



Some people in a township on Manitoulin are upset because Escarpment Biosphere Conservancy (EBC), as a land trust that owns land on the Island, is exempt from municipal property taxation. They say they're losing about \$2,200 of tax revenue. They do however, get more than \$200,000 from the provincial government as "partnership" funding, which is a concept similar to federal equalization

payments.

The Ministry of Natural Resources' report *Ecosystem Services in Southern Ontario* calculates the value of ecological services provided by nature at \$84 billion dollars a year. These services include water quality improvement, air quality improvement, carbon sequestration, pollination, tourism, recreation and protecting biodiversity. The report adds that every acre of

Property Tax: Nature's Enemy?

forest provides our economy with \$2,750 of services every year, while every acre of wetland provides a greater value of \$14,000.

For example, a current highway proposal northwest of Toronto, going through the Greenbelt, would require 8.5 square km of land and would cost us \$11 million dollars a year in lost ecological services. EBC provides over \$21 million a year in ecological services from 117 nature reserves.

Nature Owners Pay Too Much Tax

Landowners who pay property tax but leave their land natural, are paying a big tariff every year for giving these ecological services to the people of Ontario for free, and keeping income taxes down. A few landowners are exempt from taxation because their properties have special ecological features like rare plants or important wetlands. Other taxpayers have their taxes reduced because they "manage" their forest. Managed or not, why are they being taxed for having their natural lands provide services which keep down the income taxes of city dwellers? Yes, rural landowners get some enjoyment from their woodlot or swamp, but they put a lot of effort into fending off invasive species, diseases and beetles. Many spend a small fortune planting trees to benefit the rest of us. They will never live to see a harvest.

High property taxes can force us to sell or develop our land to cut the property tax hemorrhage. If we take off the gravel we can make a profit instead. Harvesting timber, selling lots or having a golf course all generate a profit. Converting the land

to agriculture, draining the swamp and tiling the field all increase revenue but decrease the services the land provides to the community. By doing those things we can offset the taxes we pay to the municipality, region and school board.

High Taxes, Few Rural Services

People need emergency services like police, fire and ambulance to be paid for by taxes. Forests and wetlands rarely use municipal services other than road access to the houses on the lots. Those rural properties don't even get garbage disposal like city dwellers ... owners have to truck it to the dump themselves.

We need a big realignment of our property tax system. Property taxes alone are a poor way to raise all of a municipality's money. Rich municipalities like Toronto may use land transfer taxes, vehicle taxes and even casino revenue. Rural municipalities should not have to subsidize cities by giving them all those ecological services for free. Rural landowners who are not cutting their trees or digging their gravel should not have to pay for schools and emergency services.

Yes, the people in that township on Manitoulin have a good point. They, as well as EBC, should be fairly compensated for the \$62,750 in services that the nature reserves in their municipality give to all the residents of the province every year. The issue is a lot bigger than making up for \$2,200 in lost property taxes.

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