



February 15, 2018.

Attention: Warden Stewart Halliday, Chair
Grey County Council
c/o Heather Morrison
Deputy Clerk and Records Manager
595 9th Avenue E.
Owen Sound, ON
N4K 3E3

Dear Grey County Council,

Agricultural Taxation in Rural Municipalities

Grey-Bruce Christian Farmers Association represents 255 farm businesses in Grey and Bruce Counties, and is a local district of the Christian Farmers Federation of Ontario (CFFO), an Accredited Farm Organization representing the interests of over 4,000 farm families in Ontario.

Farm property values have been increasing over the past number of years. The most recent 2016 assessments of farmland show an increase across the province on average of 16% and in some areas as high as 19%, according to MPAC.¹ This increase in property values mean farmers are paying significantly more in property taxes into municipal coffers.

Grey-Bruce CFA recognizes that increased farm property values mean higher property taxes. **Although we would not recommend a change in the tax rate for farm properties, we are concerned about the value farmers are getting in community services and infrastructure maintenance for the property taxes they are paying.**

We strongly encourage Grey County Council to ensure that they are using the current increase in property tax revenue resulting from the increased value of farm properties to the benefit of farmers. In particular, Grey-Bruce CFA encourages Grey County to support farming businesses through adding and maintaining valuable infrastructure, strong community services and innovative economic development that will build value



Studies in the US and Canada have shown that different types of land use result in different levels of revenue and expenses for municipalities. These are analysed in Cost of Community Services (COCS) studies. A review of this literature done for the Township of Cavan Monaghan in 2011 found that in the US, “the median cost of community services (per dollar of revenue raised) was ... \$0.36 for Farm/Forest lands.” In Canada, although such studies are far less common, farmland is typically found to be either revenue neutral or, like in the US, a source of income for municipalities. In all cases, these calculations do not account for many of the positive externalities that farms and farmland provide, increasing the value of this land even further for municipalities.²

Recognizing the value of farmland for municipalities, Grey-Bruce CFA strongly encourages counties and municipalities to ensure that farmers are receiving an appropriate share of the benefits from the property taxes they are paying into county and municipal governance. With higher property values, this is an opportune time to ensure that tax revenue is used efficiently to maintain and improve rural infrastructure and that community services are provided that help farm businesses to prosper.

We appreciate your consideration of our concerns.

Sincerely,

Ian McCombie, President
Grey-Bruce Christian Farmers Association