



RURAL RESIDENTIAL DWELLING EXEMPTIONS

Many, but not all, rural farm dwellings are exempt from property taxation pursuant to clause 293(2)(e) of *The Municipalities Act*. Some municipalities may implement local policies or practices to not assess rural farm dwellings on the presumption the assessed value of agricultural land is sufficient to offset the assessed value of the residential dwelling. This gives rise to the following points:

- Property in Saskatchewan is to be assessed by qualified appraisers as set out in *The Assessment Management Agency Act* and *The Assessment Appraisers Act*, using mass appraisal techniques in accordance with assessment policies determined by *The Saskatchewan Assessment Management Agency Act*;
- Municipal assessors (usually the administrator) are effectively evaluating the residential improvement property, and few hold the necessary credentials to lawfully assess property in Saskatchewan;
- Change in assessed value varies between types and classes of property. Specifically, residential dwellings may increase in value at a rate which differs from the rate of change in value for agricultural land;
- As a result, automatically exempting residential dwellings in a rural municipality by not initially assessing them may provide exemptions greater than the amount allowed by legislation; and
- Municipal Affairs recommends administrators review farm dwelling exemptions on a regular basis, and if changes are warranted, the RM's assessment service provider should be notified.

Rural municipal administrators are advised to review the following provisions in *The Municipalities Act*.

- All property in the municipality is to be assessed – s194;
- The municipal administrator is usually the assessor, who has responsibility to ensure the assessment roll is prepared – s2(c), s204; s211(3); and
- It is an offence for municipal officials to not discharge their duties or to sign documents which are known to be false, and it is also an offence for members of council to impede municipal officials from carrying out legislated duties (this may be where council has adopted a policy to prevent the assessment of all property in the municipality) – s382.

Municipal administrators are advised to examine local practices and policies respecting the assessment of property in the municipality and implement changes where needed.

Questions or comments about this bulletin can be directed to a municipal advisor by calling (306) 787-2680.