Alert

To the immediate attention of the Clerk and Council

June 15, 2006 – Alert 06/029

Helping Farmers

Issue: The National Farmers Union (NFU), Ontario Office, adopted a resolution at its annual regional meeting in April 2006 advocating a property tax deferral for farmland for a period of up to three years. This particular approach advocated by the NFU, or a similar tax deferral measure, affords municipalities a means of locally responding to their farmlands citizens.

Background:
The National Farmers Union promotes the position that farmers are facing a serious cash flow crunch and an interim property tax deferral could provide some breathing room until short and long-term solutions to the farm income crisis are implemented.

The City of Ottawa, at its meeting of May 24, 2006, approved a Farm Grant Program to provide financial relief to working farmers. The grant program, equivalent to the penalty charges and fees amounting from the tax deferral, will assist eligible farm property owners by allowing the June 22nd tax installment to be paid on December 7, 2006. There are eligibility conditions to the grant, including that: the property must be defined by MPAC in the farmlands property class; taxes must have been paid up to date before the June 22nd installment; and, the final 2006 tax installment is to be paid in full on or before December 7, 2006.

The NFU resolution, which calls for a similar property tax deferral for farmland, reads:

- WHEREAS the farm crisis is having a profound negative impact on all farmers in Canada, and
- WHEREAS the small amount of relief offered to farmers by the provincial and federal governments in the spring of 2006 is inadequate to meet current financial obligations and pay anticipated input costs, and
- WHEREAS most farmers are not in a position to be able to take on additional debt financing in either the short or long term, and
- WHEREAS payment of municipal taxes is impossible for many farmers at this time,
- THEREFORE BE IT RESOLVED that the NFU request all municipalities to forgive the interest that would otherwise be owed on the tax not paid, for a period of up to 3 years, as a sign of solidarity with farmers in Canada.

The NFU acknowledges that property tax relief will not solve the farm crisis, but advocates the interim tax relief to assist in what has been a sharp decline in realized net farm income.

Action: AMO has agreed to circulate this information for local consideration.

This information is available in the Policy Issues section of the AMO website at www.amo.on.ca
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