

**Appendix 2: City Administration's Summary of IPTI Proposed Options to Reform Saskatchewan's Property Taxation and Assessment System**

IPTI Proposed Options	IPTI Descriptive Summary	City Administration Comments	Implementation Issues	Estimated Costs
1. Use True Market Values (p.146)	<p>The majority of properties in the province are required to be assessed using a regulated approach, the components of which are very strictly prescribed in an Assessment Manual which has the force of law.</p> <p>For non-regulated properties, the assessed values are arrived at by the use of mass appraisal techniques that are restrictive in their nature and therefore unlikely to produce true market values at the relevant valuation (base) date.</p> <p>A major change that could revolutionise the property tax system in Saskatchewan would be to move to a "true" market value system that would ensure all properties were assessed on the same basis at the same date. This does not mean that does not mean that the province would not be using mass appraisal techniques. In most jurisdictions around the world, assessors provide their initial valuations using mass appraisal, but there are two main differences after that in comparison with Saskatchewan.</p> <p>The first is that the initial valuations are reviewed, with the help of statistical tools, to ensure that those assessments are in line with market values before they are released/published.</p> <p>The second is that, if an appeal is received, the assessor is required to look again at that valuation – on an individual basis – to ensure that the initially approved assessed value is a fair reflection of the property's market value.</p>	<p>Regulated Properties account for .15% of the City of Saskatoon assessment base so changing those would have little impact. However, the proposed approach for non-regulated properties may allow the assessor more flexibility to address assessments. There could be situations where it will create two assessments- mass appraisal assessments and single property appraisal assessments. Using the two approaches which could create inequities for some properties.</p> <p>Overt the years, the City has refined its methods most notably in how we group properties to ensure assessments not only meet statistical requirements, but to also focus on the act requirement of similar properties.</p> <p>In our current system outliers are not adequately accounted for as mass appraisal uses averages. There will always be properties over and under assessed. While this will still be true, the extreme outlier properties that have limited sales and therefore can not be adjusted in current system could be adjusted on a single property basis, under the proposed option for non-regulated properties. In that sense, this option would be worth pursuing and could be implemented for 2025.</p>	<p>The implementation of this option requires provincial legislative change. For the City, the implementation would require changes to internal computer systems and processes. Costs would be staff training and updating documents, manuals, etc.</p> <p>Assessments will be prepared the same, implementation will be on the training staff for appeals.</p> <p>May also lead to less controls for consistent assessments. as different factors and data would be used to develop assessments which create issues in tracking for errors, fraud, past practice.</p> <p>Our current CAMA system would lead to several properties being valued manually.</p> <p>□</p>	moderate
2. Move Agricultural property out of regulation (p.148)	<p>Even if it was decided not to move to true market values for all properties, there may be benefits in moving agricultural properties out of the group of properties that are subject to the regulated valuation standard and putting them into the category of properties to which the market valuation standard applies.</p>	<p>This option has little effect on the City of Saskatoon as it has very few agricultural properties that it assesses. In 2021, the assessed value of agricultural properties accounted for 0.05 % of the total assessment base.</p>	<p>The implementation of this option requires provincial legislative change as the city currently contracts out Agricultural assessment to SAMA.</p>	minimal
3. Remove the Provincial Percentage of Value (p.148)	<p>The use of percentages of value is regarded as an unnecessary and unhelpful complication which adversely impacts consistency, simplicity and transparency that are the hallmarks of a good property tax system.</p>	<p>As IPTI notes, this option would improve the simplicity and transparency of the property tax system. This would also necessitate the removal of mill rate factors. The property tax calculation would simply be the assessed value x the tax rate.</p>	<p>This option requires provincial legislative change. For Administration, this option is easy to implement and would require changes to the City website and other communication tools.</p>	minimal
4. Shorten the Current 4 Year Revaluation Cycle (p.149)	<p>in IPTI's view, annual revaluations are likely to provide the most effective method of ensuring assessed values are kept up to date. However, IPTI recognizes that, in Saskatchewan, there may be a case for shortening the revaluation cycle from 4 years to 2 years initially to allow all parties, SAMA in particular, to introduce the changes that would be necessary to support a move to more frequent revaluations.</p>	<p>As noted, this option should reduce large assessment shifts in an assessment year. However, it is important to note that these shifts will still occur as the market changes but will smoothed out over several years. A move to a 2 year reassessment is supported after the 2025 reassessment .</p>	<p>This option requires changes to provincial legislation. It will require significant changes to workflow process. Will require increase in staff and improvements to technology.</p>	substantial
5. Change the Base Date (p.150)	<p>The current base date is set 2 years prior to the date that revaluations come into effect. In IPTI's view, a 2 year "gap" between the antecedent valuation date and the date when the new assessed values come into effect is too long.</p> <p>It would be advantageous to change the base date from 2 years to 12 months, preferably alongside a move to reduce the revaluation cycle from the current 4-year cycle as the two aspects of the system are closely related.</p> <p>shortening the base date from 2 years to 12 months could be introduced as a "standalone" improvement to the property tax system if necessary.</p>	<p>This option will require changes in reported assessed values to the province. This option will benefit the property owner in that their value will be more up to date and closer to a true market value or recent price.</p>	<p>This option requires provincial legislative change. It presents logistical issues in collecting, inputting and verify market data closest to the base date. Current processes take up to a year complete and would need to be expediated through additional resources and cooperation from property owners. Prior 2017 the base date was 18 months prior.</p>	moderate

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6. Change the assessment/taxation timetable (p.150-1)	In IPTI's view, it would be preferable to adjust the current timetable for the annual processes as follows: (1) assessed values to be provided to the provincial government and municipalities not later than September 1 in the year before the tax year; (2) municipalities to prepare their budgets in September-October based on "actual" assessed value data rather than estimates; (3) municipalities to set their tax rates (and other tax tools) not later than November 1 in the year before the tax year; (4) provincial government follow the same process to set education property tax; (5) assessment notices and tax notices sent out to taxpayers not later than December 1 in the year before the tax year.	The Cities Act currently allows the assessment roll to be published on or after September 1 in the year prior. Early release would allow stability to the budget process and provide tax payers with knowledge of changes prior to the tax year, however it would cause losses in potential revenue due to cutting off supplementary assessments earlier in the year	Assessors would need to significantly change work process and this would result in loss of assessment growth.	moderate
7. Reform the appeals system (p.151-2)	The current property tax appeals system in Saskatchewan suffers from a number of disadvantages. One of the fundamental problems is the timing of sending out assessment notices and the time limit allowed for making appeals. Another significant issue arises in connection with the "mixed" performance of the existing Boards of Revision (BoRs).	The province recently completed a review of the Board of Revision and developed changes that have been implemented. They include training for Board of Revision members and the creation of a provincial registrar. The vast majority of appeals are filed by professional tax agents that typically file appeals on last day of the appeal period, regardless of if it is open 30 days in non revaluation year or 60 days in revaluation year. The City does not see value in mailing tax and assessment notices at the same time. Extending appeal period will lead to more instability in the assessment roll	This would be mostly implemented by the Province or the City Clerks Office. The City has made changes to its Board of Revisions process to improve the quality and consistency but this will take time to work thorough. Not clear if the City would keep its own BOR and rest of province (except for Regina) would use provincial BOR.	minimal
8. Enhanced Training (p.154)	There is a need for additional education of policy makers operating within the existing system, particularly those at the municipal council level who are making important decisions on tax policy. There is also a continuing need to provide education for other stakeholders, in particular to improve the awareness of taxpayers about the existing system.	This option should be implemented regardless of changes being made. Property owners understanding of the assessment regime continues to be one of our biggest challenges.	Many terms used by assessors are not common terms or have different meanings making it difficult to understand and explain the workings of the assessment system.	minimal to moderate (depending on who does the training)