



# COUNTY OF WELLINGTON

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## COMMITTEE REPORT

**To:** Chair and Members of the Administration, Finance and Human Resources Committee  
**From:** Ken DeHart, County Treasurer  
**Date:** Tuesday, April 25, 2023  
**Subject:** **Farm Forestry Property Class and Tax Exemption for 2023**

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### **Background:**

In the 2021 Fall Economic Statement, the Provincial Government stated its intent to increase the limit on the Farm Forestry Exemption (FFE) for farm woodlots from 20 to 30 acres to keep pace with the growth of farm sizes.

FFE is a tax exemption designed to protect wooded areas. Farmers with farm property or farm property holdings with wooded areas may qualify for the exemption. Previously, the tax exemption applied to one acre of forested land for every 10 acres of farmland and could not exceed 20 acres in any one municipality. Ontario Regulation 230/22 was filed allowing the Minister of Finance to increase the acreage limit per farm owner from 20 to 30 acres effective January 1, 2023.

FFE applies to farmed properties with woodlots used only for forestry purposes and not used directly in the farming operation. It involves calculations based on a ratio of the owner's entire land holdings to the forested or woodland parts. MPAC is responsible for completing the calculations and determining the allowable number of acres for this exemption.

These changes also involved the creation of a new Unit Class (FF). Since the return of 2023 Assessment Rolls, the Municipal Property Assessment Corporation (MPAC) has begun identifying FFE properties to implement legislative changes. The increase to the assessment roll on valuation will show as exempt and aligns with other tax incentives such as Managed Forest Tax Incentive Programme and Conservation Land Tax Incentive Programme.

Although the Farm Forestry Exemption is not a new programme, the assessed value of eligible woodlot exemptions was previously not included in the property assessment or added to assessment rolls. Municipalities with significant woodlots will see higher than typical growth to their overall assessment roll, however FFE increases, for the most part, were and remain exempt from property taxation.

In consultation with MPAC, staff have tabled details of Farm Forestry properties across Wellington County and the current value assessment (CVA) associated with FFE and municipal assessment rolls. There are 2,697 properties with FFE in Wellington County with exempt portion total of \$87,761,282. When added to the upcoming assessment roll, FFE alone results in a 0.33% roll growth.

## Farm Forestry Exemption Properties and Current Value Assessment

Municipality	# of Properties Designated as FFE	Total Acreage of Existing and Increased >30 Acres	* Total CVA of Farm Forestry Exempt Portioning	* Final 2023 Assessment Roll As Returned	Increase to 2023 Roll Adding FFE Previously Not Assessed	Assessment Roll % Increase due to FFE Legislation
Puslinch	91	722	3,135,400	2,756,353,818	\$ 2,758,987,518	0.10%
Guelph-Eramosa	272	2,195	4,530,900	3,391,914,618	\$ 3,395,547,218	0.11%
Erin	236	1,696	6,254,800	2,990,516,118	\$ 2,996,278,918	0.19%
Centre Wellington	390	3,093	9,856,500	5,950,242,718	\$ 5,958,777,618	0.14%
Mapleton	676	5,757	39,751,100	3,068,284,400	\$ 3,101,437,300	1.08%
Minto	442	3,938	10,297,082	1,404,545,009	\$ 1,412,433,809	0.56%
Wellington North	590	5,387	13,935,500	2,375,616,409	\$ 2,386,607,809	0.46%
<b>COUNTY</b>	<b>2,697</b>	<b>22,788</b>	<b>87,761,282</b>	<b>\$ 21,937,473,090</b>	<b>\$ 22,010,070,190</b>	<b>0.33%</b>

\*Total CVA includes value of SAN's, value NOT PREVIOUSLY INCLUDED on Assessment Roll and additional value associated with legislated change

\*Assessment Roll as Returned includes Rateable CVA, PILT and Exempt CVA

Not all properties with FFE result in property tax adjustments due to the legislative acreage change from 20 to a maximum 30 acres per owner. Of the 2,697 FFE properties in Wellington County, MPAC identifies 361 as requiring adjustments for 2023 tax purposes. They have been notified by MPAC and Special Amended Notices (SAN) mailed to farm owners. Property tax adjustments (losses) for County purposes are expected to be -\$24,060 and total -\$46,636 including local municipal and education taxes.

### Special Amended Notices (SAN) Requiring Tax Adjustments for 2023

			Tax Adjustments to be Refunded (2022 Farmland Tax Rate)			
Municipality	# of Properties with SAN Tax Adj	* CVA Change from Taxable to Exempt	County	Local	Education	Total Current Tax Impact
Puslinch	7	\$ 501,700	\$ 796	\$ 222	\$ 192	\$ 1,210
Guelph-Eramosa	37	\$ 898,300	\$ 1,425	\$ 608	\$ 344	\$ 2,377
Erin	13	\$ 492,000	\$ 781	\$ 381	\$ 188	\$ 1,350
Centre Wellington	40	\$ 1,321,600	\$ 2,097	\$ 1,109	\$ 506	\$ 3,711
Mapleton	75	\$ 6,598,200	\$ 10,469	\$ 7,814	\$ 2,524	\$ 20,806
Minto	91	\$ 2,408,282	\$ 3,821	\$ 3,157	\$ 921	\$ 7,899
Wellington North	98	\$ 2,944,100	\$ 4,671	\$ 3,485	\$ 1,126	\$ 9,282
<b>COUNTY</b>	<b>361</b>	<b>\$ 15,164,182</b>	<b>\$ 24,060</b>	<b>\$ 16,776</b>	<b>\$ 5,800</b>	<b>\$ 46,636</b>

\* CVA associated with <20 acres that was NOT PREVIOUSLY INCLUDED in the Assessment Roll and the value associated with the legislated change to 30 eligible acres (which would have moved from another class typically Farmland FT)

Woodlot farm property owners that do not require tax adjustments will receive a Property Assessment Notice (PAN) later in 2023 to show the FFE value attributed to the Unit Class FF and exemption for the 2024 tax year.

MPAC continues to implement changes to modernize their process and provide transparency to municipalities and property owners. Staff will continue to monitor Farm Forestry Exemption properties as identified throughout the year.

**Recommendation:**

That the Farm Forestry Property Class and Tax Exemption for 2023 report be received for information.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Ken DeHart', with a stylized flourish extending to the right.

Ken DeHart, CPA, CGA  
County Treasurer