



MUNICIPAL PROPERTY ASSESSMENT CORPORATION

## Small-Scale On-Farm Business Subclasses

### Frequently Asked Questions

#### **What is the initiative?**

On May 3, 2018, the Government of Ontario established two new optional subclasses for small-scale on-farm businesses to promote and support local farms across Ontario. The commercial and industrial subclasses were created to provide a tax rate that is 75% lower than the commercial and industrial tax rates that would otherwise apply.

#### **How would my property qualify?**

The commercial and/or industrial facility must be an extension of your farming operation. To qualify, 51% of the facility must be used to sell, process or manufacture something from a product produced on your farmland. If the operation has an assessed value equal to or greater than \$1 million, it is not eligible for the small-scale on-farm business subclasses ([O. Reg 361/18](#) of the *Assessment Act*).

#### **What is the tax rate reduction?**

The qualifying commercial and industrial portions are eligible to receive a tax rate that is 75% lower than the industrial or commercial tax rates that would otherwise apply.

Also, the education tax rates for small-scale on-farm business subclasses will be lower than the existing commercial or industrial tax rate or 0.00272500%, regardless if the municipality opts to have the small-scale on-farm business subclasses apply.

#### **Are the subclasses available in all municipalities?**

It is important to note the lower tax rates for the new commercial and industrial subclasses only apply to eligible properties in municipalities that have passed the corresponding bylaw.

The council of a single or upper-tier municipality may pass a bylaw opting to have both subclasses or they can pass a bylaw for the industrial subclass alone. The commercial subclass is only available if the municipality opts for the industrial subclass.

If your municipality passed a bylaw, you will receive a property tax bill reflecting the recent change. If you have questions about your property taxes, please contact your municipality or local taxing authority for more information.

#### **Will the subclass apply for the 2018 tax year?**

Yes, it will apply for 2018 taxation and subsequent taxation years.



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**How will the tax reduction be applied?**

The first \$50,000 attributed to the value of your commercial or industrial operation will qualify for a 75% reduction off the commercial or industrial tax rate. However, if the value of your commercial or industrial operation is equal to or greater than \$1 million, the property will not qualify.

**Who can I contact regarding my property's eligibility?**

If you have questions about your property assessment or if you think your property might qualify for the small-scale on-farm business subclasses, please contact our Customer Contact Centre, Toll Free at 1 866 296-6722 or TTY 1 877 889-6722 (Hours of operation: Monday to Friday – 8 a.m. to 5 p.m. EST) or visit [www.aboutmyproperty.ca](http://www.aboutmyproperty.ca).

**What if I disagree with my property's assessment?**

You have the option to file a Request for Reconsideration with MPAC. To learn more about this process, please visit [aboutmyproperty.ca](http://aboutmyproperty.ca) or call our Customer Contact Centre, Toll Free at 1 866 296-6722 or TTY 1 877 889-6722 for further assistance (Hours of operation: Monday to Friday – 8 a.m. to 5 p.m. EST).

**Property Reviews****Will MPAC visit my property to do an inspection?**

Every property will not require an inspection however, there are times when we will need to do site visits to verify or gather the information needed for our assessment.

**What does a property inspection involve?**

During an on-site property inspection, an assessor from MPAC will review site and structure information. This may include, but is not limited to; recording of land details, verification of all structures on the property and taking photographs for reference. An assessor may inquire about interior details and if necessary, may request an interior inspection to confirm certain interior structural information.

**What if I don't want MPAC to inspect my property?**

While we understand you may have reservations about MPAC inspecting your property, the inspections are important to determine eligibility to be included in the small-scale on-farm business subclasses.

**Can I schedule my property inspection?**

MPAC will work with the property owner to find a mutually acceptable time to conduct an on-site visit.

**How will I know it's an MPAC representative?**

MPAC assessors are required to wear their identification badge which will be presented upon inspection. The assessors may also arrive in an MPAC marked vehicle.

**How will I be notified of my property's eligibility?**

If your property qualifies, you will receive a Special Amended Notice indicating a change to your property's classification.