

Farm Use Assessments

- The value of farmland adjacent to urban centres, popular recreation areas and some other land uses can be affected by development potential. Not only does the land have value as farmland but also buyers may be willing to pay a premium on the property because it could be converted to urban, recreational or some other use. The assessor determines what this higher value may be. Consequently, higher taxes may have to be paid on the property. Taxes that reflect development pressure can contribute to premature loss of farmland to development.
- To protect farm production, *The Municipal Assessment Act* provides farmland owners with the ability to request Property Assessment Services to determine the farm use assessed value. When such a request is made, the assessor determines whether there actually is a difference between the market value of the property and the value for farming alone. If there is a difference, the lower value will be applied to the property.
- *The Municipal Assessment Act* states that the subject property must be in the Farm class as defined by the *Classification of Property and Portioned Values Regulation*. It must also be used for "prescribed" farm purposes. The regulation defines farming. The definition can be found on the reverse side of the Request for Farm Assessment form.
- Farm Use Assessment Requests are to be made by the registered owner of the farm property. In the case of joint tenant or joint ownership interest, the request may be signed by any/all of the owners. In the case of corporate ownership, at least one of the signing officers are required to make the request.
- A farm use assessment is effective for the year following the year in which the request is made. **For farm use to apply in any given year, the application form must be received by Property Assessment Services no later than December 31 of the previous year.** An application form is attached.
- The farm use assessment remains in effect until the use of the parcel changes, even if the ownership of the parcel changes. Once the use of the parcel changes, the assessment is revised and the owner at the time of revision must pay the taxes that would have been owing had the property been assessed at full market value. The municipality is notified by Property Assessment Services of the difference between the farm use assessment and the full market assessment and the number of previous years that the payback applies to, up to a maximum of five years.
- Please see the reverse side for the pertinent sections of *The Municipal Assessment Act*.

Farm Property: farming purposes

17(2) A registered owner of Farm Property may request an assessor to determine the Farm Property assessed value of the property on the basis of its use for farming purposes and where so requested, the assessor shall thereafter, and for so long as the property is used for purposes that are prescribed as farming purposes, determine the Farm Property assessed value of the property solely on the basis of use for farming purposes as prescribed under subsection (8).

17(3) Repealed, S.M. 2008, c. 34, s. 10.

Farm Property assessed value

17(4) A Farm Property assessed value determined under subsection (2) applies in respect of taxation for the year following the year in which the request is made under the subsection and may be the subject of an application under subsection 42(1).

Change in use tax payback

17(5) Where the registered owner or occupier of Farm Property to which a Farm Property assessed value under subsection (2) applies changes the use of the property from a prescribed farming purpose to a purpose that is not a prescribed farming purpose, the registered owner shall,

- (a) in respect of each year for which taxes are levied against the property on the basis of a Farm Property assessed value under subsection (2); or
- (b) in respect of the five years that immediately precede the year in which the change of use occurs;

whichever is the lesser period, pay to the municipality an amount of taxes that represents the difference between the taxes that were levied in respect of the property on the basis of the Farm Property assessed value under subsection (2) and the taxes that would have been levied in respect of the property had a Farm Property assessed value under subsection (2) not applied.

Endorsement on tax certificate

17(6) Where the registered owner of Farm Property requests determination of a Farm Property assessed value under subsection (2), the subject municipality shall not issue a tax certificate in respect of the property without stating on the certificate that the property is subject to subsection (5).

Lien on land and collection

17(7) Where a registered owner of Farm Property, in respect of which taxes are levied on the basis of a Farm Property assessed value determined under subsection (2), becomes liable under subsection (5) for payment of an amount of taxes in respect of the Farm Property,

- (a) the amount of taxes is a lien upon the land that forms part of the Farm Property and
 - (i) the lien has preference and priority over other claims, liens, privileges or encumbrances in respect of the land, other than a claim, lien, privilege or encumbrance of the Crown,
 - (ii) the lien does not require registration against the land to preserve it, and
 - (iii) a change in the ownership of the Farm Property or a seizure by a sheriff, bailiff or landlord does not defeat the lien;
- (b) the municipal administrator of the subject municipality shall add the amount of taxes to the taxes shown on the tax roll to be charged and levied against the Farm Property; and
- (c) the municipality may collect the amount of taxes in the same manner in which taxes upon the Farm Property are collectable under *The Municipal Act* or, in respect of the City of Winnipeg, under *The City of Winnipeg Charter*, and with the like remedies.

Request for Farm Use Assessment

Pursuant to Section 17 of *The Municipal Assessment Act*, Cap. M226 S.M.

Date of Request: _____ Request No: _____

Municipality: _____ Roll No. _____

Effective Year: _____

Registered Owner: _____

Legal Description: _____

*Market Value Assessment	Land	Building(s)	Total
Residential	_____	_____	_____
Farm	_____	_____	_____
Other	_____	_____	_____
Total	_____	_____	_____

*Farm Use Value Assessment	Land	Building(s)	Total
Residential	_____	_____	_____
Farm	_____	_____	_____
Other	_____	_____	_____
Total	_____	_____	_____

* Assessed values for the year in which farm use assessment takes effect (effective year) are based on _____ market values.

Note:

1. The property described above must be used for farming purposes, that is, to produce agricultural products on a commercial basis. See reverse side for definition of "farming".
2. A "change in use tax payback" as described in section 17(5) of *The Municipal Assessment Act* shall occur when all or part of the above-described property is no longer used for commercial farming purposes.
3. This form must be returned to Property Assessment Services no later than **December 31** for farm use to apply to the following year.

I confirm that the property described above is being used to produce agricultural products on a commercial basis.

Signature of registered owner