

SAMA's Maintenance Service Fee

SAMA's 2014-2017 Budget and Funding Plan

SAMA has implemented a 2014-2017 funding plan that focuses on building new capacities in the assessment system by employing new technologies and improved business processes. The funding plan translates into tangible benefits for the Province and SAMA's client municipalities in the form of updated assessments and additional property tax revenues.

Previously, SAMA operated under a 65:35 funding formula, with government (Ministry of Government Relations) paying up to 65% of SAMA's budget, and the municipal sector paying 35% of SAMA's budget through municipal requisitions. This funding formula included a cap on total municipal requisitions, which remained in effect until government reached their 65% portion of total SAMA funding.

For 2013, funding shares were 63% Provincial and 37% municipal. The Provincial portion of funding included the portion of SAMA's funding that had been provided by the education sector.

The implementation of the 2014-2017 funding plan saw SAMA transition from an overall 63:37 funding split for Government and Municipalities, to a 60:40 split over the first two years of the plan, levelling off in 2016.

Maintenance Service Fee Implementation

As part of our funding plan, SAMA introduced a \$20 maintenance fee-for-service charge that began with 2015 invoices. This fee for service concept was built into the Agency's 2014-2017 Business and Financial Plan at the request of SARM and SUMA as a way of linking some of the cost of assessment services to municipalities who are experiencing the highest levels of growth, and having those municipalities pay for a portion of the extra assessment services they need relative to similar municipalities with less growth.

By implementing the \$20 fee on 2015 invoices, municipalities had an opportunity to adjust to the new fee by potentially building it into their existing permitting structure.

The \$20 service fee mitigates the overall requisition increase for municipalities, but actually only represents approximately 1/5 of the cost of an average maintenance review for the Agency.

SAMA's 2015 budget estimated that \$317,000 will be generated by the service fee. Any amounts raised beyond the budgeted amount will be used to defray 2016 costs.

Maintenance Fee Timeline

The service fee was implemented as part of the 2015 SAMA Municipal Invoice that was mailed to all municipalities on February 1, 2015.

The first service billing in 2015 covered maintenance requested by municipalities for the period of **May 1, 2014 to December 31, 2014**. After 2015, the service fee billing will be based on the prior year's maintenance counts at \$20 per property review.

Calculating the Maintenance Service Fee

When SAMA offices receive maintenance requests they will be flagged for review. These properties, plus all other properties set for review, will be sent to the municipality. The report will identify which properties will incur a charge.

SAMA will charge a maintenance service fee on the following items:

- Maintenance lists from municipalities (either paper-based or electronic);
- Subdivisions from ISC;
- Farmhouse assessments requested by municipalities, outside of a general reinspection of a municipality;
- Physical data updates to current assessment records as a result of the verification of sales;
- Properties on the income approach that have a value change as a result of processing the annual income return;
- All Industrial maintenance, excluding oil and gas well "standardized valuation" changes;
- Railway returns and pipeline reported changes; and
- Changes resulting from the annual returns that require appraiser intervention.

SAMA will charge a maintenance service fee on the following items only if the municipality approves that an inspection or review should be carried out:

- Reviews from an assessment services audit that are flagged to fix during maintenance;
- An appeal related issue that is tagged to be amended;
- Call-backs from a previous year's maintenance (e.g. a new house only half-built), and internal call-backs that result in a value change; and
- Verbal requests from municipalities that are confirmed by follow-up email or correspondence.

SAMA will not charge a fee for the following items:

- Address changes as part of our internal processes;
- Revaluation year changes after a database cut-off date;
- Requests for municipal tax status changes;
- Section 293 and other tax exemptions; and
- Assessment updates that are completed during a general reinspection.

Questions?

For more information on SAMA's 2014-2017 Budget and Funding Plan, please view the pamphlet, "SAMA's 2014-2017 Budget and Funding Plan: Capturing the Growth for You" that was sent to municipalities in January, 2014, and is available on our website (www.sama.sk.ca).

If you have any questions regarding the \$20 maintenance service fee please contact SAMA at 1-800-667-7262, or by email at info.request@sama.sk.ca.