assessed following their closure? As an example, there was a new school valued around \$1 million and following the closure, the assessed value significantly dropped affecting taxation in that municipality. Another example is the old, red brick schools that are being bought and converted to a residential property.

SAMA CEO: When a school closes, SAMA assesses the property based on its current use and applies obsolescence. For example, if the property is being used as a warehouse then it would be assessed based on that use by valuing it as a school and applying obsolescence to account for the difference between this and a warehouse. Schools that have been turned into residential use would be assessed as any other residential property based on the physical properties of the building. This is the same for other institutional buildings.

Rural Member: In resort communities, the size of the lots are getting larger. There have been instances where SAMA has readjusted the land size adjustment curves outside of a

revaluation year which results in properties increasing in assessed value.

SAMA CEO: If changes are made outside of a revaluation year it is usually done at the request of a municipal client and includes broad-based analysis, it is not on an individual basis. The other instance of this happening is following an appeal. If the BoR determines that a rate is incorrect then SAMA must adjust the property in question and any comparable properties.

MOTION by Lee Finishen that the Committees receive the CEO presentation.

Carried

Item 7b: SAMAView and MySAMA Demonstration

Video presentation by Kevin Groat.

Committee Comments

Rural Observer: If there is a situation with multiple buildings on a property, does SAMAView show them separated out? The current SAMAView does not.

SAMA Administration: Commercial buildings will show individual records. Residential buildings will only show one record because that is how they are calculated in the CAMA system. If you have a deck on your property, it would have to be manually calculated to determine its individual value because residential values are calculated and rolled up into one record.

MOTION by Tim Weinbender that the committees receive the presentation.

Carried

Item 7c: Assessment Services Division Report

Power point presentation by Todd Treslan.

Committee Comments

No comments by the Committees.

MOTION by Jeannie DeRochers that the committee receives the report.

Carried

8. Current Developments

Item 8a: 2015 and 2019 Base Year Publication Amendments

Power point presentation by Gary Hammett

Committee Comments

SAMA CEO: The 'downtime allowance' amendments were presented to clarify how the manual is intended to apply currently and that this adjustment is intended for resource production equipment and not structures. The wording of the manual and the

application of the manual was being challenged on appeal with regards to the use of 'downtime allowance.'

Committee Comments

No comments by the Committees.

MOTION by Frances Simonson that committee receive the presentation.

Carried

Item 8b: Court of Appeal Decision Regarding Oil and Gas Tanks

Power point presentation by Shaun Cooney.

Committee Comments

SAMA CEO: With regards to the treatment of tanks at an oil well site, only the specific properties that were appealed in 2017 had their assessments lowered that year. The remainder of similar tanks in the province were not impacted. Based on the recent legislation changes, these appealed properties will be reinstated to their full assessed values in 2020. Based on the appeal and technology changes in the oil and gas industry, a full review of these models is warranted.

Rural Member: What was the impact to the affected municipalities taxes and budgets?

SAMA CEO: We do not have that number handy but they had adjusted their budgets accordingly.

MOTION by Delbert Schmidt that the committees receive the presentation.

Carried

Item 8c: 2021 Revaluation – Proposed Market Value Assessment Handbook Amendments

Power point presentation by Shaun Cooney.

Committee Comments

No comments by the Committee.

MOTION by Roman Charko that the committees receive the presentation.

Carried

Break for lunch at 11:50 am, resumed at 12:40 pm

Item 8d: 2021 Revaluation – Planning and Assessment Trends

Power point presentation by Gary Hammett.

Rural Member: Does the agricultural land market analysis include all sales? For example, father-to-son sales.

SAMA Administration: The sales are verified so they are all arms length sales on an open market.

Rural Member: Does the agricultural land market analysis include Ritchie Bros. sales?

SAMA Administration: Those are included in the analysis however there are filters applied during the analysis to remove low and high outliers. Land use inspection is also included in the analysis. If there is a building/improvement on the site, the land is not used in the analysis.

MOTION by Barry Elderkin that the committees receive the presentation.

Carried

Item 8e: Government Relations – Praxis Report on Boards of Revision in Saskatchewan

Power Point presentation by Melissa Mcloy, Ministry of Government Relations.

The presentation was a review of the Praxis Report on Board of Revisions (BoR) in Saskatchewan prepared for Government Relations. Consultation with key stakeholders to review the BoR process was held in 2019.

There were eight principles developed by stakeholders that will be considered when any changes are being applied to the current BoR model. The principles are: Objectivity, Efficiency, Timeliness, Consistency, Accuracy, Transparency, Competency, and Autonomy/Flexibility.

Suggestions for a revised BoR model include:

- Provincial Registrar: have a single point of contact for the first level of an appeal for all ratepayers. It is at this point where it will be identified whether there are or are not grounds for an appeal.
- Increased training and enforcement: establish standards for training and mandatory training for board secretaries, members, and chairs.
- The next step is to form a steering committee to oversee the development of the new BoR model.
- The goal is to have the model implemented by the end of June 2020 and make training mandatory by January 1, 2023. This allows time to refine the model before the 2025 revaluation year.

The full report can be accessed here:

<https://publications.saskatchewan.ca/#/products/102749>.

Rural Member: Will the model apply to other appeals in municipalities such as development appeals?

Melissa: Those appeals will remain in a separate system but in the future the new BoR model may be able to be applied to other appeal models.

SAMA CEO: The plan for a new BoR model is an impressive plan and huge undertaking. Is there a plan for funding related to the new registrar and other functions that don't exist today?

Melissa: This has been discussed however no decision has been made. Options that have been discussed include a pay-per-use model and a partially government funded model.

MOTION by Dale Domeij that the committees receive the presentation.

Carried

Item 8f: Proposed Assessment Related Amendments to the Municipal Acts Update

Power Point presentation by Allan Laird, Ministry of Government Relations.

The Municipal Act amendments (including The Cities Act, The Municipalities Act, and the Northern Municipalities Act) are having their first reading in legislature today.

Some of the assessment related provisions include:

- Providing more flexibility regarding publishing notices by allowing electronic delivery.
- Municipality retention of tax rolls is changing to a minimum of 10 years. Municipalities can retain them longer if they choose.
- Notifying property owners of agreements to adjust and appeal decisions, if they are not a part of the agreement or appeal.
- Increasing the time allowance to add custom work to tax roll.
- Revising the reporting date for shut-in wells from September 1 to July 1.
- Adding provisions for railway companies to provide the assessor with certified statements when requested.
- Adding regulation making authority to definitions like buildings, travel trailer and resource production equipment.
- Requiring BoR to be appointed when the assessment roll is prepared.
- Providing authority for establishing a provincial registrar who would receive, and process all appeals before sending them to a BoR secretary.
- BoR secretaries must explain deficiencies in a notice of appeal.
- BoR to provide all materials within 14 days when request by SMB.

- Setting BoR timelines to decide all appeals in Municipalities Act, Northern Municipalities Act, Cities Act at 180 days.
- Disallowing municipal employees from sitting on BoR.
- BoR may be sent by ordinary mail.
- If transcript is requested from a BoR, it must be a written transcript provided.
- Clarifying application of partial tax payments and apportionment of payments.
- Removing farm dwelling exemption in unorganized hamlets, making treatment of these residences consistent with those in organized hamlets and special service areas.

Rural Member: If you do not have a local paper, can you advertise a zoning bylaw electronically?

Allan: The amendment does not cover zoning/planning bylaws. It covers elections and assessment. Electronic format is designed for situations where it is not practical or feasible to advertise by other means.

Rural Member: Can you tender out equipment electronically?

Allan: Yes, this would be one way to use it. First option would always be to use the newspaper followed by other means. You still have to advertise the assessment roll in the gazette but if you have no newspaper you can do so electronically.

Urban Member: Is it possible to link multiple appeals on the same property that are dealing with the same issue, to avoid two conflicting decisions?

Allan: There are ways of connecting the appeals.

SAMA CEO: With the registrar being developed these situations may be addressed with the new proposed BoR format.

Allan: Typically, if there are conflicting decisions on appeals on the same properties, the government does not intervene.

SAMA Administration: But in the end, you can only have one assessment on a property.

Rural Member: Currently, when dealing with travel trailers you can only charge for a permit. Is that going to change?

Allan: Yes. That will change.

SAMA CEO: The legislation is being introduced today. When will it be active?

Allan: The legislation is being introduced today. Second reading is tomorrow where the opposition can offer criticism. It will be brought back in spring session for 3rd reading. Majority of the amendments will come into force January 1, 2021.

Rural Member: Is this the only Act being reviewed at this time? How does an individual add or suggest items to the amendments?

Allan: All three acts (Cities Act, Municipalities Act and Northern Municipalities Act) were reviewed through the amendments to the Municipal Acts. Essentially, the amendments apply to all three bills. Typically, the Municipal Acts are reviewed every three to four years. Although, a number of things that were suggested for amendments were addressed by giving the authority in decision making on those items to the Minister and Cabinet through changes in Regulations.

SAMA CEO: When will the amendments be available to view to see the actual details of them?

Allan: They will be available today under the Miscellaneous Statutes Municipal Government Act.

Board Member: Will the amendments to oil and gas resource production equipment also become active January 1, 2021.

SAMA CEO: Changes have already passed through legislation (amended regulations) on that issue.

MOTION by Dale Domeij that the committees receive the presentation.

Carried

9. Other Business

Item 9a: Next Urban/Rural Advisory Committee meeting

The next meeting is tentatively scheduled for March 25, 2020. It will be held at the Sandman.