

COMMERCIAL TAXATION OF HORSE ESTABLISHMENTS

Letter Writing Campaign

This affects all riders, horse owners, students, as well as the barn owners and all related horse industries and friends of horses! Please pass on to all stables and horse friends. For more information, contact Association of Riding Establishments or Leslie Brooks & Jim Waechter at 519-696-3688 (Chairs of the Committee to address this important issue).

We need everyone to get involved or the equine industry will be in deep financial trouble. Many barns have already gone out of business and others are considering their options - close or change their businesses. The sport may become a sport for the very rich unless something is changed.

This is a letter writing campaign to help address the severe financial hardship the Municipal Property Assessment Corporation is placing on Ontario's riding establishments through inequitable and inappropriate taxation. In the absence of clear policy direction or due regard for the largely agricultural nature of the land use, MPAC is arbitrarily assessing riding establishments in their entirety as commercial rather than agricultural. MPAC is an independent Corporation that takes direction from the Minister of Finance. **If you read the following letters you will have a very good idea of the issues.**

Anyone 18 years of age or older can sign the letters. Feel free to ask all boarders, students, parents of students, grandparents, people with or without a pulse, etc. to sign the letters. If you have a job, have the people you work with sign also. People who have no direct contact with horse barns can still voice their concerns.

If any of the signers would like to add their own **personal comments** regarding the affect MPAC's equine decision will have on their household, they are encouraged to do so by writing on the back of the letter (put 'see comments on back' on the front of the letter), or they can staple a copy of their comments to the form letters. You could also write a letter to **your MPP**.

It is the responsibility of each barn or person to:

1. Make sufficient copies of each of the six letters. This is the best approach. They are identified by Ministers Names and small letters in upper right corner - 'a' through 'f'.
2. **IF you can only send 1 letter** - send the first letter.... 'a' - the Minister of Finance letter.
3. **Have each of the 6 letters signed, and dated with addresses individually.**
Don't forget to sign letters for yourself.
4. **Collect** the signed letters and sort into each of the 6 ministries. 'a' through 'f'.
5. Forward signed letters to each of the provincial ministries. The letters don't have to be sent individually but they will have to be sent to each of the individual ministers.
6. **Envelopes...** One envelope for each Minister (or each letter). An 'a' envelope, a 'b' envelope, a 'c' envelope,... and a 'f' envelope'. Therefore, there will be a minimum of 6 envelopes. We checked with Canada Post, postage will have to be paid.

These letters can be found on the OEF website www.horse.on.ca under 'Commercial Taxation of Riding Establishments Letter Writing Campaign'.

Thanks from all horse people and their horses!!

Hon. Gregory Sorbara
Minister of Finance
Legislative Offices, Queens Park
7'th Floor, Frost Building South
Toronto ON M7A 1Y7

Dear Minister Sorbara:

I am writing to you to bring to your attention the implications of Ontario's Municipal Property Assessment Corporation, (MPAC), decision to change the property assessment of some of Ontario's equine industry from agricultural to commercial.

The financial impact is so severe that some horse barns have already gone out of business and many others are sure to follow. OMAF data indicates the equine industry's annual economic impact in Ontario is \$579.1M with an additional \$5.9B invested in fixed assets. There are 53,000 horse barns in rural areas across the province and more than 253,000 Ontarians who ride horses to enjoy the vigorous physical workout and many other recreational benefits equestrian facilities provide. Not only will the farming industry, already reeling from it's many challenges, be affected by reduced consumption of hay, feed and bedding material, but also veterinarians, blacksmiths, equipment suppliers, farm improvement contractors and more than 51,000 people directly employed by equestrian facilities will be hurt by MPAC's decision.

Many equine-related businesses such as breeding and training horses, or providing services to racehorses are deemed agricultural uses. However, according to a senior MPAC official, Carmelo Lipsi, "any properties that fall into grey areas, like equestrian facilities, automatically default to commercial class." The experience of the riding establishments in my area clearly demonstrates a move in this direction.

MPAC has chosen to assess all horse barns that don't fall under the agricultural class as commercial class. This results in an increase in property taxes from, depending on the municipality, an agricultural rate of 0.3% to a commercial rate of 4%, an increase in excess of 1300%. In addition to the current year increase, MPAC has also chosen to make some, not all, of the reassessments retroactive two years resulting in, for many equestrian facilities, property tax bills for \$10's of thousands of dollars due and payable in matter of weeks. Individual barn owners simply don't generate the revenue that the commercial property rates were established for.

Riding establishments are not the playgrounds of the wealthy. Providing riding lessons to children and adults, children's summer camp programs, therapeutic riding programs for the disabled or boarding and caring for horses is much more a labour of love than a lucrative business venture. Many families make real sacrifices so they can enjoy time with horses in a rural setting. Stables are small agribusinesses with very high input costs and narrow profit margins. It is simply not feasible to expect that a riding establishment could pass on a commercial taxation rate to their customers and stay in business.

MPAC is inconsistent in its evaluations and does not recognize that equestrian facilities have the same agricultural uses and services, as the horse racing industry.

Mr. Sorbara, we are asking that you review the current policy of MPAC's assessment of equestrian facilities as commercial and consider the permanent damage it is doing to the industry. We are also asking that you work with the Ontario Equestrian Federation and the Association of Riding Establishments to develop a fair assessment of Ontario's riding establishments.

We respectfully ask for your response with a more consistent and fair approach to the assessment of these facilities.

Sincerely,

Signature

Print Address:

Print Name

Print Date:

Mr. Carl Isenburg
 President and Chief Administrative Officer
 Municipal Property Assessment Corporation
 1305 Pickering Parkway
 Pickering, ON L1V 3P2

Dear Mr. Isenburg:

I am writing to express my deep concern about the severe financial hardship the Municipal Property Assessment Corporation is placing on Ontario's riding establishments through inequitable and inappropriate taxation. In the absence of clear policy direction or due regard for the largely agricultural nature of the land use, MPAC is arbitrarily assessing riding establishments in their entirety as commercial rather than agricultural.

Some equine-related businesses such as breeding and training horses, or providing services to racehorses are deemed agricultural uses. However, according to a senior MPAC official, Carmelo Lipsi, "any properties that fall into grey areas, like equestrian facilities, automatically default to commercial class." The experience of the riding establishments in my area clearly demonstrates a move in this direction.

Rather than seek clarification of the definition of agricultural use or work with the industry to determine the portion of the riding establishment that it would be appropriate to assess as commercial, information gathered by the Association of Riding Establishments of Ontario (ARE) shows MPAC has initiated an aggressive program of reassessments across the province. Changing the assessment from, depending on the municipality, an agricultural rate of 0.3% to a commercial rate of 4%, results in a property tax increase in excess of 1300%. In addition, MPAC makes some of these reassessments retroactive for two years, resulting in property tax bills in the tens of thousands of dollars, payable in a matter of weeks. When the municipality is approached to explain the change, they say it is MPAC's decision and they have little say. Is taxation without representation to become the way of the future in Ontario?

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Failure to address this situation will kill an industry that has been growing and putting about \$579M badly needed dollars annually, back into the economy of rural Ontario. Not only will the agricultural industry suffer a loss of markets for hay, feed and bedding materials, but also associated services including veterinary, blacksmiths, equipment suppliers, building contractors and the more than 51,000 people directly employed by the more than 53,000 horse barns in Ontario will suffer a loss of livelihood.

Mr. Isenburg, we are asking that you review and discuss with Finance Minister Greg Sorbora, your current policy of assessing equestrian facilities as commercial and consider the permanent damage this is doing to the industry.

We respectfully ask for you to work with the Ontario Equestrian Federation and the Association of Riding Establishments to develop a fair and consistent approach to the assessment of Ontario's riding establishments.

Sincerely,

 Signature

Print Address:

 Print Name

Print Date:

Hon. Steve Peters
Minister of Agriculture and Food
1 Stone Road West
Guelph ON N1G 4Y2

Dear Minister Peters:

I am writing to you to express my deep concern about the severe financial hardship the Municipal Property Assessment Corporation is placing on Ontario's riding establishments. In the absence of clear policy direction or due regard for the largely agricultural nature of the land use, MPAC is assessing riding establishments as commercial rather than agricultural.

Many equine-related businesses such as breeding and training horses, or providing services to racehorses are deemed agricultural uses. However, according to a senior MPAC official, Carmelo Lipsi, "any properties that fall into grey areas, like equestrian facilities, automatically default to commercial class." The experience of the riding establishments in my area clearly demonstrates a move in this direction.

MPAC has chosen to assess all horse barns that that don't fall under the agricultural class as commercial class. This results in an increase in property taxes from, depending on the municipality, an agricultural rate of 0.3% to a commercial rate of 4%, an increase in excess of 1300%. In addition to the current year increase, MPAC has also chosen to make some, not all, of the reassessments retroactive two years resulting in, for many equestrian facilities, property tax bills for \$10's of thousands of dollars due and payable in matter of weeks. Individual barn owners simply don't generate the revenue that the commercial property rates were established for.

In his, "Economic Impact of the Ontario Horse Industry," survey, Veterinary Scientist and a member of your staff, Dr. Robert Wright, indicates the equine industry's annual economic impact in Ontario is \$579.1M annually, with an additional \$5.9B invested in fixed assets. Not only will the farming industry, already reeling from it's many challenges, be affected by reduced consumption of hay, feed and bedding material, veterinarians, blacksmiths, equipment suppliers, farm improvement contractors and more than 51,000 people directly employed by equestrian facilities will be hurt by MPAC's decision.

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Minister Peters, we are asking for your help. Could you please discuss MPAC's decision to assess equestrian facilities as commercial and the damage it is doing to the equestrian industry with the minister responsible for MPAC, Finance Minister Gregory Sorbara?

We are anxiously awaiting the results of your conversations with Minister Sorbara and respectfully ask for your response.

Sincerely,

Signature

Print Address:

Print Name

Print Date:

Hon. John Gerretsen
Minister of Municipal Affairs and Housing
777 Bay Street, 17th Floor
Toronto ON M5G 2E5

Dear Minister Gerretsen:

I am writing to you to bring to your attention a situation that, if allowed to continue, will have a disastrous impact on the economy of rural Ontario. In the absence of clear policy direction or due regard for the largely agricultural nature of the land use, the Municipal Property Assessment Corporation (MPAC) has begun assessing riding establishments as commercial rather than agricultural.

OMAF data indicates the equine industry's annual economic impact in Ontario is \$579.1M with an additional \$5.9B invested in fixed assets. There are 53,000 horse barns in rural areas across the province and more than 253,000 Ontarians who ride horses to enjoy the vigorous physical workout and many other recreational benefits equestrian facilities provide. MPAC's decision to change the property assessment of some of Ontario's equine industry from agricultural to commercial may soon see those facilities closing. Not only will the farming industry, already reeling from it's many challenges, be affected by reduced consumption of hay, feed and bedding material, but also veterinarians, blacksmiths, equipment suppliers, farm improvement contractors and more than 51,000 people directly employed by equestrian facilities will be hurt by MPAC's decision.

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Minister Gerretsen, we are asking for your help. The province's Rural Plan states that Ontario's success depends on building strong communities, a strong economy and a healthy environment in rural Ontario. The plan acknowledges the important contributions that rural Ontario makes to the economic vitality of the entire province. Could you please discuss this decision and the damage it is doing to the equestrian industry with the minister responsible for MPAC, Finance Minister Gregory Sorbara?

We are anxiously awaiting the results of your conversations with Minister Sorbara and respectfully ask for your response.

Sincerely,

Signature

Print Address:

Print Name

Print Date:

Hon. George Smitherman
 Minister of Health and Long-Term Care
 Suite M1-57, Macdonald block
 900 Bay Street
 Toronto ON M7A 2E1

Dear Minister Smitherman:

I am writing to you to bring to your attention a situation that is having a serious impact on access to sport and recreation for many in Ontario. As you know, maintaining an active lifestyle has long been associated with a wide range of health benefits. Physical inactivity costs Ontario's health care system about \$1.8B every year. Studies show 56 per cent of children over age 12 are not getting the health benefits associated with an active lifestyle. Many stop participating in sports when they enter their teens. Recently, the ACTIVE2010 initiative was announced by the Ministry of Tourism and Recreation in response to these concerns.

Minister Smitherman, we are asking for your help. In the absence of clear policy direction or due regard for the largely agricultural nature of the land use, the Municipal Property Assessment Corporation (MPAC) is assessing riding establishments as commercial rather than agricultural. In Ontario, more than 253,000 people ride horses to enjoy the vigorous physical workout along with many other recreational benefits equestrian facilities provide. The majority of riders are under the age of 18 years; an age group your ministry is concerned about. These reassessments will close the barns and take a healthy lifestyle choice away from thousands of Ontario residents. Could you please discuss this decision and the damage it is doing with the minister responsible for MPAC, Finance Minister Gregory Sorbara?

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We are anxiously awaiting the results of your conversations with Minister Sorbara and respectfully ask for your response.

Sincerely,

 Signature

Print Address:

 Print Name

Print Date:

Hon. Jim Bradley
 Minister of Tourism and Recreation
 9th Floor, 900 Bay Street
 Toronto ON M7A 2E1

Dear Minister Bradley:

I am writing to you to bring to your attention a situation that is having a serious impact on access to sport and recreation for many in Ontario. Your ministry introduced the ACTIVE2010 strategy in response to concerns that, "less than half of Ontarians are physically active on a regular basis," and a desire to, "remove the barriers to participation and encourage people to get more active and healthy". The more than 253,000 Ontarians who ride horses to enjoy the vigorous physical workout and many other recreational benefits equestrian facilities provide may soon see those facilities closing. While there are riders of all ages, the majority are girls under the age of 18 years, a group your ministry has noted as critically important to establishing a lifelong commitment to a physical activity.

Minister Bradley, we are asking for your help. In the absence of clear policy direction or due regard for the largely agricultural nature of the land use, the Municipal Property Assessment Corporation (MPAC) is assessing riding establishments as commercial rather than agricultural. Could you please discuss this decision and the damage it is doing to the equestrian industry with the minister responsible for MPAC, Finance Minister Gregory Sorbara?

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