



MINING EQUIPMENT

The Saskatchewan Assessment Management Agency (SAMA) manages the province's property assessment system developed in consultation with municipalities, stakeholders and the provincial government.

SAMA is responsible for assessment governance of the \$271 billion property assessment base, and a \$2.33 billion property tax base. The Agency provides assessment valuation services to 762 urban, northern and rural municipalities. It is directly responsible for the assessed values of approximately 876,000 properties in the province.

2025 REVALUATION

SAMA's goal for the 2025 Revaluation is to provide fair and accurate updated property assessments for our clients and stakeholders to support their ability to provide important services to the public.

SAMA conducts revaluations based on a four-year cycle. 2021 was the year of the last revaluation, and the 2025 Revaluation will see assessed values updated to reflect a new base date of January 1, 2023. The legislated base date means that 2025 values reflect a property's value as of January 1, 2023

VALUATION STANDARDS

For the 2025 revaluation, Saskatchewan will use a **regulated property assessment valuation standard** for valuing mining equipment. Legislation also requires that assessments are to be calculated using mass appraisal, be of the applicable base date, and equity must be considered by the appraiser as a dominant and controlling factor in assessment preparation.

The formulas, rules and principles for the valuation of mining equipment are found in the *Saskatchewan Assessment Manual (2023 Base Year)*.

COST APPROACH

The assessed value for mining equipment is based on a depreciated replacement cost system.

The assessment of resource production equipment (RPE) used in the mining industry includes fixtures, machinery, tools and other associated appliances used for extraction and production of a mineral resource. Provincial legislation specifies that resource production equipment used to process or refine a mineral resource is not to be assessed.

The following factors are considered in determining the fair value of mining RPE:

- replacement cost new;
- depreciation;
- downtime; and,
- downtime allowance factor.

REPLACEMENT COST NEW

The replacement cost new for most assessable mining RPE is determined using the original installed cost, which is adjusted to 2023 values. Appraisers obtain the original installed cost from company records. The only exceptions among resource production equipment are conveyors and some solution mining equipment, which are assessed using unit-in-place cost tables in the *Saskatchewan Assessment Manual (2019 Base Year)*.

INFO SHEET #10



REGIONAL OFFICES:

MELFORT

107 Burrows Avenue West
PO Box 1089
Melfort, SK S0E 1A0
P: 306-752-6142
TF: 800-216-4427 (in Sask.)

MOOSE JAW

228 Main Street N., 4th Floor
Moose Jaw, SK S6H 3J8
P: 306-694-4425
TF: 866-398-7889 (in Sask.)

NORTH BATTLEFORD

303, 1101 - 101st Street
North Battleford, SK S9A 0Z5
P: 306-446-7665
TF: 800-824-2570 (in Sask.)

REGINA

330 - 2505 11th Avenue
Regina, SK S4P 0K6
P: 306-924-8080
TF: 800-498-0578 (in Sask.)

SASKATOON

#701 - 333 3rd Ave N.
Saskatoon, SK S7K 2M2
P: 306-933-5385
TF: 800-667-5203 (in Sask.)

SWIFT CURRENT

203 - 350 Cheadle Street W.
Swift Current, SK S9H 4G3
P: 306-778-8444
TF: 800-498-0574 (in Sask.)

WEYBURN

314 - 110 Souris Avenue
Weyburn, SK S4H 2Z8
P: 306-848-2397
TF: 800-498-0575 (in Sask.)

YORKTON

45B Palliser Way
Yorkton, SK S3N 4C5
P: 306-786-1370
TF: 800-498-0576 (in Sask.)

DEPRECIATION

Depreciation in the form of physical deterioration is accounted for in the valuation of mining resource production equipment. A lifetime depreciation allowance of 40 percent is used to account for physical deterioration, irrespective of whether the equipment is new or old. There is no adjustment for either functional or economic obsolescence.

DOWNTIME AND DOWNTIME ALLOWANCE FACTOR

A downtime allowance of 10 percent is applied to all mining RPE. The allowance is to account for "normal" shutdowns for annual maintenance and repair. Mining RPE is also eligible for an additional downtime adjustment where it was shut down for an extended period during the preceding year.

PROPERTY ASSESSMENT DOES NOT EQUAL PROPERTY TAX

SAMA's role in determining assessed value for properties is just the first part of a process established by provincial legislation. The second part is application of provincial government established tax policy, such as property classes and percentages of value, and statutory exemptions. The third and final part of the process involves municipalities annually determining the local mill rate based on local budget needs. The province sets the mill rate for the education sector. Municipalities then multiply the taxable assessment by the local mill rate* to produce property tax levies, also known as your property tax bill.

(SAMA)		(Province)		(Municipalities and Government)		(Taxpayer)
ASSESSED VALUE	×	PERCENTAGE OF VALUE & EXEMPTIONS	×	MILL RATES*	=	PROPERTY TAXES

*Municipalities have the authority to use a series of tax tools ranging from mill rate factors to minimum taxes. For more information on tax tools and exemptions see the Ministry of Government Relations website.

SAMA's *Saskatchewan Assessment Manual (2023 Base Year)* is available on SAMA's website.

INFO SHEET #10



SAMA has Information Sheets available on the assessment process for different types of properties. For further information visit SAMA's website or contact your local municipality or any SAMA office.

Please note that for jurisdictions where SAMA provides valuation services, individual property assessed value information is available on SAMA's website at www.sama.sk.ca, by clicking the SAMAView link. November 2024