March 3, 2021

Hello Councillors,

We are two of 12 Perth County Federation of Agriculture directors that work for and with over 1800 farm family members in Perth County. As members of the community, we get to hear both what successes and challenges are being faced by fellow Perth County farm families and businesses.

PCFA understands that there are challenges that municipalities face while providing services to their ratepayers and to maintain fiscal responsibility. We understand that Perth County municipalities feel limited in tools they can utilize regarding taxation due Provincial regulations and decisions. The Current Value Assessment system has both advantages and disadvantages, with one main tool available to local municipalities being the ability to adjust tax ratio by property class. Every four-year assessment cycle can have extreme shifts that the use of this tool can assist in mitigating by managing portions on tax burden per tax class.

For the last four years especially, bare farmland has been shouldering an increasing burden of taxes collected solely based on increasing values, yet this does not reflect the actual services used by bare farmland – there must be balance between setting tax ratios between value and services provided. Can council confidently say that 29% of the Perth County Budget provides services to bare farmland? Not the farm residences, or rural businesses, but bare farmland.

If Perth County were to reduce the farm ratio below the maximum allowable 25%, they would be recognizing the concerns of taxpayers concerned with steep increases, while preparing for possible impending extreme assessment value increases for residents. If lowered, similar to what was done in Oxford County, Perth County would have the chance to raise it back to 25% in 2022 to assist in mitigating increases for other tax classes which may see the extreme increases agriculture land has seen since 2012.

In order to lessen the continued increasing tax burden on bare farmland PCFA asks that before you set the final tax ratios for 2021, please review what impacts a reduced tax rate would have. In order to be informed for a decision about the impact of lowering the farm tax ratio below 25% on the other classes, please request staff prepare various Farm Tax Ratio scenarios showing corresponding tax impacts.

Thank you for your consideration on this vital issue in Perth County.

Sincerely,

Tim Halliday, PCFA President, 519-292-9533

Darryl Terpstra, PCFA North Perth Director, 519-291-7586

Cc:

Municipality of Perth East; Mayor Rhonda Ehgoetz, Deputy Mayor Hugh McDermid, Councillor Daryl Herlick

Municipality of Perth South; Mayor Robert Wilhelm, Deputy Mayor James Aitcheson

Municipality of West Perth; Mayor Walter McKenzie, Deputy Mayor Doug Eidt