



MUNICIPAL PROPERTY ASSESSMENT CORPORATION

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## *Assessment of Equestrian Properties Questions and Answers*

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**Q.1 The Minister of Finance passed a regulation to change the way equestrian operations are assessed and classified. How does the regulation affect the assessments?**

A.1 The regulation changes may affect equestrian facilities in two ways. The assessed value of the property may change and the classification, which affects what tax rate will apply, could change. How your individual assessment will change will depend on how it is currently assessed.

**Q.2 When do the changes come into effect?**

A.2 The regulation filed by the Minister of Finance specified that the changes apply to the 2004 and subsequent taxation years.

**Q.3 My property has been assessed commercially for many years, why shouldn't I receive a rebate for the years prior to 2004?**

A.3 The Ministry of Finance made the decision about how retroactive to make the change. The regulation specified that the change was effective in 2004. MPAC has no legal authority to change the assessment for previous years.

**Q.4 My property assessment was recently changed to commercial. How do I go about getting it changed?**

A.4 MPAC will be reviewing the assessed value of equestrian facilities that were recently changed to commercial and make the necessary changes. You can help us by providing information.

Please call MPAC's toll free Customer Service line at 1 866 296-MPAC (6722), select either English or French for your language of preference, then press 4. Please have your assessment roll number ready.

There are three ways in which the change can be processed.

***Request for Reconsideration (RfR)***

If you have an outstanding RfR filed with MPAC, the change can be processed as a settlement to that Request. MPAC will revise the assessment and if you are in agreement, a Minutes of Settlement form will be prepared and sent to you for your signature. Once you have signed and returned the Minutes to MPAC, we will forward them to your municipality so that they can revise your tax account.

***Assessment Complaint***

If you have filed an Assessment Complaint with the Assessment Review Board (ARB), the changes can be made through the appeal process. If you and MPAC agree on the revised assessment, Minutes of Settlement can be prepared and sent to you for your signature. These Minutes of Settlement can be processed without the need for you to attend the ARB hearing, if you are in agreement with the revised assessment.

Lastly, if there is no outstanding RfR, or Assessment Complaint, an amended Notice of Assessment can be mailed to the owner to notify you that the assessed value has been changed. After this Notice has been sent, MPAC will also advise your municipality to change the tax roll to reflect the changes in the assessed value.

**Q.5 Which activities on equestrian operations will continue to be assessed in the commercial tax class?**

A.5 Activities that will continue to be classified as commercial include: tack shops or premises used to sell equestrian supplies or clothing; restaurants; snack bars; cafeterias; commercial race tracks and slots; grandstands; banquet halls; and areas used to provide black smith, farrier or other retail services to the public.

These activities are commercial in nature, operate in direct competition with off-farm businesses and will continue to be treated as commercial property for valuation and classification purposes.

**Q.6 Which activities on equestrian operations will be assessed as farm activities?**

A.6 Activities that will be assessed as farm include: maintaining, raising and selling horses; breeding horses; boarding horses; and training horses. These activities are agricultural in nature and the land and buildings used for these purposes will be assessed at their current use value similar to the way other farms are assessed. The classification of the property will depend on whether the owner qualifies for the farm tax rate. If the owner qualifies, the property will be classified as farm. If the owner does not qualify, the property will be classified as residential.

It is important to note, however, that the regulation passed by the Government specifies that these activities are not considered to be farm activities when they are conducted for recreational or hobby purposes.

**Q.7 Will a stable used to board other people's horses, qualify for farm assessment?**

A.7 Yes. The assessed value will be determined similar to the way other farm buildings are assessed. The farm tax rate will only apply if the owner qualifies. If the owner does not qualify, the residential tax rate will apply.

**Q.8 What are the qualifications for the farm tax rate?**

A.8 Eligibility for this rate is determined by the Ministry of Agriculture and Food. The requirements include, among other things, a Farm Business Registration Number, minimum farm income requirements, Canadian citizenship, etc.

To confirm your eligibility or to find out more information, please contact the Ontario Ministry of Agriculture and Food at 1 800 469-2285 or visit their web site at [www.gov.on.ca/OMAF](http://www.gov.on.ca/OMAF).

**Q.9 I operate a riding school. How will the changes announced by the Minister affect this?**

A.9 Where land and buildings are used to provide riding lessons or trail rides to the public they will be assessed and classified as residential property.

**Q.10 What if I operate a riding school or trail riding business but also keep horses for my own use?**

A.10 There are many equestrian facilities in the province that have a combination of the commercial, farm and residential uses described above. In these dual, or multiple-use facilities, the assessment will be apportioned to the appropriate class based on the value attributable to the portion of the property used for each purpose. Where a building has a dual use, such as a riding arena that is used to provide riding lessons to the public and is also used for the training and maintenance of horses, the assessed value would be determined similar to farmland and would be apportioned based on the extent to which it is used for each purpose.