



**Saskatchewan
Ministry of
Municipal
Affairs**

COMPARISON OF FORMAL ENTITIES IN THE MUNICIPAL GOVERNMENT SYSTEM (*THE MUNICIPALITIES ACT*)



**Advisory Services
Strategy and Sector Relations Branch
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TABLE OF CONTENTS

General Information.....	3
Types of Municipalities	3
Legal & Democratic Comparisons.....	5
Legal Status.....	5
Incorporation and Definition.....	5
Elections.....	6
Eligibility to vote	7
Eligibility to serve on board or council.....	7
Meetings.....	8
General Government Comparisons.....	9
Authority and Powers	9
Responsibilities and Duties.....	10
Administration	10
Financial Comparisons.....	11
Revenues and Expenditures	11
Transfer of payments	11
Budget.....	12
Short and Long Term Borrowing.....	12
Assessment and Taxation Comparisons.....	13
Assessment.....	13
Special tax.....	13
Taxation and Tax Tools	14
Further Information.....	15

General Information

Municipal government in Saskatchewan has a long and storied history. Although Saskatchewan became a province of Canada in 1905, organized municipal governments began as early as the 1880s.

Municipalities are corporations whose legal existence is derived from incorporation by the province. Constitutionally, municipalities are considered to be ‘creatures’ of provincial jurisdiction as specified by section 92 of Canada’s *The Constitution Act, 1982*.

Saskatchewan’s *The Municipalities Act* and *The Cities Act* provide the basic legislative framework for all of the province’s southern municipalities, and give municipalities what is referred to as “Natural Persons Power”. This term is commonly understood to mean that municipalities possess all of the same powers that a normal person would. Natural person powers generally do not give municipalities more jurisdiction than they already had and they do not confer or expand any law-making, bylaw, or taxing powers since natural persons don’t have any such authority. What changes is the ‘default’ authority and flexibility for municipalities regarding administrative or corporate matters. Essentially, a municipality can take any action that a natural person or business could to carry out its purposes unless or until legislation prohibits an action or places limitations or conditions on an action.

The two Acts also describe the general purpose of municipalities. Sections 4(2) of both Acts specify that municipalities have the following purposes:

- to provide good government;
- to provide services, facilities and other things that, in the opinion of council, is necessary or desirable for all or a part of the municipality;
- to develop and maintain a safe and viable community;
- to foster economic, social and environmental well-being; and
- to provide wise stewardship of public assets.

The information in this document is not a substitute for legislation. It is important to examine the exact wording of legislative references. Questions of a legal nature should be directed to a solicitor.

Types of Municipalities

Saskatchewan has urban, rural and northern municipalities.

A northern municipality is a northern town, northern village or northern hamlet incorporated under *The Northern Municipalities Act, 2010*. These municipalities are located in the Northern Saskatchewan Administration District. A northern municipality is created by a ministerial order that describes the municipal boundaries. Each is

governed by an elected council that can hire staff to manage daily administration and maintain municipal services (e.g. roads, utilities, recreation facilities). Northern settlements are created under the same legislation as municipalities, though they are not municipalities. Each settlement is governed by an elected local advisory committee that reports to the Minister of Municipal Affairs. The local advisory committee provides services for the health and safety of residents and:

- decides what type and level of municipal services will be provided;
- controls land development and zoning provisions;
- borrows money for municipal improvements; and
- sets local tax policies & rates to cover the costs of municipal services.

A rural municipality is a defined territory incorporated under *The Municipalities Act*. A rural municipality is created by a ministerial order that describes the municipal boundaries and divisions therein. A rural municipality's governance may extend to include hamlets or more formal entities called "organized hamlets."

Urban municipalities, by definition, include cities, towns, villages and resort villages. Saskatchewan's cities are governed by *The Cities Act*, while the remaining urban municipalities are governed by *The Municipalities Act*. A municipality is created by a ministerial order that describes its boundaries.

Both rural and urban municipalities are governed by an elected council that can hire staff to manage daily administration and maintain municipal services (e.g. roads, utilities, recreation facilities). A municipal council can adopt bylaws to:

- provide for the health and safety of the municipality's residents;
- decide what type & level of municipal services will be provided;
- control land development & zoning provisions;
- borrow money for municipal improvements; and
- set local tax policies & rates to cover the costs of municipal services.

While there are many similarities among the different types of municipalities, and between hamlets and organized hamlets, there are notable variances.

Legal & Democratic Comparisons

	Hamlet	Organized Hamlet	Rural Municipality	Resort Village	Village / Town
Legal Status	Relevant legislation is <i>The Municipalities Act</i> . A hamlet is not a municipality.	Relevant legislation is <i>The Municipalities Act</i> and <i>The Municipalities Regulations</i> . An organized hamlet is not a municipality.	An independent municipal corporation having all its powers and responsibilities conferred by <i>The Municipalities Act</i> .		
Incorporation and Definition	An unincorporated community with 5 or more occupied dwellings and at least 10 subdivided lots, the majority of which is on average less than acre.	To be designated as an organized hamlet, a petition signed by at least 30 persons who will be voters of the proposed organized hamlet is to be included with an application (Form E) to be sent to the minister.	The rural municipality is created by a minister's order, which shall assign a name and number, and divide the area into divisions. The municipality will not include any urban municipality, an Indian reserve, park lands as described in <i>The Parks Act</i> or regional parks. An organized hamlet with a population in excess of 100 may be designated as a separate division.	An organized hamlet may apply to the minister for incorporation as a village or a resort village if: <ul style="list-style-type: none"> • it has been an organized hamlet for at least 3 years; • the population is a minimum of 100; • there are a minimum of 50 dwelling units or business premises; and • its total taxable assessment meets the minimum level prescribed in Section 6 of the Regulations. 	

	Hamlet	Organized Hamlet	Rural Municipality	Resort Village	Village / Town
Elections	Not applicable.	<p>An organized hamlet board is comprised of 3 members who hold office for a term of 3 years.</p> <p>If the organized hamlet has been designated as a division in the RM, its councillor is an additional member of the organized hamlet board.</p>	<p>Elections are held annually in November. Members of council hold office for a term of 4 years.</p> <ul style="list-style-type: none"> • In 2012 and every 4 years thereafter, elections are held for the reeve and a councillor of an odd numbered division. • In 2014 and every 4 years thereafter, elections will be held for councillors representing an even numbered division. <p>Polling places must be established for each division and may be situated outside the boundaries of the rural municipality.</p>	<p>Elections are held in July every 4 years for all members of council.</p> <p>Polling places are located within municipality.</p> <p>A single polling place may be used for two or more polling areas.</p> <p>Council may establish polling places in other jurisdictions.</p>	<p>Elections are held in October every 4 years for all members of council.</p> <p>Polling places are located within municipality.</p> <p>A single polling place may be used for two or more polling areas.</p>

	Hamlet	Organized Hamlet	Rural Municipality	Resort Village	Village / Town
Eligibility to vote	<p>Same as those for rural municipalities.</p> <ul style="list-style-type: none"> There are no specific elections for hamlets. 	<p>Residents and property owners in an organized hamlet may qualify to vote in:</p> <ul style="list-style-type: none"> rural municipal elections; and in elections for member of organized hamlet board. 	<p>Qualifications include:</p> <ul style="list-style-type: none"> minimum age of 18 years; Canadian citizenship; residency, ownership, occupancy, or other interest in property in the rural municipality. <p>Saskatchewan resident spouse of voter may also be eligible to vote.</p> <p>Residency in Saskatchewan may not be required.</p>	<p>Qualifications include:</p> <ul style="list-style-type: none"> minimum age of 18 years; Canadian citizenship; and residency, ownership or occupancy of land in the resort village. <p>Spouse of voter is also eligible to vote.</p> <p>Residency in Saskatchewan is not required.</p>	<p>Qualifications include:</p> <ul style="list-style-type: none"> minimum age of 18 years; Canadian citizenship; Saskatchewan residency; and residency, ownership or occupancy of land in the village or town.
Eligibility to serve on board or council	<p>May seek office as member of RM council – must be a Saskatchewan resident and meet RM voter requirements.</p>	<p>Must meet voter requirements:</p> <ul style="list-style-type: none"> in organized hamlet, to seek office as member of organized hamlet board; or in RM, to seek office as member of RM council. 	<p>Must be a Saskatchewan resident and meet RM voter requirements.</p>	<p>Must be a Saskatchewan resident and meet resort village voter requirements.</p> <p>Spouse of eligible person may also qualify to seek office.</p>	<p>Must be a Saskatchewan resident.</p> <p>Must reside in village or town.</p> <p>Must meet village or town voter requirements.</p>

	Hamlet	Organized Hamlet	Rural Municipality	Resort Village	Village / Town
Meetings	Not applicable.	<p>The hamlet board shall annually hold a meeting of the voters of the organized hamlet.</p> <p>First annual meeting is determined by the organized hamlet board.</p> <p>At subsequent annual meetings, the voters will set the date, time and location of the next annual meeting.</p> <p>Public notice of the annual meeting is required by posting a notice in 3 conspicuous places within the organized hamlet for a minimum of 7 clear days.</p> <p>The hamlet board meets as necessary to discuss hamlet business. Secretary to provide copy of minutes to RM council within 30 days of meeting.</p>	<p>The first meeting of council following the general election (annual election in rural municipalities) shall be held within 31 days at a date, time and location determined by the administrator.</p> <p>Council will determine the date, time and location of future meetings.</p> <p>Special meetings may be requested:</p> <ul style="list-style-type: none"> • by the reeve or mayor, or • by a majority of members of council. <p>Public notice is required with respect to council and committee meetings. Minimum notice requirements are satisfied by posting a notice in the municipal office for at least 24 hours. Public notice may be waived in situations where a meeting must be held with less than 24 hours notice.</p>		

General Government Comparisons

	Hamlet	Organized Hamlet	Rural Municipality	Resort Village	Village / Town
Authority and Powers	A hamlet forms part of and is governed by the rural municipality in which it is situated.	<p>The area of an organized hamlet remains part of the rural municipality for legal purposes; however an elected hamlet board acts as an advisory body to the rural municipal council on hamlet matters.</p> <p>An organized hamlet with a minimum population of 100 may be designated as a division within the rural municipality and will be represented by its own council member who also serves as an additional member to the hamlet board.</p>	<p>The council is responsible for exercising the powers and carrying out the duties of the municipality.</p> <p>The council consists of a reeve, elected at large, and a councillor for each division of the rural municipality, elected by eligible voters in that division. Elections are conducted in accordance with <i>The Local Government Election Act</i>.</p>	<p>The council is responsible for exercising the powers and carrying out the duties of the municipality.</p> <p>The council consists of a mayor and at least 2 councillors elected in accordance with <i>The Local Government Election Act</i>.</p> <p>Council may, by bylaw, alter the number of councillors or establish wards.</p>	<p>The council is responsible for exercising the powers and carrying out the duties of the municipality.</p>

	Hamlet	Organized Hamlet	Rural Municipality	Resort Village	Village / Town
Responsibilities and Duties	A hamlet is under the jurisdiction of the rural municipal council.	<p>The hamlet board advises the council of the rural municipality on any decisions or bylaws affecting the organized hamlet.</p> <p>The council provides all mandatory and discretionary services.</p>	<p>The council has jurisdiction to enact bylaws or adopt resolutions:</p> <ul style="list-style-type: none"> • to provide good government; • to provide services, facilities and other things for the municipality; • to develop and maintain a safe viable community; • to foster economic, social and environmental well-being; and to provide wise stewardship of public assets. <p>Municipalities are accountable to the people who elect them and are responsible for encouraging and enabling public participation in the governance process.</p>		
Administration	A hamlet is administered by the rural municipal council.	An organized hamlet relies upon the rural municipality for its administration. The hamlet board is responsible to advise the rural municipality on any matters affecting the organized hamlet.	<p>The council is required to establish the position of administrator of the municipality. The person appointed to this office shall meet the qualifications as provided in <i>The Rural Municipal Administrators Act</i>.</p> <p>Council may authorize the administrator to delegate any of his or her powers, duties and functions to any employee of the municipality.</p>	<p>The council is required to establish the position of administrator of the municipality. In municipalities whose population is at least 100 persons, the person appointed to this office shall meet the qualifications as provided in <i>The Urban Municipal Administrators Act</i>.</p> <p>Council may authorize the administrator to delegate any of his or her powers, duties and functions to any employee of the municipality.</p>	

Financial Comparisons

	Hamlet	Organized Hamlet	Rural Municipality	Resort Village	Village / Town
Revenues and Expenditures	A hamlet is under the jurisdiction of the rural municipal council.	A portion of municipal taxes and fees collected within the hamlet are placed in a special hamlet account to be expended at the request of the board.	All revenues are retained for municipal purposes and all expenditures are at the discretion of council.		
Transfer of payments	<p>The Municipal Revenue Sharing grant will be paid to the rural municipality in respect of a hamlet which formerly was a village in the amount last received as a village.</p> <p>As part of the Rural Revenue Sharing program, funding is provided to the Communities in Transition (CIT) Program for infrastructure-related project(s), feasibility studies and administration costs associated with the <u>restructuring of a town or village into a hamlet</u>. Rural Municipalities may apply on behalf of the hamlet once within 12 months of restructuring.</p>	<p>The Municipal Revenue Sharing grant to the organized hamlet is paid to the rural municipality and placed in the special hamlet account.</p> <p>The Revenue Sharing grant for organized hamlets consists of 60% of the base plus 60% of the per capita amounts for towns and villages paid under Urban Revenue Sharing, based on the current available census populations.</p> <p>Organized hamlets may apply for conditional grants through the rural municipality.</p>	<p>The Municipal Revenue Sharing grant is based on a formula that includes the road system, taxable assessment and population for each rural municipality.</p> <p>Municipalities may be eligible for other conditional grants.</p>	<p>The Municipal Revenue Sharing grant consists of:</p> <ul style="list-style-type: none"> • a basic grant; and • a per capita grant relative to permanent population. <p>Municipalities may be eligible for other conditional grants.</p>	

	Hamlet	Organized Hamlet	Rural Municipality	Resort Village	Village / Town
Budget	Under the jurisdiction of the rural municipality.	<p>The board may prepare its budget which is incorporated within the budget for the rural municipality.</p> <p>Expenditures must be covered by the special hamlet account.</p>	<p>Council will annually adopt an operating and capital budget, estimating the current year's revenues and expenditures.</p> <p>Council may prepare a capital works plan for a minimum period of 5 years.</p>		
Short and Long Term Borrowing	Under the jurisdiction of the rural municipality.		<p>A municipality's total debt may not exceed its own source revenues (taxes, user charges and fees, etc.) for the previous year. Long-term debt is defined as a debt that is not repayable within the current year.</p> <p>A municipality may authorize borrowing for operating expenditures either by resolution or by bylaw. Subject to its debt capacity and current debt load, the maximum amount that can be borrowed for short term purposes is the estimated taxes and unconditional grants expected during the current year.</p> <p>A municipality will require approval from the Saskatchewan Municipal Board if an amount to be borrowed:</p> <ul style="list-style-type: none"> • will cause the municipality to exceed its debt limit; • is not repayable within three years; or • is secured by debentures. <p>Long term borrowing may be authorized either by bylaw or by resolution. If SMB approval is required, council must authorize the borrowing by bylaw.</p>		

Assessment and Taxation Comparisons

	Hamlet	Organized Hamlet	Rural Municipality	Resort Village	Village / Town
Assessment	Under the jurisdiction of the rural municipality.		<p>All lands and improvements (property) are assessed, whether they are taxable or not.</p> <p>Land is to be assessed as of the base date used by the Saskatchewan Assessment Management Agency. Improvements (buildings) may be assessed separately from the land on which they are located.</p> <p>Equity is the dominant and controlling factor in the assessment of property.</p>		
Special tax	<p>The council may establish services that benefit all or a portion of the municipality. These services may be funded through general taxation of the entire municipality or it may levy a special tax which will apply only to those properties which benefit from the specific service(s).</p> <p>The special tax bylaw raises revenue to pay for locally defined specific service(s) or purpose(s) to be completed within the current year.</p>				

	Hamlet	Organized Hamlet	Rural Municipality	Resort Village	Village / Town
Taxation and Tax Tools (base tax, minimum tax, and mill rate factors)	The council of the municipality has authority to determine mill rate and tax tools for the entire municipality.				
	<p>The council of the rural municipality may establish a mill rate in hamlets which is lower than the mill rate applied elsewhere in the municipality.</p> <p>All tax revenue collected from hamlet properties is incorporated into the general revenues of the rural municipality.</p> <p>A dwelling that is situated outside of an organized hamlet and occupied by an owner or occupant of agricultural land is exempt from taxation to the extent of the assessed value of that land owned or leased within the municipality or an adjacent municipality.</p> <ul style="list-style-type: none"> • Referred to as “293(2)(e) exemption”. 	<p>The mill rate in an organized hamlet may be different than the mill rate applicable elsewhere in the municipality with the consent of or at the request of the hamlet board.</p> <p>40% - 75% of the municipal taxes and fees collected with respect to the hamlet will be allocated to the special hamlet account.</p> <p>The hamlet board may request a special levy within the hamlet. 85% of this levy may be added to the special hamlet account.</p> <p>The hamlet board may request or agree to tax tools which differ from those which apply elsewhere in the municipality.</p>	<p>The rural municipality will retain fees for the administration of an organized hamlet.</p> <p>A dwelling that is situated outside of an organized hamlet and occupied by an owner or occupant of agricultural land is exempt from taxation to the extent of the assessed value of that land owned or leased within the municipality or an adjacent municipality.</p> <ul style="list-style-type: none"> • Referred to as “293(2)(e) exemption”. 		

Further Information

For more information regarding southern municipalities (urban and rural), contact:

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