



CORPORATION OF THE MUNICIPALITY OF SOUTH HURON

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January 15, 2025

Via email: Peter.Bethlenfalvy@pc.ola.org

Ministry of Finance
Frost Building South
7th Floor
7 Queen's Park Crescent
Toronto, ON M7A 1Y7

Dear Peter Bethlengalvy,

Re: TAPMO Letter Regarding Pre-Budget Announcement

Please be advised that South Huron Council passed the following resolution at their January 13, 2025 Regular Council Meeting:

Motion: 15-2025

Moved: M. Vaughan

Seconded: T. Oke

Whereas the Ministry of Finance has introduced a one-time \$7 million reduction in education taxes in 2024, a subsidy that will be absorbed by the province through a 95% reduction in education taxes—marking the first such subsidy provided by the province to any industry;

Whereas the Ministry of Finance's plans to introduce a new aggregate property sub-class in 2025, which is set to provide a \$6 million subsidy to the aggregate industry, with \$3 million of that subsidy being transferred back to the municipal (primarily residential) tax base, raises serious concerns about the fairness and equity of the system;

Whereas the claims that the new sub-class will provide tax stability and predictability seem hollow and do not address the

systemic inequities in the taxation framework, which continues to shift an undue burden onto municipal taxpayers, particularly those in rural areas who host these aggregate operations;

Whereas there is significant concern that the government's actions prioritize the interests of the aggregate industry over the financial realities faced by municipalities and their residents, and that this shift in burden undermines public trust in the fairness and integrity of Ontario's legal and tax frameworks;

Whereas TAPMO has presented evidence demonstrating that the aggregate industry is financially capable of meeting its tax obligations, including substantial profits and royalty payments made by industry leaders, further undermining the need for these subsidies;

Whereas the municipal taxpayer should not bear the cost of correcting a past error in assessment methodology that unfairly benefited the aggregate industry, and the new property tax class ratio risks further undermining the principle of revenue neutrality and eroding confidence in Ontario's legal and tax systems;

Therefore be it resolved that the Council of the Municipality of South Huron strongly objects to the undue burden being placed on municipal taxpayers to subsidize the aggregate industry, and calls on the provincial government to:

Reevaluate and correct the misguided subsidies being provided to the aggregate sector, and ensure that future tax policies are fair, equitable, and consistent for all taxpayers.

1. Uphold the principles of revenue neutrality in the aggregate tax framework and ensure that any new tax classifications or methodologies do not result in a net loss of revenue for municipalities, especially those that are already facing significant financial challenges.



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2. Commit to meaningful reform that ensures fairness and consistency across all sectors of the economy and actively engages municipalities and taxpayers in a transparent and inclusive process, rather than catering to the demands of the aggregate industry.

3. Take immediate action to correct the existing inequities in the tax framework, ensuring that the burden of this correction is not unjustly shifted to municipal taxpayers, particularly those in rural communities who host these operations.

4. Respect and uphold the integrity of the legal process by honouring the decisions of the Divisional Court and ensuring that all assessment methodologies are transparent, accountable, and based on a fair and balanced approach.

5. Further, be it resolved that the Council of the Municipality of South Huron supports TAPMO's call for the provincial government to adopt reforms that prioritize the needs and fairness of municipal taxpayers and to ensure that the aggregate sector contributes its fair share to the province's tax base; and

Further be it resolved that this resolution be forwarded to the Minister of Finance, the Minister of Municipal Affairs and Housing, local school boards, AMO, ROMA, Local MPP, all Ontario Municipalities and the Municipal Property Assessment Corporation.

Please find attached the originating correspondence for your reference.

Respectfully,

Kendra Webster, Legislative & Licensing Coordinator

Municipality of South Huron
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Encl.

cc: Minister of Municipal Affairs and Housing, Hon. Paul Calandra, Paul.Calandra@pc.ola.org; Avon Maitland District School Board, info@amdsb.ca; Huron-Perth Catholic District School Board, info@huronperthcatholic.ca; MPP Huron-Bruce, Hon. Lisa Thompson, Lisa.Thompson@pc.ola.org; AMO, resolutions@amo.on.ca; ROMA, roma@on.ca; MPAC, John.Young@mpac.ca; TAPMO, info@tapmo.ca, All Ontario Municipalities