

Farm Assessments & Taxes: Wellington County

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Economic Impact of Farming in Wellington County

- ✓ 2,348 farms
- ✓ \$769 million in Farm Cash Receipts
- ✓ \$2.3 Billion In provincial GDP
- ✓ 48,416 Jobs supported by Wellington farm production

Farm Property Assessment: New Assessments Released

- MPAC responsible for determining the assessment value for all properties in Ontario, including Farm property.
- Every four years, MPAC updates property assessments to reflect Jan 1st valuation date.
- PAN's mailed to all farm property owners Oct 11th 2016.
- The newest assessments are valued as of Jan 1st 2016.
- Increased assessments phased in equally over the four year assessment cycle: 2017-2020.

Impacts on Property Tax

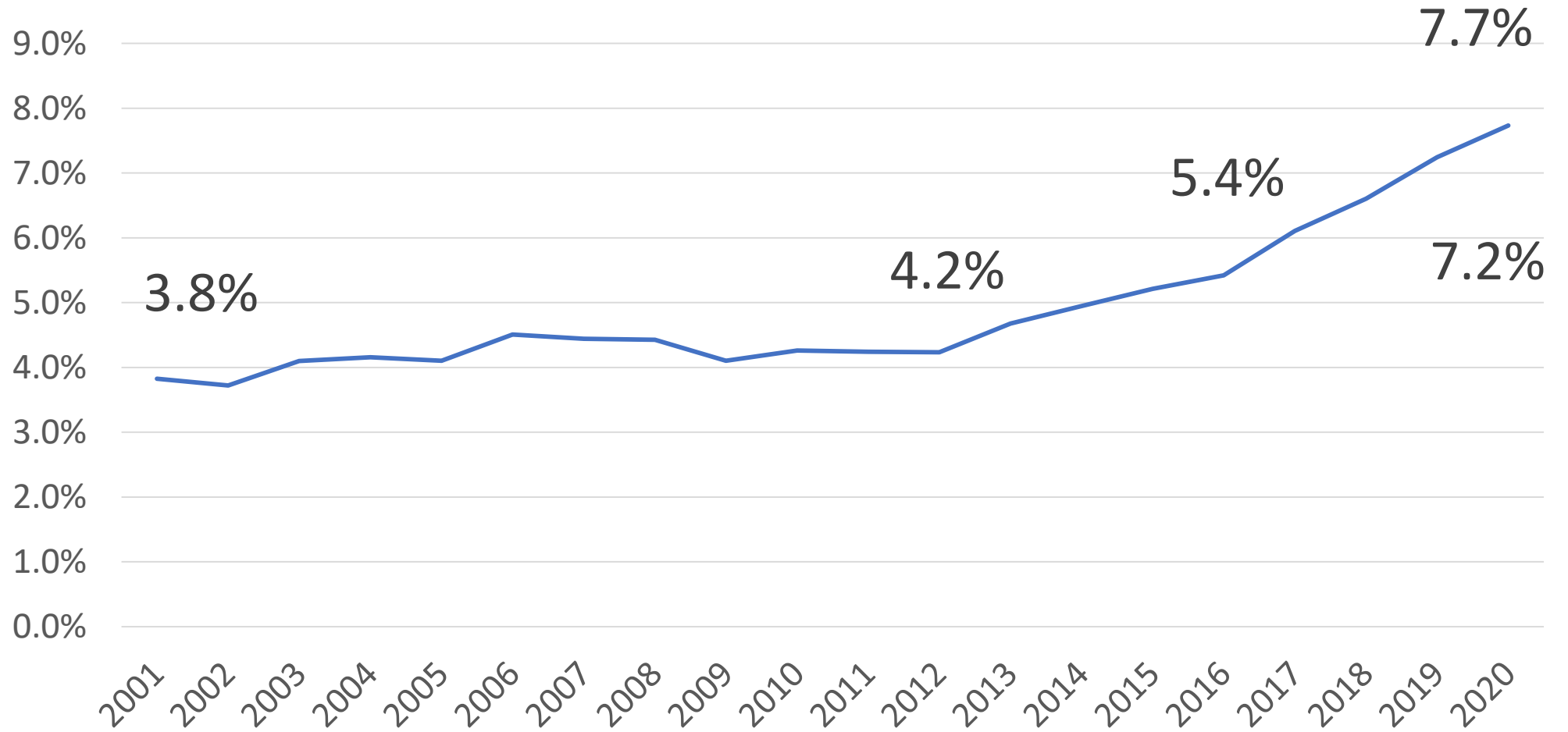
- If Municipal governments choose not to act, there will be a shift of property tax Burden onto Farmland Property owners.
- How much of an impact will depend on the increase in Farmland values relative to other Properties (residential, commercial, industrial).
- The more disproportionate the increases in farmland values are in your county, the more tax burden will be shifted to farmland property owners.

Impacts on Farm Property Tax in Wellington

- In Wellington County Farmland CVA has increased by 69%
- Residential values of Increased by just 18%
- As the current assessments have been phased in this has been the impact on farm tax burden in Wellington.

Year	% tax from farm	\$ increase in Farm Tax Burden
2016	5.4%	-
2017	6.1%	\$591K
2018	6.6%	\$1.15 Million
2019	7.2%	\$1.7 Million
2020	7.7%	\$2.3 Million
Total		\$5.7M

Farm tax burden 2001-2020 in Wellington County



Avoiding a Shift in Property Tax Burden

- To avoid a property tax shift onto farmland property owners your local county governments will need to adjust the Farm Property Tax Ratio below the current 25% of residential taxes.
- How much they need to adjust the tax ratio will depend on the assessment changes in your county.
- County governments have full authority to adjust the farm tax ratio anywhere between 0%-25% of the local residential tax rate each year.

Upper/Single Tier Municipalities that have addressed This Issue

- Oxford 0.235
- Dufferin 0.23
- Elgin 0.23
- Prince Edward 0.2319
- Chatham- Kent 0.22
- Lambton 0.226
- Grey 0.24
- Norfolk- 0.23
- Brant 0.24
- Lennox and Addington- 0.23
- Region of Durham- 0.20
- ✓ London 0.1752
- ✓ Kingston- 0.2375
- ✓ Hamilton 0.1767
- ✓ Ottawa 0.20
- ✓ Caledon 0.1689
- ✓ North Bay 0.15
- ✓ Halton Region 0.20

Farm Tax Ratio Adjustment is Needed in Wellington

- For farm tax burden to return to it's 2016 level (5.4%), which was a record high at the time, Wellington county would need to reduce its farm tax ratio **to 0.174 in 2020**
- For farm tax burden to remain at it the current record high (7.2%) would require Wellington county to reduce its farm tax ratio **to 0.233 in 2020**
- County council can increase the farm tax ratio back to 0.25 in future years if the tax burden begins to shift the other way.