



April 21, 2020

To: Municipalities of Ontario – by email

**Re: A Resolution to Request the Province of Ontario Review the Farm Property Class Tax Rate Programme in Light of Economic Competitiveness Concerns between Rural and Urban Municipalities**

Please be advised that at its March 10, 2020 meeting, the Council of the Township of Mapleton carried the following Resolution 2020-04-14:

WHEREAS the Province of Ontario implemented changes to property assessment and introduced taxation reform which came into effect in 1998;  
AND WHEREAS prior to 1998 farm properties were subject to taxation at the base residential tax rate and qualified farmers applied annually to the province to be reimbursed 75% of the farm portion of the taxes paid to the local municipality;  
AND WHEREAS the province changed the method of delivering farmer's rebates by creating the Farm Property Class Tax Rate Programme under the jurisdiction of the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA);  
AND WHEREAS rather than apply annually and wait for property tax rebates, the delivery of the programme shifted to local municipal governments and onto the property tax system;  
AND WHEREAS eligible farmland assessment values are now locally subsidized by 75% of their full current value assessment (CVA) to produce a lower weighted assessment base which is used for tax rate setting purposes;  
AND WHEREAS the effect of the locally subsidized weighted assessment shifts an increased burden of tax onto all other property classes within the municipality;  
AND WHEREAS these taxation reforms were originally supposed to be revenue neutral and offset by funding from the Ontario Municipal Partnership Fund (OMPF) and its predecessor the Community Reinvestment Fund (CRF);  
AND WHEREAS the province has been reducing support from the Ontario Municipal Partnership Fund while the cost of the farm tax rebate programme is continuously increasing;  
AND WHEREAS an economically competitive agricultural industry provides affordable food and agricultural products to all Ontarians and is a provincial objective that should be cost shared amongst all of its citizens;  
AND WHEREAS the cost of this programme disproportionately falls upon property taxpayers in rural municipalities;  
AND WHEREAS higher property taxes in rural municipalities is creating economic competitiveness issues between rural and urban municipalities;

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Re: Prov. Review of Farm Property Class Tax Rate Programme

AND WHEREAS the province hasn't undertaken a review of this programme since it was implemented in 1998;

NOW THEREFORE the Council of the Township of Mapleton requests that:

1. The Province of Ontario undertake a review of the Farm Property Tax Class Rate Programme to determine:
  - a. The appropriateness of the cost of the Farm Property Tax Class Rate Programme falling disproportionately amongst rural residential and business property owners when the benefit of an economically competitive agricultural industry and affordable food and agricultural products is a provincial objective that should be shared amongst all taxpayers in Ontario;
  - b. The adequacy of funding being provided to rural municipalities to offset the cost of the Farm Property Tax Class Rate Programme;
  - c. The differences between the amount of property taxes paid in rural and urban municipalities and the root causes of those differences;
  - d. Economic competitiveness concerns with disproportionately higher average property taxes being paid in rural municipalities;
  - e. Other methods of delivering the farm tax rebate programme to farmland owners where the cost can be shared province-wide.

AND BE IT FURTHER RESOLVED THAT this motion be sent to Hon. Doug Ford, Premier of Ontario, Hon. Steve Clark, Minister of Municipal Affairs and Housing, Hon. Rod Phillips, Minister of Finance, Hon. Ernie Hardeman, Minister of Agriculture, Food & Rural Affairs, MPP Randy Pettapiece, Hon. Ted Arnott, all Ontario Municipalities, Rural Ontario Municipal Association (ROMA) and Association of Municipalities of Ontario (AMO).

Attached you will find the County of Wellington Committee Report dated January 16, 2020 regarding the 'Farm Property Class Tax Rate Programme' for review and consideration.

Should you have any questions or concerns, please contact the undersigned.

Sincerely

Larry Wheeler  
Deputy Clerk

Attach. (1)