GCFA

GREY COUNTY FEDERATION OF AGRICULTURE

"Farmers Working for Farmers"

The Grey County Federation of Agriculture (GCFA), on behalf of its 1500 members, is deeply disappointed by Grey County Committee of the Whole adopting the recommendation to set 2018 Farm land property tax at 25% of the residential rate.

After a 22% increase to farm land tax bills in 2017 the GCFA had asked council to slow the increase in farm taxes from an 11% increase in 2018, to a more manageable 3.1% increase as farm tax increases by setting the farm property tax class at 22% of the residential rate.

Prior to this increase studies have shown agriculture land receives 38-50 cents of services for every dollar raised in taxes; as brought to your attention by the Grey Bruce Christian farmers letter attached to March 22nd COW agenda package, (in a study of Cavan Monaghan Township in the US) and the OFA's own study of Bayham Ontario services.

Grey County farmers are not asking to pay less tax, we are asking for county to pass a measure to ensure the financial health of its rural economy. No other tax class would stand for an average of a 60% -75% tax increase in addition to any increase needed to supplement increased spending or inflation.

Staffs report to council on the issue highlighted that many farm properties are blended with residential assessments and increases to individual properties appeared small in this report. This hides the fact that many farm businesses rent more property than they own. Therefore, farm business will be responsible for bearing the increase to farmland taxes through increased rental rates, compounding the increase.

Grey County has stated in Recolour Grey that “Thriving rural areas are critical to both our economy and quality of life.” Keeping the ratio at 25 percent of the residential tax rate limits our Grey County farmers abilities to expand and invest. Dropping the Farmland Tax Rate has a massive impact to the individual farm business, yet it effects the county only by 1/2 the cost of Councillors remuneration.

We continue to urge Grey County Council to be a leader in the province and join the 5 other counties that have lowered their agricultural tax rate and reject the recommendation of committee of the whole.

It's time we recognized charging the legal maximum is not a way to stimulate growth and healthy in rural economies.

Scenario 1: Adjusting Farm Tax Ratio to maintain 2017 share of levy (3.5%)

Year	Farm taxes paid	Farm Increase ($)	Farm Increase (%)	Residential taxes paid	Residential Increase ($)	Residential Increase (%)
2016	$1,535,038	-	-	$43,745,819	-	-
2017	$1,875,500	$340,462	22.2%	$45,457,800	$1,711,981	3.9%
2018	$1,933,992	$58,492	3.1%	$45,602,502	$144,702	0.3%

Under this scenario 2016-2018:

- Farm taxes increase by 26%
- Residential taxes increase by 4.2%
- Approximate tax ratio to maintain farm portion of tax levy at 3.5 % in 2018 is 0.2265

Scenario 2: Not Adjusting Farm Tax Ratio

Year	Farm taxes paid	Farm Increase ($)	Farm Increase (%)	Residential taxes paid	Residential Increase/Decrease ($)	Residential Increase/Decrease (%)
2016	$1,535,038	-	-	$43,745,819	-	-
2017	$1,875,500	$340,462	22.2%	$45,457,800	$1,711,981	3.9%
2018	$2,110,000	$234,500	12.5%	$45,254,100	($203,700)	-0.45%

Under this scenario from 2016-2018:

- Farm taxes increase by 37.5%
- Residential taxes increase by 3.4%