

Ontario Federation of Agriculture

Farm Property Tax and Assessment

Development Charges

- ✓ Municipal governments can levy municipal development charges on new residential and non-residential buildings and structures
- ✓ DCs used to cover the capital costs associated with increased demand for municipal services that result from growth-related development.
- ✓ DCs not used for general upkeep and maintenance of infrastructure.
- ✓ E.g.
 - ✓ Property taxes used to repair roads and bridges
 - ✓ DCs used to widen a highway from 2 lanes to 4 lanes due to increased development pressure.

Development Charges on Agricultural Properties

- ✓ New farm residences should be treated the same as other new residences with regards to development charge
- ✓ Growth-related capital needs can be attributed to all new residences
- ✓ On farm structures used for farming do not contribute to growth related pressures on local infrastructure in the same way other property types do
- ✓ A new subdivision would lead to increasing the number of lanes on a road or even the construction of new roads.
- ✓ A farmer putting up a new barn would not.
- ✓ DCs should not apply to farm buildings/structures. If they do, farmers are bearing more than their share of the municipality's additional capital expenditures.

The Current Wording Of The DC By-Law Works

- The current wording of the Niagara Region's Development Charge by-law strikes an appropriate balance by **exempting space used for cultivation of agricultural commodities but including areas used for retail.**
- Land and buildings used to facilitate the cultivation of farm commodities does not apply significant development pressures

This Is Why Most Municipalities Exempt Farmland

- The majority of municipalities with development charges by-laws do not apply the charges to farm buildings and structures.
- If Niagara region implements DCs on farm structures, while other municipalities do not, it creates regional imbalance and incentives for farmers to invest future projects outside the Niagara region.
- We ask that the Niagara region continue to exempt agricultural buildings and structures from municipal development charges.

Thank You For Your Consideration

- Any Questions?