

CANADIAN CAMPING AND RV ASSOCIATION ASSOCIATION CANADIENNE DU CAMPING ET DU VR



2024 Request for Support: Canadian Camping & RV Industry

Disaster Mitigation and Business Relief Funding Small Business Qualification for Campgrounds

Electrical Infrastructure Improvements Campground Expansion, Addition and Improvement









About the Association



The Canadian Camping and RV Association (CCRVA) is a non-profit organization comprised of the Provincial Campground Owners' Associations and their member campgrounds, the RVDA of Canada and the Canadian Recreational Vehicle Association. The CCRVA provides members with the services, education, and support they need to be successful while helping to promote the growth and development of the Canadian RV and Camping Industry.

The Canadian Camping and RV Association (CCRVA) is a national, volunteer federation consisting of Provincial Campground Owner Associations and their members, the Recreational Vehicle Dealer's Association (RVDA) of Canada and the Canadian Recreational Vehicle Association (CRAV). CCRVA was incorporated in 2013 with a mandate to provide for the betterment and support of the Canadian RVing and Camping Industry in Canada. Canada's RV and Camping Industry includes 2347 Private Campgrounds, 450 RVDA Dealers and CRVA Manufacturers who collectively employ 141,000 Canadians, generate over \$10.3 Billion in Tourism spending, and contribute nearly \$19.8 Billion to the Economy in Canada. Over the past five years more than 6.8 million Canadian households engaged in camping activities coast-to-coast.

Private Campgrounds offer an opportunity for middle-class families to spend time together, create life-long memories and discover Canada's natural landscape. Camping is an affordable activity for the middle class and creates a strong sense of community that is unique to this form of travel accommodation across Canada.

At the heart of the CCRVA's mission lies a steadfast dedication to advocacy and policy initiatives aimed at enhancing and safeguarding the camping and RVing experience for all Canadians. Through its annual advocacy strategy, the association meticulously crafts unified policy positions that address the diverse needs and challenges facing the industry. These positions serve as a roadmap for meaningful engagement with policymakers, stakeholders, and the public, advocating for policies that support responsible recreation, environmental conservation, and economic growth. By championing these causes, the CCRVA not only safeguards the interests of its members but also ensures that future generations can continue to enjoy the unparalleled beauty and freedom of Canada's great outdoors.

Disaster Mitigation and Business Relief Funding

Campground businesses play a vital role in providing recreational opportunities and supporting local economies across the nation. However, they are particularly vulnerable to the adverse impacts of natural disasters and emergencies, such as flooding and wildfires. Unlike many other businesses, campgrounds often operate on a seasonal basis, making them ineligible for federal emergency relief funding. This policy position advocates for the establishment of a Disaster Mitigation and Business Relief Fund (DMBRF) to address the unique challenges faced by campground businesses in times of crisis.

The Challenge

Natural disasters and emergencies, including flooding and wildfires, pose significant threats to campground businesses in Canada. According to data from Environment and Climate Change Canada, human activity contributes to nearly 85% of wildfires across the country, with the frequency and severity of these fires escalating due to climate change. Similarly, flooding events are on the rise, with Statistics Canada reporting a 20% increase in the frequency of major flood events over the past decade. These disasters result in property damage, loss of revenue, a decline in tourism, and potential business closures for campgrounds, impacting both owners and the local economies they support. These disasters can

result in financial losses, property damage, and a decline in tourism, impacting both campground owners and the local economies they support.

Impact on Campground Businesses



Financial Losses: Campgrounds rely heavily on seasonal revenue, and disruptions caused by natural disasters can result in significant financial losses. A study by the National Association of RV Parks and Campgrounds found that campground closures due to wildfires and flooding can lead to an average revenue loss of 30% or more.



Property Damage: Campground infrastructure, including cabins, RV hookups, and amenities, are susceptible to damage from flooding and wildfires. The cost of repairing or rebuilding these facilities can be prohibitively expensive for small campground owners.



Tourism Decline: Natural disasters can deter tourists from visiting affected areas, leading to a decline in campground bookings and associated revenue. Even campgrounds that are not directly impacted by the disaster may experience reduced visitation due to negative perceptions of the region's safety.

Current Limitations

Despite the significant impact of natural disasters on campground businesses, many owners are unable to access federal emergency relief funding due to the seasonal nature of their operations. Existing relief programs often prioritize businesses with year-round operations, leaving campground owners without crucial financial assistance to recover from disasters.



Disaster Mitigation and Business Relief Funding

The establishment of a Disaster Mitigation and Business Relief Fund (DMBRF) specifically tailored to the needs of campground businesses is essential. This fund would provide financial assistance to campground owners affected by natural disasters, helping them cover the costs of property damage, loss of revenue, and business continuity efforts. Additionally, the DMBRF would support proactive mitigation measures, such as fire prevention strategies and floodresistant infrastructure improvements, to reduce the risk of future disasters. Insurance data can shed light on the rate of claims filed by campground businesses and any policy exclusions that may prohibit them from processing a claim. For instance, some insurance policies may exclude coverage for certain types of natural disasters or limit coverage based on the seasonality of operations. By analyzing insurance data, policymakers can identify gaps in coverage and develop solutions to ensure campground businesses have adequate protection against emergencies.

RV tourism is a significant contributor to the Canadian economy, generating an estimated \$10.3 billion in spending in 2022. With 7.7 million RV trips resulting in 72.2 million person trip nights, the economic impact of RV tourism extends beyond campground businesses to include restaurants, gas stations, grocery stores, and other local businesses. Natural disasters that disrupt campground operations not only affect campground owners but also have ripple effects throughout the economy, leading to job losses, reduced tax revenue, and decreased consumer spending.

Justification of Funding Allocation

Scale of the Challenge: Natural disasters pose a significant and growing threat to campground businesses across the country. The increasing frequency and severity of wildfires and flooding events necessitate urgent action to support affected owners and mitigate future risks.

Economic Importance: Campground businesses contribute to local economies through job creation, tourism revenue, and tax contributions. Supporting these businesses during times of crisis not only helps individual owners but also preserves the economic vitality of communities reliant on outdoor recreation.

Equity and Fairness: Campground owners should not be penalized for the seasonal nature of their businesses when it comes to accessing emergency relief funding. Establishing a dedicated fund ensures that all businesses, regardless of their operating schedule, have equal opportunities to recover from disasters and build resilience for the future.

Request for Support

The establishment of a Disaster Mitigation and Business Relief Fund (DMBRF) is crucial for supporting campground businesses affected by natural disasters and emergencies. By providing financial assistance and promoting proactive mitigation efforts, the DMBRF will help safeguard the livelihoods of campground owners, preserve local economies, and enhance community resilience in the face of increasingly severe climate-related challenges. The government's allocation of funds to establish and sustain the DMBRF is a necessary investment in the long-term viability of campground businesses and the communities they serve.

Small Business Qualification for Campgrounds

The Challenge

Small family owned Private Campgrounds in Canada continue to advocate the Federal Government to endorse change in the current Income Tax Act or enact other legislative measures that clearly distinguish small family run campgrounds with less than 5 full time employees year round as an "active business" and thus eligible for the small business tax deduction.

CCRVA strongly advocates that the Government of Canada provide an exemption, by legislative change or other means, to seasonal businesses such as private campgrounds employing less than five full-time employees year-round and who are unfairly categorized as a "specified investment business". The result, to make them clearly eligible for the small business tax deduction without the annual subjective judgement by the Canada Revenue Agency, and to recognize the income earned by campgrounds as "active business income" for the purpose of determining eligibility for the small business deduction.

Despite the robust economic impact figures, owning a Private Campground is generally not considered a lucrative business. With most being family operated, owners often work up to 15 hours a day, 7 days a week during May-October on an average camping season of 152 days for their business to survive.

The current classification of a Private Campground employing less than 5 full-time employees year-round is a Passive "Specified Investment Business" as opposed to an "Active Business" in the Income Tax Act. This makes operating the business much more financially challenging for the owner who is consistently under the threat of a potential 50% Tax Rate as opposed to automatically qualifying for the small business tax deduction of approximately 15% (a qualification that other small family run operations would unquestionably qualify for annually).



Direct from the Canada Revenue Agency:

"Generally, the business of a campground involves the renting of property and providing basic services typical to that type of rental operation. In such a situation, the principal purpose of that business would be to earn rental income from real or immovable property and the corporation would not be eligible for the small business deduction, unless it employs more than five full-time employees in that business throughout the year."

Impact of Taxation Uncertainty

To qualify for the Small Business Tax Deduction without the annual CRA adjudication, it is unreasonable to expect Private Campgrounds, who operate in Canada on average less than half the year (152 days), to employ full time workers during the off season.

The annual task to prove to CRA that a Private Campground is an active business is arduous and could be very expensive for the business. As we indicated previously, operating a Private Campground is not very financially lucrative and all expenses need to be monitored closely.

Without change by the Federal Government, Private Campgrounds owners across Canada will continue to withhold the hiring of additional part-time employees, pause infrastructure improvements and capital expenditures required to build additional campsites desperately needed given their uncertain annual tax obligation.

Policy Recommendations

Legislative Change: We urge the Federal Government to amend the Income Tax Act to clearly distinguish small family-run campgrounds with less than five full-time employees year-round as active businesses eligible for the small business tax deduction.

Exemption for Seasonal Businesses: Provide an exemption for seasonal businesses, such as private campgrounds, from the classification of "Passive Specified Investment Business" to ensure fair treatment under tax law.

Simplified Qualification Process: Establish a streamlined qualification process for the small business tax deduction, eliminating the need for annual adjudication by the CRA and reducing administrative burden on campground owners.

Request for Support

The Canadian Camping and RV Association urges the Federal Government to take swift action to address the taxation challenges faced by small family-owned private campgrounds. By recognizing the active nature of their businesses and providing fair treatment under tax law, the government can promote economic growth, entrepreneurship, and tourism development across Canada.

Electrical Infrastructure Improvements

CCRVA requests that the Government provide more funding for electrical infrastructure improvements and enhancements in rural areas throughout Canada. This investment would facilitate the addition of green energy charging stations within Private Campgrounds and assist in achieving the Federal Government's goal to enable Canadians to drive and charge vehicles where they live, work and play, by creating a larger available network of EV charging locations across the country.

The Challenge

We applaud the Government of Canada's funding initiatives to develop a coast-to-coast fast charging network for EVs; to establish natural gas stations along key roads and highways and hydrogen stations in metropolitan centres; and to support the development of new technologies.

In an Economic Study conducted by the Canadian RV and Camping Industry in 2023, it was revealed that approximately 2.1 million (or 14% of) Canadian households own an RV and owners are more than twice as likely as the population in general to own a truck (40% vs. 18%).

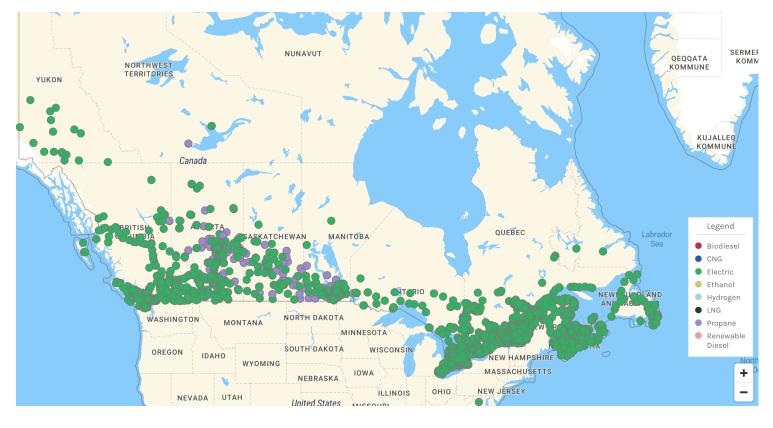
What is required – and will work – in a major urban area isn't necessarily going to fit the realities of many remote rural communities. Canadian Private Campgrounds are located throughout Canada in every Province primarily in rural areas where electric vehicle charging stations are expected to be much less available to access.

EV Stations at Private Campgrounds would be cost efficient for the Government because most Campgrounds already have the proper infrastructure but just need the additional electrical capacity in their region.

There is considerable investment needed by Government to upgrade electrical grid capabilities before Private Campgrounds in rural areas can develop EV charging stations and be a viable solution to achieve Government of Canada objectives.

EV charging systems located at Campgrounds throughout Canada, in rural areas located outside of the most heavily populated urban regions, would greatly assist in providing the public access to charging units as they travel more remote highways. Campgrounds have off the road frontage that is suitable for charging longer vehicles and those pulling trailers needing access to pull-thru services.

2023 EV Charger Network



Source: https://tc.canada.ca/en/road-transportation/innovative-technologies/zero-emission-vehicles/zero-emission-vehicle-charging-stations#/find/nearest?country=CA

Steps to Achieve Success

The Canadian Camping and RV Association (CCRVA) advocates for the enhancement of electrical infrastructure in rural areas of Canada to facilitate the deployment of electric vehicle (EV) charging stations at campgrounds. While the initiative acknowledges the Government of Canada's efforts, particularly through the Zero Emission Vehicle Infrastructure Program (ZEVIP), it highlights the fundamental challenge posed by existing limitations to the electrical grid.

To comprehensively address this challenge and support the deployment of additional electrical infrastructure projects, several key measures can be implemented:

Assessment and Planning:

- Conduct a comprehensive assessment of the current state of electrical infrastructure in rural areas, identifying areas of deficiency and potential expansion.
- Develop strategic plans for upgrading and expanding the electrical grid to accommodate the increased demand from EV charging stations, with a focus on rural regions where campgrounds are located.

Investment and Financing:

- Allocate additional funding specifically for the expansion of electrical infrastructure in rural areas, prioritizing regions with high potential for EV adoption and tourism, such as areas near national parks and scenic routes.
- Provide financial incentives, grants, and low-interest loans to campgrounds willing to invest in EV charging infrastructure, thereby encouraging private sector participation in the expansion efforts.

Collaboration and Partnerships:

- Foster collaboration between federal, provincial, and municipal governments, as well as utility companies and private stakeholders, to streamline the planning and implementation of electrical infrastructure projects.
- Establish partnerships with electric utilities to leverage their expertise and resources in grid expansion, including the deployment of smart grid technologies to optimize energy distribution and management.

Regulatory Support:

- Streamline regulatory processes and permit approvals for the construction of new electrical infrastructure projects, ensuring timely implementation and minimizing bureaucratic barriers.
- Implement policies and incentives to encourage the adoption of renewable energy sources, such as solar and wind power, in conjunction with grid expansion efforts to promote sustainability and resilience.

Public Awareness and Education:

- Launch and/or expand public awareness campaigns to continue to educate Canadians about the benefits of EVs and the importance of expanding charging infrastructure in rural areas to support tourism and economic growth.
- Provide training and support to campground operators on the installation, maintenance, and operation of EV charging stations, ensuring reliable and user-friendly facilities for EV owners.

By implementing these comprehensive measures, the federal government can effectively support and motivate the creation of additional electrical infrastructure projects to accommodate the spike in demand resulting from its EV strategies. This holistic approach not only addresses the immediate need for grid expansion but also promotes sustainable and inclusive development across rural Canada.

Request for Support

CCRVA recommends that the Government work to increase electrical infrastructure in rural areas while providing financing and grants to Private Campgrounds so that people can drive and charge vehicles where they live, work and play across Canada, facilitating increased uptake in the use of EVs.

Campground Expansions, Additions, and Improvements

CCRVA requests that the Government recognizes the economic impact and significance of Canadian Private Campgrounds with greater investment, grants, resources, and marketing initiatives to facilitate desperately needed expansion of existing facilities and new campground developments to meet increased demand in camping destinations.

The Challenge

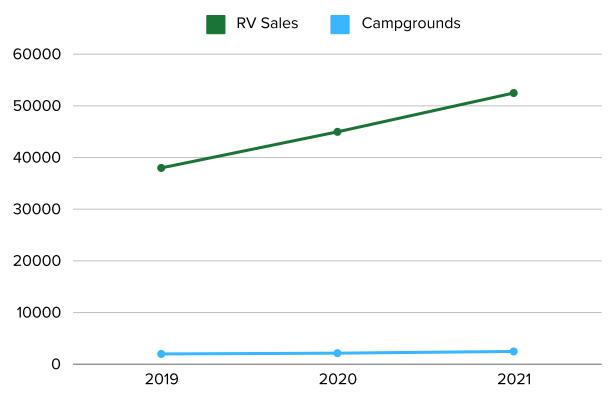
The importance of Canadian Private Campgrounds has been brought to the forefront since the COVID 19 pandemic when we saw more and more Canadians look towards camping for the first time as a safe and healthy way to get outdoors and vacation responsibly. Campgrounds offer the opportunity for families to spend time together, to create lifelong memories, and discover Canada's natural landscape and they have never been as important to the well being of Canadians and international travellers as they have demonstrated over the last 3 years.



North American RV Wholesale Shipments surpassed 350,000 units in 2023. Typically, Canadian Shipments are about 10% of the overall total, and in 2023 we saw approximately 38,000 new units hit the road.

Add these new RVs on the road to the nearly 2.1 Million Canadians current RV owners from our last report in 2023 and you can clearly see the demand for more camping destinations in the country. The Canadian RV and Camping Industry closely monitors consumers and their RV and camping experiences. We are hearing from them that there are not sufficient camping destinations in Canada and there is a desperate need to facilitate the expansion of existing campgrounds and new developments to meet the increased demand.

RV Sales Outpacing Campground Inventory



RV sales significantly outpacing campground development.

Request for Support

CCRVA requests that the Government recognize the economic impact and importance of Private Campgrounds with increased investment, grants, resources and marketing to support the desperately needed expansion of existing facilities and new campground developments.



Support for Campground Businesses

The CCRVA presents this comprehensive set of policy proposals aimed at supporting campground businesses across Canada. Firstly, they advocate for the establishment of a Disaster Mitigation and Business Relief Fund (DMBRF) to aid campgrounds affected by natural disasters and emergencies, emphasizing the importance of financial assistance and proactive mitigation efforts in ensuring the resilience of these businesses and local economies. Additionally, they call for legislative changes to grant small business tax deductions to seasonal campgrounds with fewer than five full-time employees year-round, and for increased investment in campground expansion, improvements, and electrical infrastructure enhancements to meet growing demand and promote environmental sustainability.

These proposed policies seek to provide vital financial support, regulatory clarity, and infrastructure investment to campground owners nationwide. If implemented, these measures would bolster the resilience of campground businesses in the face of natural disasters, alleviate tax burdens on smaller operations, and facilitate sustainable growth and development within the industry, ultimately benefiting both campground owners and the communities they serve across Canada.

Further Reading

- 2023 RVDA of Canada Economic Impact Study
- <u>CCRVA Advocacy Positions, 2024</u>

Contact Us

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