October 29, 2010

Ontario Municipalities
Through the AMO Broadcast Service

Re: Farmland and Managed Forest Component of the
Ontario Municipal Partnership Fund (OMPF)

Ontario farming activities have a major impact on our everyday lives with urban as well as rural residents wanting to maintain low-cost foods and protect forests. There are over 221,000 farmland and managed forest properties in Ontario with a current value assessment of over $39.8 billion.

The Farmland Tax Program and the Managed Forest Tax Incentive Program were previously funded by the provincial government but are now mainly funded through the property taxes of the municipalities where these properties are located. This has resulted in the properties who are supposed to be benefiting from the programs, as well as other properties around them, are actually paying for their own assistance.

This download cost municipalities over $257 million in 2008 with the Ontario government reimbursing only $50 million, resulting in a net loss to property taxpayers of $207 million in one year alone. Approximately 335 of Ontario’s 444 municipalities have farmland and managed forest properties while only 72 municipalities receive partial reimbursement from the Ontario government.

This financial impact on municipalities is increasing: from 2007 to 2010 this provincial funding has fallen by 6% while the farmland and managed forest phased-in assessments have increased by 3.5%. This lost tax revenue has increased property tax rates, with many municipalities as much as 20% higher than they would be with fair funding.

The Ontario government is in the process of uploading some social programs costs that will benefit all municipalities; a step in the right direction. Unfortunately the 1998 farm tax rebate download was aimed specifically at rural municipalities and resolving this problem has yet to become a provincial priority.

All municipalities are urged to pass the attached resolution and insist that your local MPP actively support full provincial reimbursement for the downloaded farm tax rebate and managed forest tax incentive programs. We would also appreciate being copied on your resolution and if you have any questions, please do not hesitate to call 1-800-267-7158 ext 200.

Yours truly,
Jim McDonell, Chair
Farm Tax Rebate Working Group
United Counties of Stormont, Dundas and Glengarry
Resolution

WHEREAS the ‘Farmland Tax Program’ and the ‘Managed Forest Tax Incentive Program’ are designed by the Ontario Government to support lower food costs and protect forests for recreational and environmental purposes;

AND WHEREAS the Farm Tax Rebate Program and the Managed Forest Tax Incentive Program were previously funded in full by the Ontario Government yet are now funded mainly by municipalities through the municipal property tax base;

AND WHEREAS rural municipalities are being forced to absorb the loss of 75% of the property tax revenue from their farmland and managed forest properties while all residents of Ontario have a vested interest in maintaining lower-cost foods and protecting forests;

AND WHEREAS the farm tax rebate program provides lower-cost foods across the province, as well as the economic benefit of provincial exporting and is truly an income-redistributive program with province wide significance and should not be financed from local property taxes which results in those who are supposed to be benefiting from the program, actually paying for the program;

THEREFORE BE IT RESOLVED that the Province of Ontario calculate the Farmland and Managed Forest component of the Ontario Municipal Partnership Fund (OMPF) so that all municipalities receive full provincial reimbursement of their lost property tax revenue on farmland and managed forest properties, while land-owners maintain the streamlined process and the 25% ratio currently in place;

AND FURTHER that this resolution be forwarded to the Premier of Ontario, Minister of Finance, Minister of Agriculture Food and Rural Affairs, Minister of Municipal Affairs & Housing, local MPPs, all Ontario municipalities and any other individual or association as deemed appropriate.