



MEMBER NOTICE

**TO: Administrator
Chief Financial Officer**

FROM: UBCM Secretariat

DATE: December 8, 2009

RE: FARM ASSESSMENT – SPLIT CLASSIFICATION POLICY

The provincial government has amended the Standards for Classification of Land as Farm Regulation to provide new rules for classifying properties as farm. Under these new rules:

- Farms in the ALR will no longer be split classified;
- Farms that are not in the ALR will not be split classified if at least 50% of the land is in production or contributes to production, or if 25% of the land is in production and a \$10,000 minimum income threshold is met;
- All farms must also meet the income threshold criteria.

Property owners and farmers who are currently split classified and can meet the requirements of the new rules, can apply to BC Assessment to have their properties reclassified wholly to farm status.

The impetus for these changes comes from recommendations from the Farm Assessment Review Panel. The Review Panel was co-chaired by Mayor Frank Leonard and John Rustad, MLA, and submitted their report to the Minister on July 31, 2009.

The Panel was made up of 12 members, it included representatives from the agriculture community, local government and provincial government. The local government representatives were Mayor Frank Leonard, Saanich, Mayor Malcolm Brodie, Richmond and Chair Karen Goodings, Peace River Regional District.

The Farm Assessment Review Panel in releasing its report outlined its three objectives as follows:

Goal #1: Simplify and streamline regulatory and policy framework relating to farm status.

Goal #2: Amend split classification policies and preserve agricultural land for future generations.

Goal #3: Support and encourage agricultural production, from entry through retirement.

The Panel developed a total of six strategies to address the objectives identified:

Strategy A: Use Canada Revenue Agency (CRA) income tax return information for farm income reporting to determine if income criteria are met for farm status for assessment purposes.

Strategy B: Establish a single income threshold at a minimum of \$3,500 annual gross farm income.

Strategy C: Amend and clarify split classification policies.

Strategy D: Encourage new and developing farm operations.

Strategy E: Provide incentive to retired farmers to maintain farming activities.

Strategy F: Amend tax exemptions for farm improvements.

A number of changes were recommended to the Farm Assessment regulations and policies to be implemented over the next two years – some of the changes to take place in 2010 and other changes to be phased-in in 2011. Both the policy changes being introduced in 2010 and the legislative/regulatory changes being considered for 2011 may impact local government revenue from property taxes.

The Ministry of Community and Rural Development has undertaken some analysis of the potential impacts on individual municipalities that a change in its policy on the split classification of farm land may have in 2010. Attached is an outline of the potential financial impact that the policy change to split classification may have in some municipalities, if all the properties identified requested a change and met the income criteria for farm status.

Please review the information and if you have any questions or concerns about the policy change in the split classification of farm land contact:

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Municipality	2009 Total Land Value	Non Farm Land Value	Current Property Tax on Non Farm Land	Current Class 9 Farm Land Value	Current non-Farm Land Shifted Value	Shifted Land Tax Revenue	Impact
Colwood	\$14,505	\$0	\$0	\$14,505	\$0	\$0	\$0
Central Saanich	\$6,001,744	\$4,599,800	\$12,356	\$1,401,944	\$25,853	\$86	\$12,270
Saanich	\$19,725,680	\$19,099,400	\$62,107	\$626,280	\$72,323	\$36	\$62,071
Oak Bay	\$7,018	\$0	\$0	\$7,018	\$0	\$0	\$0
Langford	\$1,331,427	\$1,257,700	\$2,903	\$73,727	\$985	\$2	\$2,901
North Saanich	\$4,587,570	\$3,429,400	\$5,208	\$1,158,170	\$4,807	\$27	\$5,181
Metchosin	\$5,266,202	\$4,315,600	\$7,456	\$950,602	\$18,315	\$128	\$7,327
Sooke	\$1,171,644	\$1,056,700	\$2,742	\$114,944	\$808	\$2	\$2,740
Highlands	\$299,933	\$169,100	\$379	\$130,833	\$302	\$4	\$375
View Royal	\$349,360	\$307,000	\$664	\$42,360	\$2,361	\$43	\$621
Sidney	\$118,313	\$0	\$0	\$118,313	\$0	\$0	\$0
Duncan	\$37,447	\$31,200	\$112	\$6,247	\$0		\$112
Port Alberni	\$339,367	\$246,200	\$1,476	\$93,167	\$0	\$0	\$1,476
Nanaimo	\$9,985,995	\$9,731,000	\$48,141	\$254,995	\$9,692	\$5	\$48,136
North Cowichan	\$4,382,978	\$3,229,600	\$6,921	\$1,153,378	\$80,872	\$925	\$5,996
Lantzville	\$92,067	\$43,800	\$79	\$48,267	\$460	\$1	\$78
Ladysmith	\$51,528	\$0	\$0	\$51,528	\$0	\$0	\$0
Parksville	\$294,418	\$284,000	\$1,067	\$10,418	\$1,982	\$14	\$1,053
Qualicum Beach	\$341,320	\$318,700	\$935	\$22,620	\$458	\$5	\$930
Courteney	\$1,168,120	\$1,078,000	\$3,885	\$90,120	\$0	\$0	\$3,885
Powell River	\$457,466	\$395,800	\$1,361	\$61,666	\$19,354	\$236	\$1,124
Campbell River	\$1,101,250	\$1,021,100	\$4,093	\$80,150	\$0	\$0	\$4,093
Comox	\$1,704	\$0	\$0	\$1,704	\$0	\$0	\$0
Bowen Island	\$2,265,127	\$2,178,700	\$4,107	\$86,427	\$275	\$0	\$4,107
Squamish	\$6,798	\$0	\$0	\$6,798	\$0	\$0	\$0
Pemberton	\$25,091	\$0	\$0	\$25,091	\$0	\$0	\$0
Sechelt	\$315,252	\$230,300	\$571	\$84,952	\$4,289	\$4	\$567
Vancouver	\$5,849	\$0	\$0	\$5,849	\$0	\$0	\$0
New Westminster	\$243,353	\$196,000	\$714	\$47,353	\$228	\$1	\$713
Port Coquitlam	\$3,147,553	\$3,011,900	\$10,421	\$135,653	\$720	\$15	\$10,406
Burnaby	\$53,362	\$0	\$0	\$53,362	\$0	\$0	\$0
Coquitlam	\$3,200,915	\$3,011,900	\$8,827	\$189,015	\$720	\$11	\$8,815
Delta	\$45,394,121	\$41,019,200	\$131,639	\$4,374,921	\$31,967	\$484	\$131,155
Richmond	\$10,126,732	\$6,323,700	\$14,987	\$3,803,032	\$537,511	\$5,750	\$9,237
Surrey	\$53,705,009	\$48,478,900	\$109,431	\$5,226,109	\$172,735	\$383	\$109,049
Chilliwack	\$8,151,568	\$5,510,000	\$21,612	\$2,641,568	\$53,432	\$714	\$20,899
Kent	\$4,611,395	\$3,331,100	\$10,192	\$1,280,295	\$1,908	\$44	\$10,149
Langley Township	\$18,704,582	\$15,546,500	\$45,377	\$3,158,082	\$95,291	\$865	\$44,512
Maple Ridge	\$9,885,690	\$8,683,500	\$30,999	\$1,202,190	\$37,937	\$868	\$30,131
Mission	\$9,431,933	\$8,230,600	\$34,009	\$1,201,333	\$75,441	\$1,441	\$32,568

Pitt Meadows	\$6,410,161	\$5,955,300	\$19,770	\$454,861	\$7,271	\$182	\$19,588
Abbotsford	\$14,205,288	\$8,773,100	\$38,798	\$5,432,188	\$123,338	\$2,124	\$36,674
Hope	\$45,642	\$24,200	\$99	\$21,442	\$562	\$2	\$97
Grand Forks	\$33,632	\$0	\$0	\$33,632	\$0	\$0	\$0
Penticton	\$3,614,971	\$2,827,500	\$10,448	\$787,471	\$10,133	\$109	\$10,338
Summerland	\$7,340,564	\$7,101,500	\$18,055	\$239,064	\$31,098	\$264	\$17,791
Keremeos	\$32,850	\$30,400	\$105	\$2,450	\$500	\$6	\$98
Midway	\$15,421	\$0	\$0	\$15,421	\$0	\$0	\$0
Oliver	\$321,755	\$296,400	\$434	\$25,355	\$445	\$1	\$433
Osoyoos	\$41,641	\$0	\$0	\$41,641	\$0	\$0	\$0
Princeton	\$5,535	\$0	\$0	\$5,535	\$0	\$0	\$0
Kelowna	\$26,316,703	\$24,988,056	\$83,090	\$1,328,647	\$41,682	\$27	\$83,063
Peachland	\$3,228,150	\$3,051,600	\$8,151	\$176,550	\$0	\$0	\$8,151
Lake Country	\$5,630,280	\$4,835,200	\$13,132	\$795,080	\$4,310	\$4	\$13,128
West Kelowna	\$12,376,204	\$12,091,800	\$33,258	\$284,404	\$6,121	\$17	\$33,242
Armstrong	\$64,947	\$11,100	\$26	\$53,847	\$131	\$1	\$24
Enderby	\$254,716	\$229,500	\$688	\$25,216	\$9,031	\$27	\$661
Vernon	\$3,457,107	\$1,132,200	\$3,029	\$2,324,907	\$53,598	\$16	\$3,012
Coldstream	\$1,910,970	\$1,230,700	\$2,356	\$680,270	\$9,951	\$84	\$2,272
Salmon Arm	\$2,671,143	\$1,917,800	\$8,003	\$753,343	\$39,081	\$454	\$7,549
Spallumcheen	\$1,690,044	\$689,000	\$2,130	\$1,001,044	\$8,709	\$27	\$2,103
Lumby	\$167,401	\$33,700	\$97	\$133,701	\$3,284	\$14	\$84
Rosland	\$117,488	\$105,000	\$638	\$12,488	\$215	\$4	\$634
Creston	\$344,452	\$274,200	\$1,093	\$70,252	\$1,477	\$6	\$1,087
Fruitvale	\$2,638	\$0	\$0	\$2,638	\$0	\$0	\$0
Nakusp	\$115,904	\$110,000	\$378	\$5,904	\$408	\$1	\$376
Cranbrook	\$1,680,235	\$1,631,300	\$9,350	\$48,935	\$0	\$0	\$9,350
Sparwood	\$246,111	\$181,000	\$575	\$65,111	\$10,400	\$33	\$542
Elkford	\$91,223	\$28,900	\$109	\$62,323	\$583	\$2	\$107
Invermere	\$339,507	\$337,000	\$840	\$2,507	\$0	\$0	\$840
Kamloops	\$7,370,192	\$6,642,000	\$33,144	\$728,192	\$4,598	\$55	\$33,088
Barriere	\$110,356	\$65,500	\$189	\$44,856	\$0	\$0	\$189
Clearwater	\$156,584	\$0	\$0	\$156,584	\$0	\$0	\$0
Merritt	\$36,598	\$12,900	\$57	\$23,698	\$0	\$0	\$57
Ashcroft	\$20,180	\$0	\$0	\$20,180	\$0	\$0	\$0
Clinton	\$2,514	\$0	\$0	\$2,514	\$0	\$0	\$0
Logan Lake	\$56,241	\$0	\$0	\$56,241	\$0	\$0	\$0
Lilloet	\$105,390	\$14,400	\$68	\$90,990	\$1,613	\$8	\$60
Quesnel	\$66,492	\$0	\$0	\$66,492	\$0	\$0	\$0
Williams Lake	\$179,372	\$81,300	\$435	\$98,072	\$95	\$2	\$434
100 Mile House	\$7,849	\$0	\$0	\$7,849	\$0	\$0	\$0
Kitimat	\$3,250	\$0	\$0	\$3,250	\$0	\$0	\$0
Terrace	\$193,456	\$168,700	\$1,133	\$24,756	\$486	\$16	\$1,117
Houston	\$166,008	\$29,700	\$206	\$136,308	\$1,842	\$13	\$194

Queen Charlotte City	\$2,950	\$0	\$0	\$2,950	\$0	\$0	\$0
Prince George	\$679,665	\$345,700	\$2,425	\$333,965	\$858	\$4	\$2,421
Vanderhoof	\$133,086	\$30,500	\$136	\$102,586	\$597	\$1	\$135
Dawson Creek	\$158,229	\$13,300	\$71	\$144,929	\$839	\$6	\$65
Hudson Hope	\$163,776	\$51,800	\$155	\$111,976	\$596	\$2	\$153
Tumbler Ridge	\$8,189	\$0	\$0	\$8,189	\$0	\$0	\$0
Ft. St. John	\$4,592	\$0	\$0	\$4,592	\$0	\$0	\$0
Chetwynd	\$2,452	\$0	\$0	\$2,452	\$0	\$0	\$0
Taylor	\$28,377	\$7,900	\$24	\$20,477	\$397	\$2	\$22
TOTALS	\$328,829,867	\$281,716,556	\$877,468	\$47,113,311	\$1,625,278	\$15,609	\$861,859