

## PARCS UPDATE #72 APRIL, 2017



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## 1. WADING INTO A NEW LAKE SEASON



### SUNSHINE AND TAXES

These unseasonably warm April days have no doubt prompted cottage owners to be thinking about getting out to the lake.

Some of you will also be thinking about your upcoming property tax bill for your cottage. While we cannot make any predictions about what your resort village or your rural municipality portion of your 2017 tax bill, we can give you some idea about what to expect from the **education portion of your property tax bill.**

PARCS asked president Garry Dixon, to answer the question, "How much education tax will I pay this year?" Garry sharpened his pencil and did some calculating. His detailed answer to that question is found on **pages 2 and 3.**

### DOING YOUR OWN RESEARCH

PARCS occasionally receives emails from cottage communities asking for more information about a topic that has been covered in a newsletter article or at a convention session.

Now you can do your own research by using the topic list on **page 5** which directs you to particular PARCS Updates in the NEWSLETTER Section of our website, or to particular documents which are described in the RESOURCE DOCUMENTS section (on the bottom right of the front page of the web site). Resource documents are emailed out to members only. Print out the list and tack it on your bulletin board.

### PARCS BYLAW REVIEW

PARCS is conducting a thorough review of our PARCS Bylaws for presentation at our 2017 Convention (October 20/21). We want your suggestions. Please consult the bylaws (found in the Resource Documents) and send your suggestions for changes to our past president [sherryjimmy@sasktel.net](mailto:sherryjimmy@sasktel.net).

### PARCS POSTCARDS

The rippled sand in the photo above serves to remind us of what we will lose if our lakes become infested with invasive mussels. Check our **page 4** for more information.

## 2. A FEW DOLLARS MORE

2017 is a property revaluation year. What does this really mean? Well, if you are fortunate enough to own land in Saskatchewan, the value of that land and any development on that land will be given a new value based on criteria as set by the provincial government.

The new value, or reassessed value, will more than likely be done by the Saskatchewan Assessment Management Agency (SAMA). SAMA currently does 761 municipalities<sup>1</sup> totaling 839,217 properties, which amounts to almost all the property assessments in Saskatchewan except for a few rural municipalities and some larger cities. The reassessed value is that value as of January 1, 2015 (referred to as the base date). SAMA has determined that the



province-wide average assessed residential property value will increase by 16% or 17%. As this percentage is an average, individual properties assessed values will vary.

In this article I will only deal with the revaluation as it pertains to residential properties, and only the portion of taxation on that property known as education property tax. When you receive your municipal tax notice it may contain several taxes, such as: sewer tax, water tax, garbage tax, but the two main ones will be education tax and municipal property tax. But, as I previously mentioned, this article will only focus on the education property tax.

The provincial government, on an annual basis, sets two rates to be used to determine the taxable assessment and taxes. Those values are known as percentage of value and mill rate<sup>2</sup> applied to determine taxable assessment and then taxes. The percentage of value prior to 2017 was set at 70% but in 2017 it changed to 80%. The mill rate, likewise in 2017, was changed from 5.03 mills to 4.12 mills.

Residential property, classified as unregulated property, is valued using three accepted approaches: cost approach, sales comparison approach, and property income approach. Cost approach is based on the cost to reconstruct a development and purchase land. Sales comparison approach is based on the sale of similar properties in close proximity to your property. Property income approach is based on the income if the property is rented.

So how does this all compute? Well, the easiest way to explain is through examples comparing the 2016 to the 2017 taxation years using the equation:

$$\text{➤ Assessed value} \times \% \text{ of value} = \text{taxable assessment} \times \text{mill rate} = \text{taxes owing}$$

<sup>1</sup> Including rural municipalities, cities, towns, villages and resort villages.

<sup>2</sup> Percentage of value means "out of 100" (70% would mean 70/100 or .7)

Mill rate means "out of 1000" (7 mills would mean 7/1000 or .007)

### LET'S LOOK AT A PROPERTY THAT WAS ASSESSED AT \$200,000 LAST YEAR.

In 2016: Using a property assessment of \$200,000 the education tax would have been:

$$\text{➤ } \$200,000 \times .7 = \$140,000 \times .00503 (5.03) = \$704.20$$

In 2017: Assuming the SAMA figure of 16% increase in value, the property assessed at \$200,000 in 2016 will now be assessed at \$232,000<sup>3</sup> and the education tax will be:

$$\text{➤ } \$232,000 \times .8 = \$185,600 \times .00412 (4.12) = \$764.67$$

Chart for above example<sup>4</sup>:

Year	Assessed Value	Percentage of Value	Taxable Assessment	Mill Rate	Taxes Owing
2016	\$200,000	70%	\$140,000	5.03	\$704.20
2017	\$232,000	80%	\$185,600	4.12	\$764.67
An increase in Taxes Owing from 2016 of \$ <b>60.47</b>					

### NOW LET'S LOOK AT PROPERTY THAT WAS ASSESSED AT \$400,000 LAST YEAR.

In 2016: Using a property assessment of \$400,000 the education tax would have been:

$$\text{➤ } \$400,000 \times .7 = \$280,000 \times .00503 (5.03) = \$1,408.40$$

In 2017: Assuming the SAMA figure of 16% increase in value, the property assessed at \$400,000 in 2016 will now be assessed at \$464,000 (\$400,000 x 1.16) in 2017 and the education tax will be:

$$\text{➤ } \$464,000 \times .8 = \$371,200 \times .00412 (4.12) = \$1,529.34$$

Chart for above example<sup>5</sup>:

Year	Assessed Value	Percentage of Value	Taxable Assessment	Mill Rate	Taxes Owing
2016	\$400,000	70%	\$280,000	5.03	\$1,408.40
2017	\$464,000	80%	\$371,200	4.12	\$1,529.34
An increase in Taxes Owing from 2016 of \$ <b>120.94</b>					

Either way, it looks like we will be paying a few more dollars for the education portion of our property taxes, in 2017.

Garry Dixon, PARCS president

<sup>3</sup> \$200,000 x 1.16

<sup>4</sup> Assuming the SAMA figure of 16% increase in value, the property assessed at \$200,000 in 2016 will now, in 2017, be assessed at \$232,000 (\$200,000 x 1.16).

<sup>5</sup> Assuming the SAMA figure of 16% increase in value, the property assessed at \$400,000 in 2016 will now, in 2017, be assessed at \$464,000 (\$400,000 x 1.16).

### 3. WHAT COMING UP NEXT?

#### **SOLDIERING ON FOR STAB<sup>6</sup>**

At their April 1<sup>st</sup> meeting, your PARCS Board of Directors passed a motion "reiterating its commitment to the implementations of a border inspection program as being the method with the best probability of succeeding in keeping aquatic invasive mussels out of our province".

We know that the province has only budgeted \$100,000 for 2017 to fight aquatic invasive mussels.<sup>7</sup> We have forwarded questions which we hope will be addressed at the first meeting of the AIM Task Force, this Thursday, April 13. Stand by for an update. Thank you for the postcard support. We have plans for more postcards, which we will share during the resort village phone survey and the organized hamlet spring membership letters.



1. Based on the Ministry's risk analysis, can the Ministry comment on the degree to which the Ministry perceives an infestation of aquatic invasive mussels as being inevitable versus preventable?
2. Will the Ministry of Environment provide to the Task Force information about its assessment of which Saskatchewan lakes are currently the most endangered and most vulnerable to an infestation of aquatic invasive mussels?
3. Given that there are six (6) border crossings between Saskatchewan and Montana, and five (5) border crossings between Saskatchewan and North Dakota, has the Ministry had communication with Canadian Border Services so as to report to the Task Force answers to the question: What are the hours of operation and procedures for monitoring incoming watercraft at each of these 11 sites?
4. Does the province of Saskatchewan have any jurisdictional control over which border crossing of the 13 crossings the province permits watercraft to have entry to the province?
5. What plans has the Ministry of Environment made to date as to actions that will be set into operation when a mussel infestation is first confirmed in a Saskatchewan water body?
6. Can the prevention of infection by invasive mussels be dealt with on a lake-by-lake basis?

#### **RESORT VILLAGE PHONE SURVEY**

During the next 2 weeks of April, Lynne will be attempting to phone the administrator of each resort village to ask "What are the current issues facing your resort village council?" and "If you had an opportunity to sit in on a sharing session with other resort village councils, what topic(s) would want to discuss?" Needless to say, we are planning for some small groups sharing sessions as part of our October 20/21 convention.<sup>8</sup>

#### **ORGANIZED HAMLET MEMBERSHIP INVOICES**

RV membership payments are arriving daily. OH invoices for PARCS memberships will go out in the last week of April. These same two questions will be posed to OH boards. Stay tuned.

<sup>6</sup> Stop Them At the Border

<sup>7</sup> As per PARCS Update #71 – page 3, from the [Ministry of Environment's Plan for 2017-18](#).

<sup>8</sup> Planned for the Hilton Garden Inn in Saskatoon – more details to follow in the next newsletters

## 4. HOW TO DO YOUR OWN RESEARCH

**AIM to STAB** – Consult PARCS UPDATE #49, #50, #52, #56, #60, #62 p. 2-4, #64 p.2-6, #66, #70, #71 CATALOGUE #10, #46, #47, #48

**ATVs - Licensing** – Consult PARCS UPDATE #46, p.3

**Bylaw enforcement** - Consult PARCS UPDATE #6, p.2, #15, p. 5, CATALOGUE #7, #14, #29, #20.1 & 20.2, #52

**Census** – Consult PARCS UPATE #17,

**Changes to cottage communities** – Consult PARCS UPDATE #22, p.4, CATALOGUE #22, #26,

**Community celebrations** – Consult PARCS UPDATE #15, p.4,

**Community centres** – Consult PARCS UPDATE #15, p.4, CATALOGUE #19.1 & 19.2, #30

**Community storage system** – Consult PARCS UPDATE #15, p.5, CATALOGUE #27

**Elections** – Consult PARCS UPDATE #24, p.2, #51 (summary document)

**Environmental committee** – Consult PARCS UPDATE #7, #8, #15, p.3, CATALOGUE #28

**Equitable representation for cottage owners on RM Councils** – Consult PARCS UPDATE #30, p. 3, #62, #69, p.1, CATALOGUE #45

**Establishing new OHs or new RVs** – Consult PARCS UPDATE #35 (5 pages)

**Flooding** – Consult PARCS UPDATE #15, p.6, #17, p.2,3 (instructions), #18, #34 (lots of info)

**Grants** – Consult PARCS UPDATE #4, #10, p.2,

**Indoor recycling** – Consult PARCS UPDATE #15, p.3, CATALOGUE #31

**Mailbag issues** – Consult PARCS UPDATE #36

**Managing our lakes** – Consult PARCS UPDATE #54, CATALOGUE #12 (Friends of Good Spirit Lake), #6 (Source Water Protection Plans), #53 (Love Your Lake)

**Mergers of cottage communities** – Consult PARCS UPDATE #44 (Katepwa and Wakaw Lake), #53 (RV of South Lake and OH of Sand Point)

**Org. Hamlets, RM Councils work together** – Consult CATALOGUE #3, #32 (Tool Kit for OHs), #44

**Potable water and sewage** – Consult PARCS UPDATE #15, #20, p.2, #31, p.2-3, #39, CATALOGUE #1, #4, #18, #21, #24

**Profiles of lake communities** – Consult PARCS UPDATE #3, #9, #10, #11,

**Property taxes for education** – Consult PARCS UPDATE #27 p.1-2, #32, #33, #32, #40

**Quill Lake diversion** – Consult PARCS UPDATE #55, #57

**RV Councils** – Consult PARCS UPDATE #69, CATALOGUE #49, #50

**Shoreline Stabilization** – Consult CATALOGUE #22

**Source water protection plans** – Consult PARCS UPDATE #31, p1,

**Surveys** – Consult PARCS UPDATE #13, #29, #38, #43

**Tree planting bees** – Consult PARCS UPDATE #24, p.3-4,

**Urbanization of rural municipalities** – Consult PARCS UPDATE #2,

**Waterfront – public lands** - Consult PARCS UPDATE #6, p.2, #14 (p. 2 to 6), #31, p.1,

**Weekend warriors versus year-round residents** – Consult PARCS UPDATE #42

**Wildfire management** – Consult PARCS UPDATE #30, p. 2-4.

**Zoning bylaw** – Consult PARCS UPDATE #8, #45, CATALOGUE #15,

### TO REVIEW THESE TOPICS,

- Go to PARCS website (**skparcs.com**)
- Find the NEWSLETTER page
- Also find CATALOGUE of resource documents (**bottom of home page**).  
*These documents will be emailed to members.*

Contact PARCS

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