

May 13, 2021

Hon. Derek Johnson  
Minister of Municipal Relations  
[minmr@leg.gov.mb.ca](mailto:minmr@leg.gov.mb.ca)

Dear Minister Johnson:

Keystone Agricultural Producers (KAP) is Manitoba's general farm policy organization, providing a unified voice for farmers on issues that affect agriculture. KAP represents and promotes the interests of 4,500 farmers and 20 commodity associations.

Farm property values have been on a steady rise over the past few years. According to Farm Credit Canada's 2020 Farmland Values Report, farmland values in Manitoba increased by an average of 3.6 per cent in 2020. The Interlake and Eastman regions reported larger increases of 11.6 and 5.3 per cent, respectively.

Manitoba farmers pay taxes on 26 per cent of the assessed value of their farm property. As property values rise, farmers continue to pay a disproportionate share of property taxes compared to other property class owners. In 1992 residential two property owners paid taxes on 68 per cent of their assessed property value. Today, residential two property owners pay 45 per cent of their assessed property value. In contrast, farm property owners paid taxes on 27 per cent of their assessed property value in 1992 compared to 26 per cent in 2021. Over the past 29 years the portioned percentage decreased 33.8 per cent for residential two property owners compared to 3.7 per cent for farm property owners. While the premise of fairness guides the Department of Municipal Relations when conducting property reassessments, in practice, the reassessment outcomes do not reflect a fair reality for many Manitoba farmers.

Municipal Relations' report on the Impact of Reassessment for 2020 provides further evidence of the inequitable burden shouldered by Manitoba farmers. For example, in the Municipality of Westlake-Gladstone, the taxable assessment for 2020 increased 21 per cent for farm property compared to 2019. In comparison, the residential one property class decreased 3.6 per cent over the same period. Other municipalities, like Brokenhead, Tache, Ritchot and Mountain, experienced a 30 to 47 per cent assessment increase for farm property on their 2020 reassessment.

We appreciate that municipalities can relieve the tax burden on farmers through tax credits, special levies and by changing the portioned percentage for property classes. However, our members report that these tools have rarely resulted in a sustained, equitable and fair tax level. We also recognize the provincial government's effort to reduce the tax burden on farmers

through the Education Property Tax Rebate, although we recommend further changes to provide additional tax relief.

We are calling on the provincial government to reduce the portioned percentage on land designated under the farm property class. The volatile nature of farming and, more recently, the effects of the global pandemic, underscore the important role government plays in the success of Manitoba farmers. A provincial change to the portioned assessment will result in a more consistent, equitable and fairer distribution of taxes from which all Manitobans will benefit.

Thank you for your consideration. Please contact KAP policy analyst Neil Van Overloop at [neil.vanoverloop@kap.ca](mailto:neil.vanoverloop@kap.ca) should you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Bill Campbell". The signature is written in a cursive, flowing style.

Bill Campbell  
President, Keystone Agricultural Producers

cc. Hon. Scott Fielding – Minister of Finance