

Honourable Doug Ford, Premier of Ontario  
[doug.fordco@pc.ola.org](mailto:doug.fordco@pc.ola.org)

February 2, 2021

**RE: Significant Negative Impacts of Current Value Assessments in Perth County**

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Dear Premier Ford,

During the January 28<sup>th</sup>, 2021 Perth County Council meeting a resolution was passed directing staff to write a letter to the Province highlighting the concerns of assessment delays. The motion reads:

WHEREAS the property tax system is based on current value assessment;

AND WHEREAS the current delay in assessment does not utilize the Province's model of CVA,

THEREFORE, County Council direct staff to correspond with the Premier, the Finance Minister, the Minister of Municipal Affairs, Minister of Agriculture, Perth's MPP to move forward with implementing reassessment based on CVA, and that copies of the correspondence be sent to all Ontario municipalities.

**Primary Concerns:**

- The 2016 assessment valuation does not use the property tax model of Current Value Assessment (CVA). The assessment valuations in use are 5 years old.
- Assessment delays do not benefit all tax classes equally by shifting the assessment disproportionately between residential and farmland.
- Assessment delays create skepticism in the overarching framework of CVA and this skepticism causes citizens to question the Provincial model and process of CVAs.
- Current legislation restricts the ability for local government flexibility, as the ratio for residential tax class cannot be changed from a ratio of 1.00.

A further delay in reassessment continues to create challenges in how local government, along with tax policy, is ensuring the appropriate assessment values pay for their appropriate allotment of taxation levies. Local tax levies are developed within the constraints of the boundaries that provide the services to their communities. With property assessment valuations being 5 years past due, it causes citizens to question the validity of the system of property taxes that the Province of Ontario adheres to.

This is particularly exacerbated in a community such as Perth County that is a mix of urban and rural. The 2016 assessment valuation significantly shifted property taxes to the farmland class, which was phased in over the past 4 years. The shift was significant enough that the residential class has seen decreases in their portion of the overall municipal burden while the burden on farmland is disproportionately increasing.

Natural assessment valuation shifts do impact the tax policies of local governments with an urban-rural mix and more directly follow the overall property tax model of CVA. Equipping municipalities with the knowledge of the set dates related to reassessment and new valuation dates, provides the ability for key financial municipal departments to better plan for these assessment shifts that cannot be alleviated through tax ratio changes.

Below is some further information that outlines the significant impact on Perth County in particular:

- The overall tax burden on Perth County farmland increased from 21% in 2016 to 29% in 2020 of the overall levy. These percentages do include growth from 2017 to 2020. The amount of farmland would be higher in relation to phase in assessment amounts only. Based on 2020 without growth the percentage burden would have been higher than the 29%.
- The geography of Perth County is unique as it includes two urban center single tiers: The City of Stratford and The Town of St. Marys. This pushes the amount of farmland within the two-tiered structure of Perth County to greater than 90% of the total area covered by farmland.
- As they are single tier municipalities, The City of Stratford and The Town of St. Marys do not assist in subsidizing farmland as they would if they were part of a true two tiered structure. All of the Perth County's OMPF allocations are categorized as transitional, which is soon to be phased out completely. As of 2021, \$1,020,400 still remains to be phased out of the County's budget

In summary, Perth County is asking the province to update the CVA calculations to bring them in line with current property valuations and further to consider the impacts of the urban-rural mix of the region and the resultant impact causing residents to disproportionately carry the tax burden over citizens in neighbouring regions without the inclusion of single tier municipalities in their borders.

We look forward to hearing from you.

Sincerely,



Corey Bridges, Manager of Finance / Treasurer  
On behalf of Perth County Council

Cc:

Minister of Finance – Peter Bethlenfalvy  
Minister of Municipal Affairs and Housing – Steve Clark  
Minister of Agriculture – Ernie Hardeman  
Perth Wellington MPP – Randy Pettapiece  
All Ontario Municipalities