

A Proposed New Method of Assessing Land for Tax Purposes

— Where the Economic Utilization of Land is Grazing

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(Reprinted from "Agricultural Institute Review," May, 1950)

AS a preface to the subject, it might be advisable to review very briefly the methods used in the past for assessing grazing land or what is technically described as Land Class I.

In 1939 a systematic re-assessment of all rural land in the province (Saskatchewan) was undertaken. The then existing assessment of Land Class I, or land best adapted to grazing, carried an assessment of from \$7.00 to as high as \$15.00 per acre, a value far beyond the actual long-term paying ability of the land. The necessity for reducing the assessment was recognized and this was accomplished by placing an arbitrary value of \$2.50 to \$5.00 per acre on all Land Class I. The result was an estimated province-wide reduction in assessment of over 100 per cent on all grazing land. Naturally, this was well received by the taxpayer; but it lacked equity and is now being criticized severely.

The arbitrary assessment value placed on grazing land up to date was promoted in the first instance by lack of factual information obtained within the boundaries of our own province. Information on carrying capacity in areas of Alberta and Montana was available; but not until very recently was there anything dependable, from which we could hope to formulate a plan or system of assessment based on pounds of beef per acre, that may reasonably be expected from land classified as economically suitable for grazing.

From data and criteria obtained through the untiring efforts of the Forage Division of the Dominion Experimental Farms†, Swift Current; the Economics Division Marketing Service, Dominion Department of Agriculture‡, University of Saskatchewan; and the Forage Crops Laboratory, Experimental Farms Service, Dominion Department of Agriculture§, University of Saskatchewan, Saskatoon, we believe a sound, carefully planned system for assessing grazing land can be formulated. We hope, in this manner, to create a reasonable degree of equity in taxation for low income producing land, of which there are large areas in Saskatchewan, thereby encouraging the fullest possible development of low grade agricultural land.

In assessing land deemed economically suitable for cultivation we have attempted, at all times, to classify and assess it at what would appear to be "The Land's Potential Ability to Pay" — which seems to be one of the better

single canons of a sound base for taxation. Therefore, we probably should devote our time, experience and available economic data towards formulating a plan or system of assessment for grazing land based upon the fundamental principles mentioned above; and with that aim in view, the proposed new system for the evaluation of grazing land is herein briefly outlined.

At the outset, it might be proper to emphasize the fact that the proposed system for future assessment of grazing land is formulated on the **potential ability** of the land to pay. Land abuse, such as overgrazing, of which there is a great deal, especially on small 20, 30 and 40 acre plots, should not be recognized in assessment value.

Proposed System for Grazing Land Assessment

The first requirement is a sound soil and land classification; this is necessary in order to furnish a basis for determining a long-time productivity rating in terms of pounds of beef per acre per year which may reasonably be expected.

The major problem in establishing a base for taxation is to properly classify capacity and apply a suitable rating that may be converted into dollars-and-cents per acre value of assessment. The problem is magnified by the fact that numerous farm pasture areas are often comprised of small, irregularly shaped acreages forming a part of a parcel of land otherwise under cultivation. The

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smaller the area, the higher the cost of maintaining fences and water supply.

Soil rating is a numerical expression of the degree in which a particular soil presents conditions favorable for plant growth under good environmental conditions. To properly make use of a soil rating index for the evaluation of land, it is necessary to first establish a maximum per acre value; and secondly, establish a maximum number of points for top grade grazing land. In this instance, \$6.00 per acre, or \$960.00 per quarter-section, is assumed to be maximum value and 100 is the maximum or Master Index Rating. The Log number is 960. Schedule "B" sets forth the proposed maximum ratings for all grazing land; the dollar per acre value and the net assessment value per quarter-section.

Condemnation rating values are necessary to modify the master index of each grazing land class. Extremes in topography; degree of stoniness; erosion by wind or water or both; light, medium and heavy bush; excessive salts concentration; poor drainage; insufficient quantity of water for stock, and other factors shall be indexed separately and may be superimposed as minus quantities on the Master Index.

SCHEDULE "A"

Illustrates the Proposed Method of Grazing Land Classification according to pounds of Forage, Soil Association, Texture and Kind of Native Grass for Six Grazing Land Classes.

Grazing Land Class	Lb. of Forage per acre	Soil Associations and Textural Classes	Predominant Type of Vegetation
1	200	Er DS (Alk. Flats)	Mat Muhly—Blue Grama Alk. Grass
2	200 to 300	EcCL—HtLL—HrLL WmLL—Stabilized Sand	Choke Cherry—Wheat Grass Blue Grama—Spear Grass
3	300 to 450	HrL—Ch GL—WmL RoCL—FxSiCL—CyL	Spear Grass—Wheat Grass Blue Grama
4	450 to 675	HrC—ScHvC—C	Wheat Grass— Green Needle Grass
5	675 to 1000	DP—RHvC	Rough Fescue
6	over 1000	Sedge & grass meadows	Sedges and Water Tolerant Grasses

NOTE: It would appear that a general correlation exists between soil textural classes rather than between soil associations.

Where Blue Grama grass is dominant on Loam Textured Soils it indicates over-grazing. CyL usually has a very sparse cover of Blue Grama; if, however, the CyL Association is eroded, Blue Grama will predominate.

NOTE: A sparse cover of spear grass or rough fescue will out-yield a dense cover of Blue Grama.

SCHEDULE "B"

Illustrates the Index Value per point in relation to \$ per acre and maximum per ¼ Net by Grazing Land Class.

Grazing Land Class	Maximum (WI) No. of Points	Dollars per Acre Assessment Value	Log No. 960 x WI equals Maximum Net Value per ¼
1	18	\$1.08 Ac.	960 x 18 — \$170
2	28	\$1.68 Ac.	960 x 28 — \$270
3	42	\$2.52 Ac.	960 x 42 — \$400
4	62	\$3.72 Ac.	960 x 62 — \$600
5	90	\$5.40 Ac.	960 x 90 — \$860
6	100	\$6.00 Ac.	960 x 100 — \$960

NOTE: The maximum net assessment values in the last column have been brought to even zero.

*Presented to the 1949 annual meeting of the Saskatchewan Institute of Agrolgists.

†J. B. Campbell (B.Sc.), Grazing Specialist, who furnished data relevant to grazing land classes and carrying capacity.

‡R. A. Scott and M. E. Andal, technical bulletin on The Economic Utilization of Grazing Land in R. M.'s 164 and 133 (unpublished study).

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