



MUNICIPAL PROPERTY ASSESSMENT CORPORATION

Assessment of Permanent Trailers Questions & Answers

QUESTIONS FOR CAMPGROUND OWNERS

Q.1 Why did the Municipal Property Assessment Corporation (MPAC) assess trailers?

A.1 The assessment of permanent trailers in campgrounds has been a controversial and an unresolved issue for many years. The issue centres on whether the trailers meet the definition of land and real property in section 1 of the *Assessment Act* and are, therefore, assessable.

In 1990, the then Minister of Revenue placed a moratorium on the assessment of any trailers in seasonal campgrounds pending a resolution that was acceptable to municipalities, the Ontario Private Campground Association and the Ontario Government.

The moratorium resulted in many inequities:

- Some trailers in seasonal campgrounds are assessed and some are not (e.g., a trailer placed in the park before 1990 as compared to one placed in the park after 1990).
- Units in mobile home parks are assessed while units in seasonal campgrounds are not, even though they may be similar.
- Seasonal cottage properties are assessed while seasonal trailers are not.

The moratorium policy was never reflected in legislation. This led to challenges against the Municipal Property Assessment Corporation (MPAC) and the inconsistent treatment of trailers. In one situation, referred to as the Bluewater decision, the municipality brought action against both the property owner and MPAC because the trailers (park model home units) were not assessed and consequently, taxes were not being paid on the trailers. All parties conceded that the trailers were permanent and assessable. Subsequent to this, a settlement was reached between the municipality and the property owner regarding the taxes. To put the settlement into effect, MPAC determined the assessment on the trailers, as required under the *Assessment Act*.

MPAC is required, by law, to assess all trailers that meet the definition of land and real property since the *Assessment Act* requires that all permanent structures are assessed. Therefore, trailers that are permanent structures are assessable.

Q.2 Are all trailers assessed?

A.2 Only those trailers that are permanent structures are assessed. The main factors MPAC considers are:

- **Is the trailer greater than 8'6" wide?**

Modular, manufactured, mobile home or park model units generally fall within this category.

- **Is the trailer 8'6" wide or less, but has an attachment making the trailer immobile without its removal?**

Examples include enclosed porches, sunrooms (Florida rooms) or garages.

As further indicators of the degree or intent of permanence, MPAC gathers and reviews the following information: the existence of a foundation or supporting structure; whether the undercarriage has been removed; permanent connections to water, electricity and waste disposal; whether the unit's tow tongue has been removed; and whether the unit would require an oversize permit for road travel.

Q.3 How does MPAC determine the assessments for these trailers?

A.3 To arrive at the current value assessment, the following information is considered:

- the living area of the trailer plus additions;
- the condition of the trailer;
- the age of the trailer;
- other structures which may or may not be attached to the trailer, such as a deck, carport, garage, shed or sunroom.

Q.4 Trailers depreciate similar to other vehicles. Does MPAC take depreciation into account when placing a value on trailers?

A.4 MPAC does take depreciation into account in determining the value of the trailer. We have worked closely with the Ontario Private Campground Association and the RV industry to better understand the effect depreciation has on the overall value of trailers. The depreciation is based on the age and condition of the trailer. As the trailer ages, the amount of depreciation increases.

Q.5 Does MPAC have the right to inspect campgrounds?

A.5 Section 10(1) of the *Assessment Act* states that upon producing proper identification, the assessor, and any assistant of and designated by the assessor, will at all reasonable times and upon reasonable request, be given free access to all land. This section applies to all land whether owned or leased and all structures on the land. While assessors do have this right, in many cases, the assessor can gather the information needed to assess the trailer without the need to go inside each trailer.

Q.6 What information does the assessor gather during the inspection of a campground?

A.6 The assessor carries out a full inspection of the campground, including the review of existing structures, building permits, the number of sites, services, etc. In addition, assessors carry out a full review of all trailers and sites located within the park.

Q.7 MPAC is asking me to collect names and mailing addresses from the trailer owners so that their names can be recorded for voters' lists and jurors' lists. Does this contravene any privacy information?

A.7 MPAC is required to collect certain specified information for the purposes of municipal and school board elections and jurors' lists. Under section 10 of the *Assessment Act*, any adult person present on the land when the MPAC assessor visits the property is required to provide the assessor with all information needed to complete the assessment. The assessment of a property includes the names and mailing addresses of the tenants on their property. Therefore, campground owners are specifically authorized to provide MPAC with the information that we have requested. MPAC will, in turn, mail an occupancy questionnaire to each tenant and ask them to provide the remaining information needed to record their names on the voters' list. This information includes: the name of each occupant; gender; date of birth; citizenship; occupancy status (owner, tenant, spouse or other); whether the person lives in the unit, in the municipality, or in another municipality; whether the person is Roman Catholic or not; whether the person has French Language Education rights or not; and school support.

Q.8 What is the tax class for campgrounds?

A.8 Campgrounds are classified as residential property and taxed at the residential tax rate. However, portions of the campground may be classified as commercial if commercial activity is being conducted on the property (e.g., a store).

Q.9 Why did I receive an Omitted Property Assessment Notice in 2003?

A.9 MPAC began inspecting campgrounds throughout the Province of Ontario in 2002. In those campgrounds that were inspected, information about the trailers within the park was collected. Assessments were determined only for those trailers that met the criteria described in Q.2.

Under subsection 33(1) of the *Assessment Act*, MPAC is required to issue an omitted assessment for any land that has been omitted in whole or in part from the tax roll for the current year or for any part or all of the two preceding years. Based on this, MPAC should have issued omitted assessments for all assessable trailers for 2001, 2002 and 2003. However, on October 30, 2003, the Minister of Finance filed Ontario Regulation 390/03 prescribing an exception to this requirement, requiring MPAC not to issue omitted assessments for the 2001 and 2002 taxation years. Therefore, as required by the *Assessment Act*, MPAC prepared and mailed Omitted Property Assessment Notices for the 2003 tax year. These notices were mailed in November 2003 for those campgrounds where assessments had been completed, reflecting the value of the assessable trailers.

In situations where MPAC staff were denied access to the campgrounds, the assessed value was estimated based on the values of similar properties in the vicinity and this amount was reflected in the omitted assessment.

Q.10 In 2004, the Ministry of Finance announced that it was cancelling the omitted assessments. How does this affect me?

A.10 After the Omitted Property Assessment Notices were mailed in 2003 advising campground owners of the omitted assessments, both campground owners and trailer owners expressed their concerns about the challenges and hardships that they faced due to the 2003 omitted assessments and the resulting tax bills being issued at the end of the tax year after many of the parks had closed for the season. In response to these concerns, on March 10, 2004, the Ministry of Finance issued a news release announcing that it was cancelling the omitted assessments for the 2003 taxation year. Ontario Regulation 55/04 was filed, amending Ontario Regulation 390/03, cancelling the omitted assessments for the 2003 tax year and requiring MPAC not to issue any further omitted assessments for 2003.

In the Government's 2003 Budget Bill, municipalities were directed to make the appropriate tax adjustments to reflect the cancellation of the 2003 omitted assessments. Since MPAC is not involved in the tax collection process, you should contact your municipality for more information.

Q.11 Does the Ministry of Finance announcement mean that trailers are not assessable?

A.11 No. This announcement only affected the 2003 omitted assessments. The Ministry of Finance stated that trailers exhibiting characteristics of permanency will continue to be assessed and liable for property taxation for 2004 and future years. Ontario Regulation 390/03, as amended, also does not cancel the assessments on any trailers that had been assessed in prior years.

Q.12 Why did an MPAC representative inspect my campground in 2004?

A.12 MPAC did not complete the inspection of all campgrounds in 2002 and 2003 and

therefore continued its inspection program in 2004. These inspections were completed by the end of the summer of 2004. As the inspections were completed, MPAC calculated the revised assessments, indicating the breakdown for the trailers. This information is being forwarded by letter to the campground owners, as the calculations are completed.

Q.13 If my campground is first assessed in 2004, will the assessments affect only the 2004 tax year?

A.13 Yes. In 2004, you will receive an Omitted Property Assessment Notice indicating the additional assessment for your campground. This amount reflects only the value of the trailers, and is not the total assessed value of your property. The omitted assessment will take effect on January 1, 2004. If a trailer was moved onto its site later in 2004, the trailer will only be assessable for that portion of the year after it became permanent.

You will also receive a 2004 Property Assessment Notice in November or December, 2004. This Notice will reflect the total value of your campground, including the land, the value of all permanent trailers, and the value of any other structures or improvements on the campground.

Please refer to Q.21 regarding your options if you disagree with your assessment.

Q.14 Why were the campground owners not notified in advance that the trailers were being assessed?

A.14 Before beginning the initial inspection process, MPAC contacted the Ontario Private Campground Association (OPCA) to ensure that they were aware of MPAC's requirement to assess permanent trailers. We understand the OPCA shared this information with its membership through many bulletins and updates. MPAC began inspecting campgrounds in August 2002. At the time of the inspection, MPAC staff explained to the owner MPAC's requirement to assess permanent trailers. As well, MPAC continues to have ongoing communications with the OPCA.

In 2004, MPAC sent a letter to all campground owners prior to the inspections, along with additional information that they were encouraged to share with their tenants. An MPAC property inspector then contacted the campground owner to arrange a suitable time to visit the property.

Q.15 My campground is only open from May to October. Why am I assessed and taxed for the entire year?

A.15 Generally, properties that are used on a seasonal basis sell for a different amount than those that are used on a year-round basis, and this is reflected in the assessed value. However, the seasonal use of your campground does not affect the year-round liability for assessment of the property.

Q. 16 Since the trailer owners in my campground are not tenants within the meaning of the *Tenant Protection Act, 1997*, why is MPAC treating them as tenants for assessment purposes?

A. 16 The *Tenant Protection Act, 1997* defines tenants differently than they are defined for assessment purposes. The *Tenant Protection Act, 1997* defines tenant as: “includes a person who pays rent in return for the right to occupy a rental unit...” The *Assessment Act*, on the other hand, defines tenant as: “includes an occupant and the person in possession other than the owner.” The purpose of the two Acts are very different. The *Assessment Act* deals with whether occupation by someone other than the owner affects the tax liability or tax consequences of the property, while the *Tenant Protection Act, 1997* deals with landlord and tenant matters, including rents, maintenance of buildings and evictions.

Q.17 How will I pass on the taxes to the individuals who own trailers in my park?

A.17 It is up to you to decide how much to charge your tenants for taxes, in accordance with any contract you may have with the trailer owners.

Q.18 How do I know what each trailer is worth? Can you provide me with this information?

A.18 If your campground was assessed for the first time in 2004, you will receive (or may have already received a letter from MPAC) indicating the breakdown for the trailers. For detailed valuation information on the complete assessment of your campground, you may send a request, in writing, to the following address:

Municipal Property Assessment Corporation
P.O. Box 9808
Toronto, ON M1S 5T9

or by fax at 1 866 297-6703, or by e-mail at enquiry@mpac.ca.

Q.19 Will my assessment change each time a trailer is added or removed from the park?

A.19 The removal or addition of units to your park may have an impact on the overall assessed value of your park. If a new trailer is added, it may meet the criteria necessary for assessment. If a trailer that was previously assessed is removed, the assessment will be reduced. You should contact your municipality if one of the permanent trailers on your property is removed.

Q.20 If a trailer is moved out of my campground, are my taxes reduced?

A.20 The campground owner may apply to the municipality for a tax reduction through the provisions of section 357 of the *Municipal Act, 2001*. This section permits the municipal council to cancel, refund or return taxes when “a mobile unit on the land was removed

from the local municipality during the year.” The decision to adjust the taxes is solely at the discretion of the municipality and not MPAC.

Q.21 I don’t agree with the value shown on my Notice. Who should I contact to have it reviewed?

A.21 As the owner of the campground, you may file a Request for Reconsideration (RfR) with MPAC, at no cost. You may also, for a fee, file a complaint with the Assessment Review Board (ARB). The deadline for submitting an RfR and a complaint is indicated on both your Omitted Property Assessment Notice and your 2004 Property Assessment Notice. To request an RfR form, please contact MPAC through its toll free number at 1 866 296-MPAC (6722) or by e-mail through www.mpac.ca.

For more information about the complaint process, please visit the ARB’s web site at www.arb.gov.on.ca.

If you decide to file an RfR or a complaint, please state the specific reasons why you believe the property assessment should be reviewed.

In response to the RfRs that had already been filed for the current tax year, MPAC is continuing to review the assessments of those campgrounds where permanent trailers had been assessed. As the assessment is reviewed, and if a reduction is warranted, MPAC is preparing Minutes of Settlement, outlining the agreement that had been reached between the property owner and MPAC.

If you have filed a complaint with the ARB on your current year’s assessment, please contact the ARB regarding the status of your complaint.

Q.22 It seems like you are only assessing trailers in campgrounds. Will you be assessing permanent trailers situated on marina or golf course properties?

A.22 Yes. As MPAC becomes aware of other types of properties with permanent trailers, we are inspecting those properties and where appropriate, reflecting the assessed value of the permanent trailers on those properties.

Q.23 Are trailers on municipally-owned property also liable for property taxes?

A.23 Yes. If the trailers meet the assessability criteria described in Q.2, the trailers will be assessed.

Q. 24 Why not have a tag fee instead of determining which trailers are permanent and assessable? This would be easier for me to administer.

A. 24 The decision to introduce a tag fee in place of assessment is a policy decision that would be made by the Ontario Government and not by MPAC.

QUESTIONS FOR TENANTS

Q.1 The campground owner has informed me that I have to pay extra property taxes because MPAC has assessed my trailer. Why?

A.1 The assessment of permanent trailers in campgrounds has been a controversial and unresolved issue for many years. The issue centres on whether the trailers meet the definition of land and real property in section 1 of the *Assessment Act*, which states that all permanent structures are assessable.

In 1990, the then Minister of Revenue placed a moratorium on the assessment of permanent trailers pending a resolution that was acceptable to the municipalities, the Ontario Private Campground Association and the Ontario Government.

The moratorium resulted in many inequities:

- Some trailers in seasonal campgrounds are assessed and some are not (e.g., a trailer placed in the park before 1990 as compared to one placed in the park after 1990).
- Units in mobile home parks are assessed while the units in seasonal campgrounds are not, even though they may be similar.
- Seasonal cottage properties are assessed while seasonal trailers are not.

The moratorium policy was never reflected in legislation. This led to challenges against the Municipal Property Assessment Corporation (MPAC) and the inconsistent treatment of trailers. In one situation, referred to as the Bluewater decision, the municipality brought action against both the property owner and MPAC because the trailers (park model home units) were not assessed and consequently, taxes were not being paid on the trailers. All parties conceded that the trailers were permanent and assessable. Subsequent to this, a settlement was reached between the municipality and the property owner regarding the taxes. To put the settlement into effect, MPAC determined the assessment on the trailers, as required under the *Assessment Act*.

Q.2 Does the trailer owner have to grant access to MPAC?

A.2 Section 10(1) of the *Assessment Act* states that upon producing proper identification, “the assessor, and any assistant of and designated by an assessor” will at “all reasonable times and upon reasonable request, be given free access to all land.” While assessors do have this right, in many cases, the assessor can gather the information needed to assess the trailer without the need to go inside each trailer.

Q.3 Is a trailer owner required to provide an assessor with information about the trailer?

A.3 Section 10(2) of the *Assessment Act* requires every adult person present on the land to provide all the information in his or her knowledge to assist the assessor in making a proper assessment.

Q.4 Why was the campground owner notified about my new assessment and I was not?

A.4 Even though you own your trailer and may have a ground lease or licence, MPAC is required to send all Property Assessment Notices, which includes the value of the land and all the structures on the campground, to the owner of the property. The requirement to send the assessment notice to the owner and not to the tenants applies to all tenant-occupied property. The municipality also sends the property tax bill for the entire property to the owner.

Q.5 Are the trailer owners responsible for paying the property taxes or the campground owner?

A.5 The trailer owners are considered to be tenants on the property and are not directly responsible for paying property taxes to the municipality. However, the campground owner may choose to pass on these taxes to the tenants depending on the terms of the lease agreement or contract between the owner and tenant.

Q.6 Are there any rules about how the campground owner should pass on the taxes to the trailer owners?

A.6 There is no legislation or guidelines for campground/trailer park owners. Each owner is responsible for deciding how much to charge their tenants for property taxes, in accordance with occupancy agreement they have with you.

Q.7 I disagree with the amount the owner is charging me. What can I do?

A.7 This issue cannot be resolved by MPAC or the municipality. It must be settled between you and the owner.

Q.8 The owner said that you have assessed my trailer and to contact you to find out how much it was assessed for. Can you tell me this information?

A.8 Yes. Detailed valuation information is maintained by our property valuation specialists. A request may be sent, in writing, to the following address:

Municipal Property Assessment Corporation
P.O. Box 9808
Toronto ON M1S 5T9

or by fax at 1 866 297-6703, or by e-mail at enquiry@mpac.ca.

Q.9 The owner said that you have assessed my trailer for \$xxxx. I don't agree with this value. Can I file a Request for Reconsideration (RfR)?

A.9 Under the *Assessment Act*, only the owner of a property or their authorized agent can request an RfR. Tenants are not permitted, by legislation, to request a reconsideration.

Q.10 As a trailer owner, can I file a complaint?

A.10 Yes, however, certain criteria must be met. As a trailer owner, you can file a complaint on the assessment of the entire park, but you cannot file a complaint on the assessment for just your trailer.

Under section 40 of the *Assessment Act*, any person, including the municipality or school board, may send a complaint to the Assessment Review Board (ARB) about the assessed value or classification of another person's property. This is called a third party complaint. In such cases, where the complaint concerns the assessment of another person, the complainant must state the name and address where notices can be given to the person, and they must deliver or mail a copy of the complaint to the person before the complaint deadline. The deadline for filing a complaint is March 31 of the taxation year. In the case of an omitted or supplementary assessment, the date is 90 days after the mailing of the Notice.

Q.11 Are all the trailers in every campground assessed?

A.11 Only those trailers that are permanent structures are assessed. The main factors MPAC considers are:

- **Is the trailer greater than 8'6" wide?**

Modular, manufactured, mobile home or park model units generally fall within this category.

- **Is the trailer 8'6" wide or less, but has an attachment making the trailer immobile without its removal?**

Examples include enclosed porches, sunrooms (Florida rooms) or garages.

As further indicators that the trailer is permanent, MPAC gathers and reviews the following information: the existence of a foundation or supporting structure; whether the undercarriage has been removed; permanent connections to water, electricity and waste disposal; whether the unit's tow tongue has been removed; and whether the unit would require an oversize permit for road travel.

In arriving at the current value assessment, the following information is considered:

- the living area of the trailer plus additions;
- the condition of the trailer;
- the age of the trailer;
- other structures which may or may not be attached to the trailer, such as a deck, carport, garage, shed or sunroom.

Q.12 Trailers depreciate similar to other vehicles. Does MPAC take depreciation into account when placing a value on trailers?

A.12 MPAC does take depreciation into account in determining the value of the trailer. We have worked with the Ontario Private Campground Association and several retailers of new and used trailers to better understand the effect depreciation has on the overall value of trailers. The depreciation is based on the age and condition of the trailer. As the trailer ages, the amount of depreciation increases.

Q.13 As a tenant, am I entitled to vote in municipal elections?

A.13 Yes, provided you meet the eligibility requirements of the *Municipal Elections Act, 1996*. In the summer of 2003, MPAC conducted a targeted enumeration of owners and tenants, including campground owners. If the campground owner completed the form showing your name and other required information, your name would have been added to the voters' list. Even if your name was not on the voters' list, you had the option of registering your name either with the municipality or with the municipal clerk on election day. MPAC will be conducting another targeted enumeration in 2006.

As part of MPAC's inspection program, we ask the campground owner to provide us with the names and mailing addresses of all the trailer owners. After we receive this information, we will mail an Occupancy Questionnaire to each tenant to collect all the necessary information to have your name recorded on the voters' list.

Q.14 I currently pay licensing fees to the municipality and now I have to pay additional property taxes. Why do I have to pay both?

A.14 MPAC is responsible for determining your property assessment. Any concerns about municipal licensing fees should be directed to your municipality. The licensing of trailers is governed by section 168 of the *Municipal Act, 2001* and, in particular, subsection (4) which states: "No licence fee shall be charged in respect of a trailer assessed under the *Assessment Act*."

Q.15 I paid PST when I purchased my trailer. Why do I have to pay property taxes?

A.15 The legislation regarding both the Provincial Sales Tax (PST) and the property tax are governed by the Ministry of Finance. The payment of the PST is a transactional tax paid

at the time of purchase to the Province of Ontario, similar to the payment of PST on building materials by a homeowner, and similar as well to the payment of the land transfer tax when a person purchases a home. In both cases, after the payment of the transactional tax, there is an ongoing responsibility to pay property taxes to the local municipality.

Q.16 The owner of my seasonal campground increased my fee for the 2004 tax year even though the campground was just inspected this summer. Will the fee go up again next year?

A.16 There may have been many reasons why the campground owner increased your fee. Unfortunately, MPAC is not in a position to know whether the increased fee reflected an amount estimated to cover the taxes on those trailers found to be permanent. You will have to discuss this with the owner of your campground.

Q. 17 The campground I'm in was inspected in the summer of 2004. Will this affect me this year?

A. 17 If there are any trailers that were found to be permanent and thus assessable, MPAC calculated the revised assessment, including the breakdown for the trailers. This information is being forwarded by letter to the campground owners, as the calculations are completed. Later in 2004, the campground owner will also receive an Omitted Property Assessment Notice, indicating the additional assessment attributable to the trailers. The omitted assessment takes effect on January 1, 2004. If a trailer was moved onto its site later in 2004, the trailer will only be assessable for that portion of the year after it became permanent.

You may want to discuss this with your campground owner to see if the additional assessment will have any impact on you.

Q. 18 There has been discussion about having a tag fee for all trailers. Why has the tag fee not been introduced?

A. 18 The decision to introduce a tag fee in place of assessment is a policy decision that would be made by the Ontario Government and not by MPAC.

QUESTIONS FOR MUNICIPALITIES

Q.1 Why did the Municipal Property Assessment Corporation (MPAC) assess trailers?

A.1 MPAC is required, by law, to assess all trailers that meet the definition of land and real property; the *Assessment Act* requires that all permanent structures are assessable. Therefore, those trailers that are permanent structures are assessable.

The assessment of permanent trailers in campgrounds has been a controversial and an unresolved issue for many years. The issue centres on whether the trailers meet the definition of land and real property in section 1 of the *Assessment Act* and are, therefore, assessable.

In 1990, the then Minister of Revenue placed a moratorium on the assessment of any trailers in seasonal campgrounds pending a resolution that was acceptable to the municipalities, the Ontario Private Campground Association and the Ontario Government.

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Q.2 What criteria did MPAC use in determining which trailers are assessable?

A.2 Only those trailers that are permanent structures are assessed. The main factors MPAC considers are:

- **Is the trailer greater than 8'6" wide?**

Modular, manufactured, mobile home or park model units generally fall within this category.

- **Is the trailer 8'6" wide or less, but has an attachment making the trailer immobile without its removal?**

Examples include enclosed porches, sunrooms (Florida rooms) or garages.

As further indicators that the trailer is permanent, MPAC gathers and reviews the following information: the existence of a foundation or supporting structure; whether the undercarriage has been removed; permanent connections to water, electricity and waste disposal; whether the unit's tow tongue has been removed; and whether the unit would require an oversize permit for road travel.

Q.3 Did MPAC consult with any stakeholders prior to inspecting campgrounds?

A.3 Before beginning the inspection process in August 2002, MPAC contacted the Ontario Private Campground Association (OPCA) to ensure that they were aware of MPAC's requirement to assess permanent trailers. MPAC understands the OPCA shared this information with its membership through many bulletins and updates. As well, at the time of the property inspection, MPAC staff explained to the owner MPAC's requirement to assess permanent trailers.

Prior to the inspections in 2004, MPAC sent a letter to all campground owners prior to the inspections, along with additional information that they were encouraged to share with their tenants. An MPAC property inspector then contacted the campground owner to arrange a suitable time to visit the property.

Q.4 Why did MPAC initially assess the trailers retroactively to January 1, 2003, instead of assessing them on a go-forward basis for the 2004 tax year?

A.4 When MPAC becomes aware that any land has been omitted from the tax roll, it is required under section 33 of the *Assessment Act* to assess that omitted land for the current taxation year and all or part of the two previous years. In other words, under the *Assessment Act* provisions, MPAC should have assessed the trailers for all of 2001, 2002 and 2003, provided the trailers met the test of permanency for all three years. However, on October 30, 2003, the Minister of Finance filed Ontario Regulation 390/03 directing MPAC not to issue omitted assessments for the 2001 and 2002 taxation years. Therefore, if the trailers were permanent throughout 2003, MPAC had no alternative, according to section 33 of the Act, other than to assess the trailers for the 2003 tax year.

Q.5 On March 10, 2004, the Ministry of Finance announced that it was cancelling the omitted assessments that MPAC issued in November 2003. How does this affect my municipality, since we have already issued tax bills and have collected the taxes?

A.5 After the Omitted Property Assessment Notices were mailed advising campground owners of the omitted assessments, both campground owners and trailer owners expressed their concerns about the challenges and hardships that they faced due to the 2003 omitted assessments and the resulting tax bills being issued at the end of the tax year after many of the parks had closed for the season. In response to these concerns, on March 10, 2004, the Ministry of Finance issued a news release announcing that it was cancelling the omitted assessments for the 2003 taxation year. Ontario Regulation 55/04 was filed, amending Ontario Regulation 390/03, cancelling the omitted assessments for the 2003 tax year and requiring MPAC not to issue any further omitted assessments for 2003.

In the Government's 2003 Budget Bill, municipalities were directed to write off the taxes associated with the cancellation of the 2003 omitted assessments. Since MPAC is not involved in the tax collection process, your municipality may wish to contact the Ministry of Finance for more information.

Q.6 Did this announcement by the Ministry of Finance affect the assessments and taxes of the trailers in 2004?

A.6 No. The Ministry of Finance indicated that trailers exhibiting characteristics of permanency will be assessed and liable for property taxes in 2004 and future years. Consequently, MPAC continued its inspection program of campgrounds in 2004.

Q.7 Why does MPAC not assess the individual trailer owners instead of the owners of the campgrounds?

A.7 Under the *Assessment Act*, MPAC is required to assess the owner of the land. Land is defined in the Act to include any buildings situated on the land; it is the buildings that are affixed to the land and the land itself that make up the whole of the assessment. The matter of assessing owners of buildings separately from the owner of the land has been dealt with in the courts. For example, in *Myers v. Ontario Regional Assessment Commissioner, Region No. 32* (1991), 3 O.R. (3d) 488, the Divisional Court held that mobile homes affixed to trailer park lands were not separate and distinct land:

“The consequence of assessing mobile homes separately after they have been affixed to land is to give them the character of chattels; that is contrary to s. 1(k)(iv) of the Act. Once they are affixed to the land they become land.”

Therefore, even though the trailers are owned by persons other than the campground owner, MPAC is required by law to send the Property Assessment Notice, which includes the value of the land and all the structures on the campground, to the owner of the property.

One reason for this is that the campground owner, and not the trailer owner, is responsible for paying the property taxes to the municipality. However, the campground owner may choose to pass on these taxes to the tenants depending on the terms of the lease agreement or contract between the owner and tenant. It is up to each campground owner to decide how much to charge their tenants for taxes in accordance with any occupancy agreements they may have with the trailer owners.

Q.8 The campgrounds in our municipality were not assessed. Why?

A.8 MPAC began its inspection program in August 2002. After a campground was inspected, MPAC determined which trailers were assessable using the criteria outlined in Q.2 and calculated the assessments of all the assessable trailers. It is possible that there were no assessable trailers within the campgrounds in your municipality.

In addition, MPAC was not able to complete all inspections and the necessary analysis for all campgrounds in Ontario by the end of 2003. MPAC continued its inspections in 2004, completing all inspections by the end of the summer. MPAC also inspected other property types such as marinas, golf courses, and parks owned by the various levels of government and, where appropriate, is reflecting the assessed value of the permanent trailers on those properties. Those trailers that are determined to be permanent will be assessed for all of 2004, or from the date in 2004 that they were placed permanently on the land.

If, by the end of 2004, no Property Assessment Notices have been sent to any of these property owners, it means that MPAC did not find any trailers in your municipality to be permanent and thus assessable.

Q.9 If a trailer is moved out of a campground, can the owner apply to the municipality for an adjustment of their taxes?

A.9 While an adjustment of taxes is not an MPAC issue, under section 357 of the *Municipal Act, 2001*, the campground owner may apply to the municipality for a tax reduction when “a mobile unit on the land was removed from the local municipality during the year.” The decision to adjust the taxes is solely at the discretion of the municipality. Municipalities may want to seek legal advice as to whether this provision applies to the removal of a trailer from a campground. If a municipality decides that this section is applicable, MPAC will assist the municipality by providing the assessed value attributable to the removed trailer. MPAC will also update its records for the next taxation year.

Q.10 Our municipality is receiving numerous phone calls about the assessment and subsequent taxation of permanent trailers. Will MPAC provide assistance in responding to our taxpayers?

A.10 MPAC appreciates that the assessment of trailers is a controversial issue, for campground owners, trailer owners and municipalities. MPAC staff will continue to meet with these groups to address their concerns and provide any needed clarification. We are committed to keeping these lines of communication open. Should you receive further enquiries from campground owners, please encourage them to contact our Customer Contact Centre at 1 866 296-6722 (MPAC) or by e-mail at enquiry@mpac.ca, or by visiting our web site at www.mpac.ca. Also, please feel free to contact your Municipal Relations Representative.

Q.11 What information is being made available to campground owners?

A.11 As the campgrounds were inspected in 2004 and the revised assessments calculated, MPAC is mailing a letter to each campground owner, including the breakdown for the trailers.

In addition, MPAC maintains detailed valuation information about each campground. Campground owners may obtain this information by making a request, in writing to MPAC to the following address:

Municipal Property Assessment Corporation
P.O. Box 9808
Toronto ON M1S 5T9

or by fax at 1 866 297-6703, or by e-mail at enquiry@mpac.ca. In addition, the trailer owner is entitled to information about their unit and the overall assessed value of the campground property.

Some owners of seasonal campgrounds denied MPAC staff access to their property or information about their property. In these situations, the assessed value was estimated based on values of similar properties in the vicinity and MPAC will not be able to provide detailed valuation information until it is given access to the property.

Q.12 Our municipality charges a licence fee to trailer owners. How will the assessment of trailers affect this?

A.12 As MPAC does not play a role in the issuance of licence fees, municipalities may wish to seek legal advice, where they have charged a licence fee, and subsequently the trailers have been assessed. The licensing of trailers is governed by section 168 of the *Municipal Act, 2001*, which is set out below:

- (1) A local municipality may license trailers located in the municipality, except in a trailer camp operated or licensed by the municipality, for 30 days or longer in any year and may prohibit such trailers being located in the municipality, except in a trailer camp operated or licensed by the municipality, without a licence.

- (2) No by-law passed under this section applies to a trailer when located in the municipality only for the purpose of sale or storage.
- (3) Licence fees may be charged for every month or portion of a month that the trailer is located in the municipality and the licence fees, except for the first 30 days, may be made payable in advance but no licence fee shall be more than \$20 per month.
- (4) No licence fee shall be charged in respect of a trailer assessed under the *Assessment Act*.

Q. 13 We have heard discussions about the introduction of a tag fee, in place of assessing trailers. What is MPAC's view on this?

- A. 13 The decision to introduce a tag fee in place of assessment is a policy decision that would be made by the Ontario Government and not by MPAC.

Q. 14 What options are available to campground owners and trailer owners to have their assessments reviewed?

- A. 14 The *Assessment Act* sets out an informal process by which property owners may request a review of their assessment. The legislative authority for this is section 39.1 of the Act.

The Act also sets out a more formal process to have assessments reviewed. The legislative authority for this is section 40 of the Act and involves filing a complaint to the Assessment Review Board, an independent tribunal of the Province of Ontario, whose main function is to hear complaints from individuals who believe their properties are incorrectly assessed or classified.

The similarities and differences in these two processes are set out in the following table, along with their application to owners, tenants and municipalities.

	Request for Reconsideration	Complaint to Assessment Review Board (ARB)
Who may initiate a review?	Campground owner only (or new owner if the ownership of the property changes during the tax year)	<ul style="list-style-type: none"> > Campground owner > Municipality* > Tenant* <p>* if a person files a complaint about another person's assessment, they must provide notice to the assessed person within the deadline set for filing the complaint</p> <p>Statutory Reference - subsection 40(3) of the <i>Assessment Act</i> states: "Where the complaint concerns the assessment of another person, (a) the complainant shall state a name and address where notices can be given to the person; and (b) the complainant shall deliver or mail a copy of the complaint to the person within the time limited by subsection (2)."</p>
Annual Property Assessment Notice complaint deadline *	December 31 of the tax year	March 31 of the tax year
Fee to file for a review	None	Refer to ARB fee schedule at www.arb.gov.on.ca , under the heading "Complaints Process"
Who to contact?	MPAC's Customer Contact Centre - 1 866 296-6722 or www.mpac.ca	ARB - 1 800 263-3237 or www.arb.gov.on.ca

*** NOTE: The deadline for filing RfRs and complaints to the ARB for Supplementary/Omitted Property Assessment Notices is indicated on the Notice.**