



OIL AND GAS EQUIPMENT

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WEB SITE:
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REVALUATION 2025

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 oil and gas property. 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 oil and gas equipment are found in the *Saskatchewan Assessment Manual (2023 Base Year)*.

SAMA also accesses a data file through the Ministry of the Economy to help maintain the physical inventory of oil and gas equipment.

COST APPROACH

The assessed value for oil and gas equipment is based on a depreciated replacement cost system.

The assessment of petroleum resource production equipment (RPE) includes the fixtures, machinery and appliances used to:

- bring oil and gas to the surface, including enhanced recovery;
- store oil and gas;
- transport oil and gas from a well site to a battery or gas handling site; or,
- compress gas.

Provincial legislation also specifies that certain RPE located at a battery or gas handling site is not assessable. This includes fixtures, machinery and appliances that are used to:

- separate, treat, process, dehydrate or store petroleum oil or gas;
- transport petroleum oil or gas within the battery or gas handling site; and,
- dispose of petroleum oil and gas waste products.

The assessed value of oil and gas RPE is determined by taking into consideration four factors:

- replacement cost new;
- depreciation;
- downtime; and,
- low production

INFO SHEET #9



REGIONAL OFFICES:

MELFORT

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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.)

REPLACEMENT COST NEW

The replacement cost new for most assessable oil and gas RPE is determined using the standard unit method. This method is based on the cost of acquiring substitute equipment of equal utility. The following well characteristics are used to determine the substitute equipment needed for a well:

- well area;
- well type;
- crude type;
- horizontal/vertical completion;
- depth;
- rated volume;
- facility type; and
- days operated.

The models within the standard unit method are periodically reviewed to ensure they reflect the typical practices employed by the petroleum industry. For 2025, SAMA completed a review of the current oil and gas valuation techniques contained in the Manual. This review was held in consultation with various industry and government stakeholders.

Exceptions to the use of the standard unit method include the cost new of RPE at gas storage wells and observation wells and the replacement cost new of flow lines and tanks, which are determined using unit-in-place cost tables from the *Saskatchewan Assessment Manual*. Additionally, the Saskatchewan government introduced new regulations in 2019, reinforcing the long-standing practice of assessing oil and gas storage tanks as structures.

DEPRECIATION AND DOWNTIME

Physical deterioration is accounted for in the valuation of oil and gas RPE through a lifetime depreciation allowance of 40 percent. A downtime allowance of 10 percent is also applied to all oil and gas resource production equipment.

LOW PRODUCTION

A production adjustment factor is applied to oil and gas wells that produce below a specific threshold. Qualification for the adjustment is determined annually based on the well's average oil or gas production for the three preceding years. The value of qualifying wells is reduced by 25 percent.

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.

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

INFO SHEET #9

