Saskatchewan

Compensation Determination when Payable to the Crown

Street and Road Closures

Section 13(2)(a) *The Cities Act*

and

Section13(3)(a) *The Municipalities Act*

Street and Road Closure Compensation

This information is intended to assist rural and urban municipalities in the determination of compensation when closing and selling streets or roads within a municipality.

Introduction

- Section 12 of *The Cities Act* and *The Municipalities Act* provide municipalities with the administration and control of property even though the property remains titled to the Crown (address on title will be the Ministry of Highways).
- Section 13 of the respective acts authorize a municipal council to close streets or roads within the municipality's control. A closed street or road can be leased or sold, or it can be retained by the municipality. A guide on how to complete the road closure process is provided by the Ministry of Government Relations and can be found at click here.

When is Compensation to be repaid to the Crown?

A street or road closure that results in land being sold requires consent from the Ministry of Highways (the Ministry). Section 13 specifically states that compensation must be provided to the Crown for land that was originally purchased by the Crown as a provincial roadway.

A municipality will contact the Ministry at municipalroads@gov.sk.ca to request consent for a street or road closure and sale. When consent is requested, the Ministry staff will research to determine if the land was initially purchased. When the Ministry purchased the initial land, it was purchased at market value, so the compensation payable to the Crown will also be at market value.

How does a municipality determine market value?

Market Value is defined as the price at which a property would sell in a competitive market between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts.

The municipality will research local sales similar to the subject property and determine a value based on comparable sales. Once a value is determined, the municipality will provide the value to the Ministry for review and to verify that the value represents market value. ***Any payment less than market value will not be accepted by the Ministry.***

The Ministry has a long-standing set of land standards that provide the information needed to make informed decisions with respect to compensation for the disposal of property which is applied consistently to both urban and rural municipalities across the province.

Saskatchewan

Dispute Resolution Process

If the municipality and the Ministry disagree on the value, the municipality may challenge the decision and enter into a dispute resolution process, outlined in Appendix A. The process can be initiated by contacting Leah Cawood, Land Programs Manager at leah.cawood@gov.sk.ca .

Sale of Closed Street or Road Process Steps

The steps below outline the process for the disposal/sale of land that was previously a street or road.

1. Upon the request for the closure of a street or road parcel, interested parties can express interest in purchasing these parcels by speaking with the municipality.

2. Ministry staff will do research to determine if the land was initially purchased. If compensation was made to acquire the land, compensation must be provided to the Crown when the land is sold. (If no compensation is payable to the Ministry, the municipality will not require the Ministry to review market value.)

3. It is the municipality's responsibility to provide the Market Value of the parcel. Ministry staff will review it and determine if the value represents market value.

4. If the Ministry agrees with the value, the road closure and land transfer process can continue.

5. If the Ministry doesn't agree, it will work with the municipality to review the information to reach a determination of market value.

6. If disagreement on market value persists, the municipality and the Ministry can use the Dispute Resolution Process to resolve the issue.

Saskatchewan

Appendix A

Dispute Resolution Process

Application: Municipality and the Ministry of Highways (the Ministry) disagree on the amount of compensation.

Requirement: Appraisals to be completed by an accredited appraiser and in accordance with the requirements of the Appraisal Institute of Canada.



Decision to participate in the dispute resolution process	
Municipality agrees to participate in the dispute resolution process • *Proceed to Step 2*	Municipality does not agree to participate in the dispute resolution process • *Ministry does not sell the land*



Municipality obtains an accredited appraisal – the Ministry agrees to appraised value	
Municipality accepts appraised value • *Municipality pays the Ministry based on appraised value*	Municipality does not accept appraised value • *Proceed to Step 3*



Municipality and the Ministry enter into a binding appraisal agreement	
Municipality accepts appraised value • *Municipality pays MoH based on appraised value*	Municipality does not accept the binding appraisal and is in breach of the binding appraisal agreement • *Ministry does not sell the land*