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April 30, 2008

File Number: TAS-Ag-1

Via Email: sbr.minister@gov.bc.ca

Via Email: farmassessmentreview@gov.bc.ca

Honourable Rick Thorpe
Minister of Small Business and
Revenue and Minister Responsible
for BC Assessment
PO Box 9065 STN. PROV GOVT
Victoria BC V8W 9E2

Frank Leonard, Mayor of Saanich and
Blair Lekstrom, MLA – Peace River South
Co-Chairs, Farm Assessment Review Panel
c/o Project Lead, Farm Assessment Review
P.O. Box 9432 STN. PROV GOVT
Victoria BC V8W 9B6

Dear Minister Thorpe and Co-Chairs Leonard and Lekstrom:

Re: A sustainable approach to farm tax assessment in the Islands Trust Area

I am writing on behalf of the Islands Trust Council, a federation of independent local governments that represents some 25,000 people living within the Islands Trust Area. In 1974, the Government of British Columbia created the Islands Trust to protect the islands and waters in the Strait of Georgia and Howe Sound. The significance and sensitivity of the Islands Trust Area and the need for protective measures is internationally recognized. The legislated object of the Islands Trust is “to preserve and protect the trust area and its unique amenities and environment for the benefit of the residents of the trust area and of the province generally, in cooperation with municipalities, regional districts, improvement districts, other persons and organizations and the Government of British Columbia.”

At its quarterly business meeting in March 2008, the Islands Trust Council unanimously passed the following resolution:

That the Islands Trust Council request the Chair to write to the Minister of Small Business and Revenue, Rick Thorpe and to the Farm Assessment Review Panel, apprising them of the relevant Islands Trust policy and Trust Council’s support for a fair, enlightened and sustainable approach to farm tax assessment in the Trust Area.

We are pleased that the provincial government has initiated a comprehensive review of farm status assessment and that there will be province-wide public consultations this summer. The issue of farm taxes is critical to ensuring the island agricultural sector remains healthy and viable. Our policy statement contains a directive to our elected representatives and staff, ensuring that their decisions protect and enhance sustainable agricultural activity.

The Islands Trust Policy Statement contains the following specific recommendations:

4.1.12 That Trust Council encourages the Provincial government and the BC Assessment Authority to:

- *Retain a separate farm class to provide significant property tax incentives;*
- *Ensure that the threshold for farm income necessary for farm class status is appropriate to agriculture in the Trust Area; and*
- *Acknowledge that the total land area subject to the farm class may include land left uncultivated.*

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The BC Assessment Authority's recent move to split assessments and reclassify some land as residential could be a serious threat to small farms in the Trust Area, which in many instances operate on very slim margins. Enlightened taxation would reward farmers who voluntarily set aside parts of their land for fallow, woodlots and other natural buffers.

Your review this summer may benefit from an evaluation of the Islands Trust's very successful property tax incentive program for land conservation. Launched in 2005, the Natural Area Protection Tax Exemption Program (NAPTEP) should be readily adaptable to farmland conservation. Landowners in our program have the opportunity to receive a 65% exemption in property taxes on the portion of their land that is protected under a conservation covenant. More information on this program is available on our web site at: <http://www.islandstrustfund.bc.ca/naptep.cfm>

We look forward to participating further in this summer's review, and in receiving your response to our concerns above.

Yours sincerely,



Kim Benson
Chair, Islands Trust Council

pc: Islands Trust Executive Committee
Islands Trust Website