

March 26, 2024

Mr. Mike Voth
Director of Corporate Revenue
City of Saskatoon
222 3rd Avenue North
Saskatoon, SK S7K 0J5

2024 Commercial Contingency

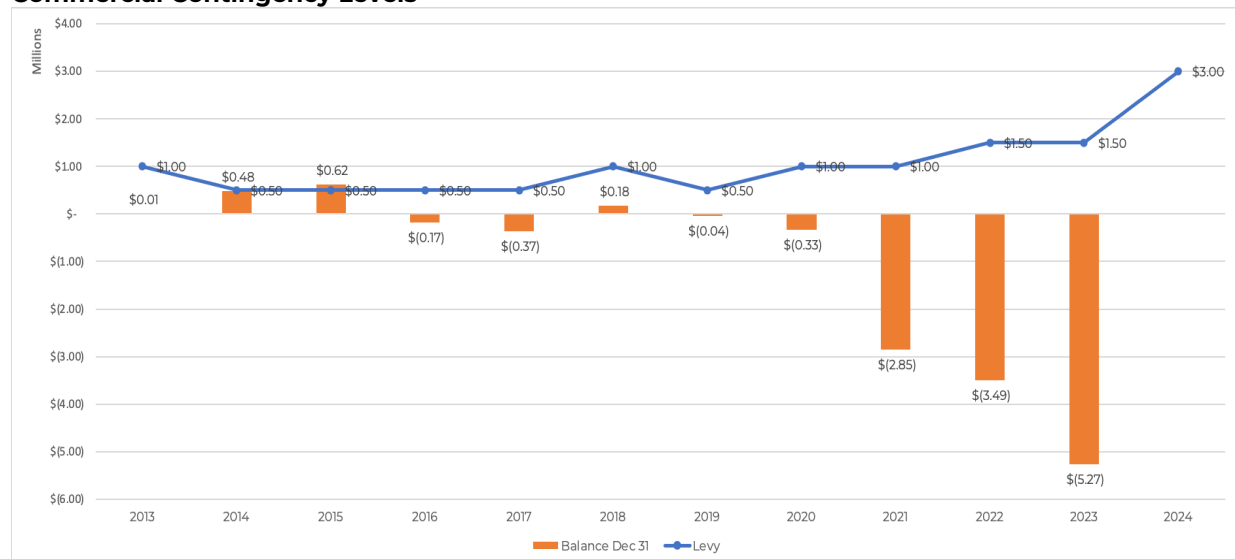
Dear Mr. Voth,

We have conducted a thorough review of the City Administration's proposed commercial contingency appeal levy for 2024, as has been our practice in previous years. We are grateful to you and your team for engaging our organizations once again.

We recognize the need to address the financial costs of commercial appeal losses over the past year and acknowledge the rationale behind the proposed levy of \$3 million for 2024-2025.

We also note that this will be largest annual increase proposed to date on the heels of the largest property tax rate increase in 10 years. The contingency levy was devised as a way of preventing system shock in the aftermath of significant appeal losses and spreading the consequences of those losses across the commercial sector. What remains to be addressed are issues with the property tax model itself, which remains among the most complex, antiquated, and inefficient in Canada.

Commercial Contingency Levels



We appreciate the Administration's efforts to address concerns from commercial property owners before they engage the formal appeals process. We are pleased to hear that these efforts have led to a reduction in both the number of appeals submitted for reconsideration and the subsequent amount required to recover appeal losses.

Nevertheless, we urge continued diligence in seeking operational savings to mitigate the need for future levy increases.

We will continue to push for the modernization of the property taxation model to address its significant structural weaknesses. Notably, limited data sets and sales cause major fluctuations in assessed property values and contribute to additional appeals. The timeframe between the delivery of notices and appeals is challenging for many property owners to analyze the data and consult with advisors. The process itself fails to provide upfront, alternate avenues for owners to present grievances before engaging in the costly, for all parties involved, and time-consuming appeals process.

We are hopeful that the City of Saskatoon will continue to support our effort to modernize Saskatchewan's property tax model, bringing it into line with other jurisdictions and helping to make our city and province among the most desirable places in Canada to live, work and build a business.

Thank you, once again, for consulting the business community on this year's proposed commercial contingency levy increase.

Kind regards,



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