



YIKES – THE NEW ASSESSMENT NUMBERS ARE IN!

Cottage owners are concerned

In the July edition of PARCS UPDATE #27 we reported SAMA's prediction that cottage communities would be hit with an **average assessment increase of 98%**.

"If the province doesn't reduce the mill rate, and with the removal of the discount, the example home owner in my community will see an increase of \$ 2,291 (89%), an unconscionable increase."

Fred Weekley, Mayor of the District of Katepwa

The new assessment numbers have arrived in RM offices and Resort Village Offices. Your recent phone calls and emails are confirming SAMA'S predictions. Some communities have started petitions; others are writing to their MLA's. Many callers have urged PARCS to take the concerns of cottage owners forward to the province.

What the new assessments could mean for Education Taxes

Cottage owner ratepayers could be hit hard for the following three reasons:

- Under the new method of property assessment, residential property assessment is based on sale prices of comparable properties. As a result, the market has driven up the assessments on cottage properties such that cottages have experienced **the largest increase of any property category.**¹
- The province applies a **percentage of value of 70%** to change raw assessment into taxable assessment. By comparison, agricultural property gets a break, as their percentage of value is **only 55%**.
- The province has **cancelled the discount for early payment** of education taxes. In many communities, the cancellation of the discount will mean a 15% increase for education taxes.

I've also provided my own assessment figures as an example:

In 2012, the taxable assessment on my cottage was 66,800 and the educational mill rate for residential was 9.51 mills. Therefore my 2012 education tax bill was:

\$ 66,850 x .00951	=	540.38
Minus the 15% discount	=	- 95.36
Net 2012 education tax	=	\$ 540.38

In 2013, the new taxable assessment on my cottage is \$153,090 (an increase of 60%). The province has cancelled discounts for early payment. If the educational mill rate remains the same, my 2013 education tax bill will be:

\$ 153,090 x .00951	=	\$ 1,455.89
Minus the 15% discount	=	0.00
Net 2013 education tax	=	\$ 1,455.89

"If nothing changes, my bill for education tax will almost **TRIPLE**."
Lynne Saas

The 2013 education mill rate is currently under discussion

On **January 23rd**, a delegation from the PARCS Board met with Minister Jim Reiter. Minister Reiter confirmed that his officials are currently looking at scenarios for 2013 education mill rates which must be set in time for the spring budget on March 20th.
We must make our voices heard during February!

1 - Average assessment increases in 2013 are:

Seasonal residential: 98%
Agricultural: 50%

Other residential: 86%
Commercial/industrial: 10 to 79%

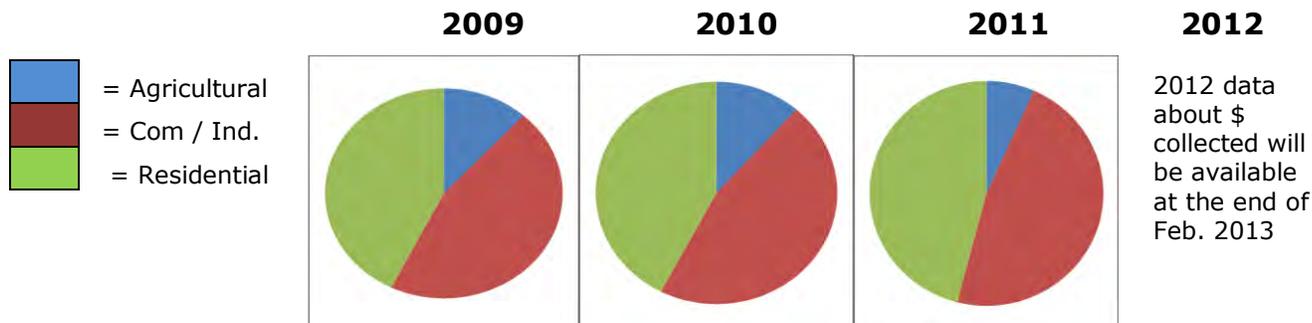
You can **find your 2012 assessment** on-line:

1. Go to the SAMA website www.sama.sk.ca
Under the photo on the left side, by the key, click on SAMAvieW
2. **Next screen:** Click on the **SAMAvieW photo**
3. **Next screen:** Click on **I agree** and then click on **Property Search by Map and Text**
4. **Next screen :** Enter the name of your community (don't include RV or OH – just the name). Choose either a legal land description or a street name.
You can click and hold your mouse to slide around the map.
Click on **+** or **-** to zoom in or out
5. Your total 2012 assessment will appear on your lot. (On Feb. 1st it will change to 2013 assessment.)
Remember, these are RAW ASSESSMENTS and must be multiplied by .7 to get TAXABLE ASSESSMENT.
6. You can also **obtain your 2013 assessment** by calling your municipality or go on-line after Feb 1st.

A quick look at education taxes since 2009

In 2009 the province removed the control of educational mill rates from the school divisions and assumed control of setting the education mill rate for the entire province.

Not everyone is aware that the province sets a different educational mill rate for each of the three property categories (agricultural, residential, and commercial). These mill rates determine how the dollars raised from educational tax are shared among the three groups. The following charts show how the levy from agriculture property has been cut in half, while the levy from residential has increased significantly.



PARCS recommendation to the province

PARCS has asked Minister Reiter to ensure that the **ratio of the dollars collected in 2013 among the property categories remain consistent with the ratio of the dollars collected in 2012 among the property categories.**

To achieve this goal, the province will need to adjust the mill rates in each property category. Here is an example of how that could happen:

$$\begin{aligned} \text{2012: } & \$100,000 \text{ of taxable assessment} \times 9.51 \text{ mills}^2 = \$951 \text{ from residential} \\ \text{2013: } & \$186,000 \text{ of taxable assessment} \times 5.11 \text{ mills}^3 = \$951 \text{ from residential} \end{aligned}$$

²The 2012 mills rates for education were:

Residential: 9.51 mills
Agricultural: 3.91 mills
Commercial/Industrial: 14.75 mills

³ Because the **average increase for residential assessment was 86%**, the assessment is increased by 86% (to \$186,000). Then a new mill rate is selected to yield the same tax dollars.

How you can add your voice

To add your voice to this important lobby, please:

1. Use the **letter template** that accompanies this document.
2. Insert your **own arguments** into your letter. You may wish to comment about:
 - The loss of the early payment discount already means a significant increase for many ratepayers.
 - Residential property already contributes the largest share (more than 47%) towards the cost of education.
 - The province already creates a disadvantage for residential taxable assessment (70% of raw assessment) as compared to agricultural taxable assessment (only 55% of raw assessment).
 - The high cost of home ownership. Young people struggling with large mortgages will be hard pressed to cope with a big increase in their tax bill.
 - The number of home-owner voters is growing at a rapid rate.
 - It may be time to move some of the educational tax away from property tax and onto sales (to better reflect the ability to pay).
3. Email your letter to:
 - Honorable Reiter, jreiter@mha.legassembly.sk.ca
4. Email a copy of your letter to any of the following:
 - Premier Brad Wall, premier@gov.sk.ca or bwall@mha.legassembly.sk.ca
 - Honorable Ken Krawetz
Minister of Finance,
minister.fi@gov.sk.ca
 - Your own MLA
 - PARCS at saas@sasktel.net
(PARCS would like to keep track of these letters)

PARCS Directors, at their Jan. 21st meeting, discuss how best to lobby on your behalf. Please add your voice to theirs.

Sherry Jimmy
2nd vice
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1st vice
president

Shirley Gange
President

Garry Dixon
Director, SE

Gerald Worobec
Director, SW

