

## **Provincial support needed to service farm land**

*By Doug Holmes*

The District of Summerland covers 76 sq km, three-quarters of which cannot be developed either due to topography or environmental sensitivities or because it is protected farmland within the Agricultural Land Reserve (ALR).

When a property in BC is classified as a bona fide farm, it is assessed by the provincial government at a lower property tax rate than residential, commercial or industrial land. The lower rate is one of the strategies used by the provincial government to encourage farming.

Summerland is proud of its agricultural roots and Council supports the principle of lower taxes for farmed land. However, distances between parcels make it challenging and expensive for the District to maintain roads and other infrastructure to agricultural properties, and taxes derived from ALR lands are not enough to cover the cost to service those properties.

Of the total \$11.5m in property taxes collected by the District this year, only \$60,000 was generated from the Class 9 farm rate. Other classifications on ALR lands (such as residences) brought in a further \$600,000. However, it cost \$1.93m to maintain infrastructure to these properties.

In other words, for every \$1 received in property taxes from farm land, it costs more than \$3 to service it. Residential taxpayers in Summerland are on the hook for the shortfall.

Given that the ALR exists to ensure food security for all British Columbians, Council believes the provincial government should help support the servicing of farm properties; it's not fair for the costs to be borne entirely by residents in rural communities.

Council has tried over the years to address this inequity with the provincial government but we get bounced between the ministries of Agriculture, Finance, and Municipal Affairs. Most recently, it was suggested we either increase our Class 9 taxes or reduce our municipal boundaries.

Neither is realistic.

Even if we doubled Class 9 taxes, it would raise only another \$60,000 and Summerland would have among the highest farm taxes in the province.

And reducing our municipal boundaries wouldn't work because our residential and agricultural areas are interwoven throughout the community.

Fortunately, we are no longer dealing with this issue on our own.

At the invitation of the District of Summerland, mayors and councillors from a dozen farming communities from the Interior, Lower Mainland and Vancouver Island met on Sept. 19 at the Union of BC Municipalities (UBCM) annual convention in Vancouver to discuss issues of mutual concern including our ability to adequately service agricultural land. It was agreed to co-ordinate our efforts and advocate together on this and other issues.

Summerland also put forward a resolution at the convention for the UBCM and provincial government to recognize that the cost of servicing ALR lands cannot be recovered from farm-class property taxes and that a program be developed to assist local governments in agricultural areas.

The resolution was endorsed by delegates from local governments across the province and now becomes a formal request to the Province. Along with hundreds of other endorsed UBCM resolutions, it will be sent to the provincial government for a response, which is expected in the spring.

*Doug Holmes is mayor of Summerland*