



**Village of Rycroft  
Request for Decision**

**Council Meeting Date: June 28, 2022**

**TOPIC:** Minimum Tax Exemption for Farmland Property in the Village

**RECOMMENDED ACTION:** That Council consider the history of the property and motion to either keep or remove the minimum tax requirement for Farmland classification in the Village.

**BACKGROUND:** In 2010, Kelly, Bryan, and Mae Woronuk wrote a letter to the Village Council requesting a change in the application of minimum tax to agriculture land in the Village of Rycroft. The reference is to River Lot 39-78-5 W6M; 37.66 acres of which 22 are cultivated. The letter notes they paid \$65 in tax in 2007, then in 2008 it increased 6 fold, and by 2010 they were paying \$513. In 2008 they requested the Council to reduce the taxes back to the 2007 rate, and that request was denied by the Council.

The 2012 Tax Rate Bylaw 136-12 signed June 19, 2012 notes the *"As per Council Farmland shall be exempt from the (\$500) minimum tax."* Roll number 478.000 shows tax payments from 2011 to 2013 were between \$55 to \$66.

In 2014, the minimum tax rate was re-applied, and the taxes were \$509 in 2014; and \$258 in 2015; and \$275 in 2016.

On January 4, 2017 Kelly and Bryan Woronuk wrote another letter to Council requesting that the minimum tax again not be applied to the farmland. They noted the history of the family donations to the Village, and also that the "greater portion of RL 239 is non-revenue generating" as it is used by the Rycroft Agricultural Society.

In 2017 Tax Rate Bylaw 183-17 states *"The Minimum amount payable as property tax for general municipal purposes shall be \$1,000.00. Farmland in Rycroft shall have same tax rate as farmland in the MD #133 Spirit River."* The problem with this wording is 1. It does not specifically exempt the property from the minimum tax, and 2. It is a bad practice to let another municipality dictate your municipal tax rate, not to mention you have to wait for their rate to be approved before you can set ours.

In 2019, the reference to the MD #133 tax rate was removed for the above mentioned reason.

The taxes on the property were between \$48 and \$60 between 2017 and 2021.

In 2022, after the tax notice report was reviewed, it was noticed the minimum tax rate was not applied to the 2 farmland tax properties. Unaware of the history, there was no reasoning of why the minimum tax was not applied. Therefore, the notices were re-calculated and re-sent to the owners

with the minimum tax applied. When the new notice was received by Kelly and Bryan Woronuk they requested and had a meeting with me. At that time, they were instructed to request that Council revert to the practice of not charging the farmland the minimum tax, as noted in their 2010 and 2017 letters that were approved by previous Councils.

The 2021 municipal tax rate for farmland in the MD of Spirit River on their webpage was 11.200. The 2022 municipal tax rate for farmland in the Village of Rycroft is 10.041.

Roll 478.000 (~38 acres) is assessed at a value of \$3,780.

**FINANCIAL IMPLICATIONS:** The minimum tax for 2022 on Roll 478.000 (~38 acres) is an extra \$712; on Roll 255.000 (~31 acres) it is an extra \$689 (\$750 minimum Municipal tax – what they pay).

**POLICY AND/OR LEGISLATIVE IMPLICATIONS:** In the *Municipal Government Act*, Section 347 (1) (b) states *'If a council considers it equitable to do so, it may, generally or with respect to a particular taxable property or business or a class of taxable property or business, do one or more of the following, with or without conditions: (b) cancel or refund all or part of a tax.*

The tax rate must be changed for all Farmland, not just one single owner.

**ALTERNATIVE OPTIONS:**

1. Council could motion to leave the minimum tax on the Farmland properties.
2. Council could motion to remove the minimum tax charge on all designated farmland properties for this tax year, and all future tax rate bylaws

**ATTACHMENTS:** 2010 and 2017 letters from the Woronuk family.

Peter Thomas

Chief Administrative Officer

June 30, 2022

Date