

AGRICULTURAL LAND [ARABLE]

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

SAMA also provides assessment and other related services to most cities, towns, villages and rural municipalities in the province. SAMA's appraisers value approximately 850,000 properties in Saskatchewan for assessment purposes.

2017 REVALUATION

SAMA conducts revaluations based on a four-year cycle. 2013 was the year of the last revaluation, and the 2017 Revaluation will see assessed values updated to reflect a new base date of January 1, 2015. The legislated base date means that 2017 values reflect a property's value as of January 1, 2015.

VALUATION STANDARD

For the 2017 Revaluation, Saskatchewan will continue to use a **regulated property assessment valuation standard** for valuing agricultural 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 agricultural land are found in the *Saskatchewan Assessment Manual (2015 Base Year)*.

THE PRODUCTIVE CAPACITY METHOD

The valuation model for arable land will continue to be based on productive value. Productive Capacity of the land is the basis of comparison for the valuation of arable (cultivated) agricultural land. The productive capacity of arable land is determined using a soil classification system that has been correlated with long-term wheat yields. The actual yields are not of primary importance; it is the comparison of yields between different soil quality types that is important for a productivity model.

In addition, there are economic adjustments for cost of production factors, and finally a provincial factor (PF), which reflects the provincial average sale price for agricultural use land.

SASKATCHEWAN ASSESSMENT MANUAL [2015 BASE YEAR]

The valuation procedures for arable agricultural land are contained within the *Saskatchewan Assessment Manual*. The arable land valuation model applies to agricultural land suitable for crop production. The classification system for rating soils is based on the Canadian System of Soil Classification.

The general valuation formula is as follows:

$$\text{PRODUCTIVITY RATING} \times \text{ECONOMIC FACTORS} \times \text{PROVINCIAL FACTOR} = \text{ASSESSED VALUE}$$

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 percentage 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	X	PERCENTAGE OF VALUE & EXEMPTIONS	X	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 (2015 Base Year)* is available on SAMA's website (www.sama.sk.ca).



MELFORT

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P: 306-752-6142 F: 306-752-6151
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MOOSE JAW

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NORTH BATTLEFORD

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REGINA

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SASKATOON

300-333-25th Street East
Saskatoon SK S7K 0L4
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SWIFT CURRENT

203 - 350 Cheadle Street West
Swift Current SK S9H 4G3
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WEYBURN

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Weyburn SK S4H 2Z8
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YORKTON

45B Palliser Way
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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.

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