



Second Session — Thirty-Second Legislature
of the
Legislative Assembly of Manitoba

STANDING COMMITTEE

on

MUNICIPAL AFFAIRS

31-32 Elizabeth II

Chairman
Mr. A. Anstett
Constituency of Springfield



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Second Legislature

Members, Constituencies and Political Affiliation

Name	Constituency	Party
ADAM, Hon. A.R. (Pete)	Ste. Rose	NDP
ANSTETT, Andy	Springfield	NDP
ASHTON, Steve	Thompson	NDP
BANMAN, Robert (Bob)	La Verendrye	PC
BLAKE, David R. (Dave)	Minnedosa	PC
BROWN, Arnold	Rhineland	PC
BUCKLASCHUK, Hon. John M.	Gimli	NDP
CARROLL, Q.C., Henry N.	Brandon West	IND
CORRIN, Brian	Ellice	NDP
COWAN, Hon. Jay	Churchill	NDP
DESJARDINS, Hon. Laurent	St. Boniface	NDP
DODICK, Doreen	Riel	NDP
DOERN, Russell	Elmwood	NDP
DOLIN, Hon. Mary Beth	Kildonan	NDP
DOWNEY, James E.	Arthur	PC
DRIEDGER, Albert	Emerson	PC
ENNS, Harry	Lakeside	PC
EVANS, Hon. Leonard S.	Brandon East	NDP
EYLER, Phil	River East	NDP
FILMON, Gary	Tuxedo	PC
FOX, Peter	Concordia	NDP
GOURLAY, D.M. (Doug)	Swan River	PC
GRAHAM, Harry	Virten	PC
HAMMOND, Gerrie	Kirkfield Park	PC
HARAPIAK, Harry M.	The Pas	NDP
HARPER, Elijah	Rupertsland	NDP
HEMPHILL, Hon. Maureen	Logan	NDP
HYDE, Lloyd	Portage la Prairie	PC
JOHNSTON, J. Frank	Sturgeon Creek	PC
KOSTYRA, Hon. Eugene	Seven Oaks	NDP
KOVNATS, Abe	Niakwa	PC
LECUYER, Gérard	Radisson	NDP
LYON, Q.C., Hon. Sterling	Charleswood	PC
MACKLING, Q.C., Hon. Al	St. James	NDP
MALINOWSKI, Donald M.	St. Johns	NDP
MANNES, Clayton	Morris	PC
McKENZIE, J. Wally	Roblin-Russell	PC
MERCIER, Q.C., G.W.J. (Gerry)	St. Norbert	PC
NORDMAN, Rurik (Ric)	Assiniboia	PC
OLESON, Charlotte	Gladstone	PC
ORCHARD, Donald	Pembina	PC
PAWLEY, Q.C., Hon. Howard R.	Selkirk	NDP
PARASIUK, Hon. Wilson	Transcona	NDP
PENNER, Q.C., Hon. Roland	Fort Rouge	NDP
PHILLIPS, Myrna A.	Wolseley	NDP
PLOHMAN, Hon. John	Dauphin	NDP
RANSOM, A. Brian	Turtle Mountain	PC
SANTOS, Conrad	Burrows	NDP
SCHROEDER, Hon. Vic	Rossmere	NDP
SCOTT, Don	Inkster	NDP
SHERMAN, L.R. (Bud)	Fort Garry	PC
SMITH, Hon. Muriel	Osborne	NDP
STEEN, Warren	River Heights	PC
STORIE, Hon. Jerry T.	Flin Flon	NDP
URUSKI, Hon. Bill	Interlake	NDP
USKIW, Hon. Samuel	Lac du Bonnet	NDP
WALDING, Hon. D. James	St. Vital	NDP

LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON MUNICIPAL AFFAIRS

Thursday, 23 June, 1983

TIME — 10:00 a.m.

LOCATION — Legislative Building, Winnipeg

CHAIRMAN — Mr. Andy Anstett (Springfield)

ATTENDANCE — QUORUM - 6

Members of the Committee present:

Hon. Messrs. Adam, Bucklaschuk, Kostyra and Plohman

Messrs. Anstett, Ashton, Banman, Carroll, Driedger, Gourlay, Mrs. Oleson

WRITTEN BRIEFS SUBMITTED TO THE COMMITTEE (included in this transcript):

Winnipeg Bible College

Mr. I.M. Brandson (Ste. Rose, Manitoba)

J.A. and Edith Nicoll (Steinbach, Manitoba)

City of Thompson (two submissions dated February 16 and 22, 1983)

Diploma Agriculture Graduates Association

Rose and Alice Chita

Town of Selkirk

Rural Municipality of Rosburn

City of Winnipeg (two submissions dated February 7 and 22, 1983)

District of Alonsa

Canadian Nazarene College

Fort Garry School Division No. 5

Mr. Neil J. Bell, Manitoba Agriculture Northwest Region

MATTERS UNDER DISCUSSION:

Government Resolution passed on June 29, 1982, re Report of the Manitoba Assessment Review Committee (M.A.R.C.- Weir Report)

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MR. CHAIRMAN: Committee, come to order. We have a quorum, ladies and gentlemen. The item before us is the motion of referral by the Legislature and based on that a draft report which I believe was distributed last week by the Minister on a confidential basis - well, by the Clerk of the Committee actually - was supplied to me by the Minister and given to the Clerk to distribute on a confidential basis to all members.

Mr. Minister, do you wish to move the report, or how do you wish to proceed?

HON. A. ADAM: Mr. Chairman, members of the committee, I distributed the draft report to the standing committee so that they would have an opportunity to

review the paper. I want to commend the staff for the preparing of this paper; I think it reflects fairly well the briefs that we've heard at the meetings. Also at the back are the recommendations that we are proposing at this particular time, based on briefs that we've heard and based on present information that we have. We have suggested some proposals to recommend to the Legislature and I would move that this paper be accepted at this time.

MR. CHAIRMAN: The Minister has moved the report. Is there any discussion?

Mr. Gourlay.

MR. D. GOURLAY: Mr. Chairman, I think we would like to go over the report in some detail.

MR. CHAIRMAN: How do you wish to proceed? Paragraph by paragraph, page by page?

MR. D. GOURLAY: I think we can probably - normally you can read it over and we could probably pass it page by page until we get to the recommendations.

MR. CHAIRMAN: Page 1 - Mr. Gourlay.

MR. D. GOURLAY: Just before we proceed, I would say that the summary of submissions, I think, fairly accurately describes what took place at the public meetings. I'm just wondering why the Minister has taken so long to bring this report forward. I think February 8th was our last meeting and I was just wondering why we couldn't have proceeded a little more quickly to deal with this, because the problems of assessment are real ones and certainly undue delay is just aggravating the problem that exists out in the province.

HON. A. ADAM: Well, the paper that we presented, I think the main paper was completed probably three weeks ago or thereabouts by staff, and then I wanted to review it. Also, based on that paper and that report, we wanted to make some recommendations, on Page 8, as to how we feel that we should be proceeding at this particular time. Basically that is the reason and the other reason, of course, is that we're in Session and it's difficult to get people together. I wanted to review this paper with, of course my colleagues as well, and this is where we are at in time and I don't think that any undue delay now is going to cause any major problems; we are moving on this paper, with recommendations and I think it's a good paper. I know that the municipal people are anxious out there but they also recognize that it's a major problem and that we should proceed in a cautious manner to make sure when we do move forward, that we come up with something that will stand the test of time and that we will not be moving in areas where we may have some regret in the future.

We have received a lot of information but I want to tell you that we still have a lot more to receive.

MR. CHAIRMAN: Mr. Carroll.

MR. H. CARROLL: I'd like to make a preliminary comment, very much in line that Doug Gourlay has made. I don't find much that is wrong with the report; my concern is, again, as Mr. Gourlay said, there is really nothing in the recommendations that the committee itself couldn't have come up with the day after the last hearing.

They're common-sense recommendations; I commend the staff. They've come up with what should have been come up with but I think that could have been come up with on the 9th of February or the 10th of February.

The Minister has just suggested that there's no major problems, in terms of time, but I say there is. The MARC Report has been out for some time now; there's a two-year study before that. What this report does is say, we don't have enough information in certain areas and we can't do anything until we get that information. I appreciate that, if we don't have information and we can't make intelligent decisions but what are we looking at, in time frames? I'm getting calls daily on this particular issue; it's a major issue in Manitoba. We appear to have a consensus on it; we've wasted five to six months in which we could have had some of these recommendations being fulfilled. We could have had assessors out doing reassessments, if that is what has to happen.

I'm really concerned that this is a time bomb. In today's newspaper, the Royal Trust survey indicates that there are discrepancies of a great magnitude in terms of assessment right within the City of Winnipeg and from what I get from this report, that is going to continue to happen, what, a year from now, because are we going to have anything further to add; will we get the assessment done in a year or is this a 10-year project? If it's a 10-year project, Mr. Chairman, I think we are being remiss in our duty; I think we have a duty to act very very quickly and that, we as a committee, are not acting very very quickly.

I don't fault the recommendations; I think that's the road we should be taking but I think we're going backwards instead of forwards on that road.

MR. CHAIRMAN: Mr. Driedger.

MR. A. DRIEDGER: Thank you, Mr. Chairman. I echo some of the comments that the Member for Brandon West has indicated. I basically don't have too much argument with the analysis that was done in the first seven pages. My concern starts on Page 8 where the recommendations are, which basically recommend nothing, other than . . .

MR. CHAIRMAN: Order please. Mr. Kostyra on a point of order.

HON. E. KOSTYRA: I thought, Mr. Chairman, we agreed we were going page- by-page and now we're jumping to Page 8. I wonder if we can either go and prove the pages page-by-page or agree to do otherwise and deal

with the document as a whole but I'd understood the agreement at the start was that we were going page-by-page and we're on Page 1.

MR. CHAIRMAN: Mr. Kostyra, your point of order is well taken but I have been allowing members to make general comments. If Mr. Driedger intends now to get into a discussion on the recommendations on Page 8, I will then rule him out of order.

MR. A. DRIEDGER: Mr. Chairman, on that same point of order then I was actually not to that point where I was debating any part of No. 8. I was saying that the first seven pages we basically have no argument with, that our concern starts with the recommendations in 8, I was not debating the recommendation as such because we have some very strong opinions on that and I just wanted to make those comments in the beginning. With that I'd like to leave it until we get to the recommendations and then we'd like to debate those recommendations.

MR. CHAIRMAN: Further discussion? Page 1 to 6 inclusive—pass.

Page 7 - Mr. Gourlay.

MR. D. GOURLAY: I thought I had it marked here, it was with respect to the indication that there were some presentations made that indicated further study of the cost analysis of a single authority versus the existing system of assessment.

MR. CHAIRMAN: I believe that's Page 6, Mr. Gourlay.

MR. D. GOURLAY: It finishes on the top of Page 7. I was just wondering if the Minister could indicate, I don't recall specific suggestions on this part but perhaps there were. I was just wondering if the Minister could indicate who made those?

HON. A. ADAM: Yes, we'll try and find the specifics in Hansard.

HON. E. KOSTYRA: Mr. Chairman, just to clarify that. I recall in the brief that was presented subsequent to the close of hearings from the City of Winnipeg that that point was raised and that brief was one example of that.

MR. D. GOURLAY: That was the written submission that we received after the hearings?

MR. CHAIRMAN: Page 7—pass. Page 8, Recommendation No. 1.

Mr. Gourlay.

MR. D. GOURLAY: Yes, I would like to move that all recommendations after Clause 1 be deleted and the following clause to be added: 2. That the Government of Manitoba before the commencement of . . .

MR. CHAIRMAN: Order please. I was calling only Recommendation No. 1. Do you want to pass 1 first and then move your amendment?

Recommendation No. 1—pass. Recommendation No. 2, Mr. Gourlay.

MR. D. GOURLAY: Yes, I would like to move that all recommendations after Clause 1 be deleted and the following clause 2. be added . . .

MR. CHAIRMAN: Please proceed, Mr. Gourlay.

MR. D. GOURLAY: "That the Government of Manitoba before the commencement of the next Session of the Legislature issue a White Paper on the government's position and policy on provincial assessment reform in order that proposed legislation can be drafted, introduced and dealt with at the next Session of the Legislature."

MR. CHAIRMAN: Motion by Mr. Gourlay, is there any discussion. Mr. Gourlay.

MR. D. GOURLAY: Yes, as I indicated earlier, I believe the summary of submissions that were received at the various meetings held throughout the province accurately describes what took place at those hearings. But then when we arrive to the area of the recommendations, the six recommendations that are listed, I have no complaint against No. 1, but the remaining recommendations more or less indicate that further study is required before anything further can happen with respect to the assessment reform. That more or less is contradictory to the submissions that we just went through. The majority of people that came to the hearings and made presentations for the most part concurred with the MARC recommendations and urged the government through the committee to proceed with some expediency to introduce assessment reform because of the many inequities that do exist throughout the province and in the City of Winnipeg.

The bulk of the recommendations do nothing but recommend further study take place. I believe the submissions were fairly clear in their points and as I indicated we should be proceeding with a little more haste than the recommendations are asking that we do.

MR. A. DRIEDGER: Did the Minister want to speak first?

HON. A. ADAM: Put your comments on and I'll mark them down.

MR. A. DRIEDGER: I agree with Mr. Gourlay on his comments regarding the recommendations 2 to 6. The concern I have is in all this time since we had the hearings since the MARC report was handed over to the Minister, we've never heard what his position really is, his position or the the government's position in terms of the MARC report. There has been a certain amount of fudging around. We have nothing definite. The problems are getting more acute as has been mentioned before and when we look at the recommendations, it says further study, what kind of studies is the Minister looking at? Is his department going to study it? Are we going to go back to the municipal people? I think they very clearly indicated what their position was, that

they feel that something should be done. They are waiting for some kind of action from the Minister. Here we're going through the final days of this Session hopefully, and there is no legislation that we can deal with this at this time. It is another year that will be postponed and lost on this episode or on the work that has to be done.

The Minister to this date has not given us any position as to which direction he's planning to go and the municipal people would like to see some kind of recommendation that they could debate and study to react to. We don't have that and when he talks of further study as the recommendations indicate here, basically nothing is going to be done. Instead of dealing with the issue that is vitally important to the municipal people, the Minister brings in conflict of interest legislation for municipal people. That seems to be a priority instead of the assessment thing and I just can't accept that.

The Minister well knows the problems that are arising out there in terms of inequities in the the assessment system at the present time in Winnipeg as well as in the rural areas. Major concern is being expressed and the system just keeps going on. We're losing another year, and the Minister has never indicated exactly what he intends to do and I think it is time that he comes forward with a position as to what the government would like to do and that is why that resolution is moved by Mr. Gourlay.

I certainly hope that all members of the committee here would support that resolution because I think if we do not pass that resolution, that we move forward, to at least the next Session, to come forward with some legislation that we could be deferring this another year. I don't know whether that is the intent of the Minister, that he just doesn't want to move on this aspect of it, that he doesn't have the courage to come forward with recommendations.

I think both sides of the House know that it is a major problem out there and we have to start moving; we can't just keep fudging the issue and studying it. It's been studied for a long time now. The Minister has a tendency to say, well I'm going to come up with a perfect program and he goes to great lengths explaining his "Perfect Peter" type of approach to things. I don't think it's going to work that way this time. No matter which way the Minister is going to move - if he ever is going to move - there is going to be lots of concerns expressed, but we have to start moving and that is what I'd like to impress on the Minister.

HON. E. KOSTYRA: Speaking on the amendment, I speak in opposition to the amendment. I believe that the recommendations that are before us and the report of the committee are clear. First of all, the members that spoke previously state that the position isn't clear on where we're going with respect to assessment reform. I suggest to you that if one reads these recommendations, it is clear that there is a direction that we're moving on assessment and to suggest that all these recommendations do is indicate further study is doing an injustice to the recommendations as they are laid out there.

First of all, Recommendation No. 1 indicates that this committee recommends to the Legislature that we approve the general principles that are contained in

the Weir Report with respect to classification and portioning. Recommendation No. 2 sets out that the Provincial Assessor complete the assessment of the farm residents and outbuildings throughout the province; that's clear direction. If the members are suggesting - and I can only interpret by virtue of their amendment - that they're in opposition to No. 2, then I have a great deal of concern, Mr. Chairman, because I think that one of the things we want to ensure in implementing assessment reform in this province, is that we don't cause massive shift in taxation throughout the province.

I think we want to ensure that the reforms, the changes are brought in in a way that are not going to cause massive shifts. As we know, if the recommendations are all implemented without a close look, we're going to see massive shifts; we're going to see shifts in the City of Winnipeg from multi-family residences, from apartment buildings, onto single-family residences. We're going to see a massive increase in the amount of taxation that those people will pay unless we ensure that we minimize the effect of these changes; so I think that No. 2 is an important recommendation. I'm quite frankly concerned and rather alarmed that some members are suggesting that be deleted, that we don't look at minimizing the impact of the massive shifts that could take place if the recommendations are implemented without ensuring that there is some means to ensure that there isn't a massive shift; so I'm quite concerned and alarmed that some members are rejecting the Recommendation No. 2.

But I believe that the amendment does nothing; in fact, detracts from the recommendations from the direction that is contained in these recommendations; direction on implementing assessment reform in the province, but doing it in a way, Mr. Chairman, that's going to ensure that we're not going to see massive shifts in taxation from various groups in the province, but equalizing and correcting the inequities. If we don't do this, Mr. Chairman, we're going to see some massive shifts take place.

MR. CHAIRMAN: Mr. Ashton.

MR. S. ASHTON: Mr. Chairman, for much the same reason as the Minister of Urban Affairs, I too, find the amendment rather hard to take and I don't buy the arguments. If one reads the recommendations, I think the course is set quite clearly for the direction we're going to go in.

However, there is a note of caution, as the Minister indicated, and I think that's why, as I can think of one very specific example, which was brought before the committee during our hearings, related to my constituency and the concern was expressed by the City of Thompson, for example, that if we went to a market valuation system, then there could be major shifts within Thompson, because of the unique circumstances created by the controlled situation in the market.

In Thompson, CMHC artificially controls the market for both housing and apartments, and you know, that whole area has a number of potential problems. If one moves towards market valuation and there's an artificial situation in that market, how does one consider market

valuation to be an appropriate level for assessment? You know, in terms of principle, one has to look at that, but also, as I mentioned, in terms of possible shifts, one also has to look at that.

I would hope that we wouldn't try and push anything through, simply for the sake of getting something done fast, at the possible expense of a major shift within a situation, such as that facing the City of Thompson. These things have to be looked at. Maybe there's some refinement of some of these measures. Maybe there's another way of doing it. I really don't know and I don't think the answer was provided at the committee hearings by anyone, whether it be staff or people making presentations to this particular question, as was the case with a number of other situations.

So I think it would be a mistake to rush in. It would cause possibly undesirable shifts - major shifts in some cases. It might lead to a situation, which was on the surface equitable, but when one gets down to the bottom line, not even as equitable as the present system. So I support the present report, the present recommendations and I'm totally against the proposed amendment.

MR. D. GOURLAY: Well, I appreciate the comments of the members opposite, but I believe when you look at recommendation No. 1, it covers the whole concept of the assessment reform as recommended by the MARC Report. The items that the members opposite have covered will be dealt with on an ongoing basis and we have brought in the amendment that puts a whole time frame on this business and it also asks the government to state their position, with respect to assessment reform.

The way we have it here is that this thing could be studied forever and ever. There's no indication that anything is going to happen, and when you look at the No. 2 recommendation on Page 8, that - just to read it - it says, "Related to this research and prior to a decision with respect to the current exemptions on farm residences and farm buildings, the Provincial Assessor be directed to complete the assessment of these buildings across the province."

Well, this has never stopped. This has been an ongoing process. Granted, I understand that this hasn't been proceeding in the City of Winnipeg, but as far as the farm buildings, as such, they are being assessed every day, so I don't know just what this No. 2 is really referring to when it says, ". . . the assessor be directed to complete the assessment of these buildings," because to my knowledge, they are ongoing.

All the other points from 3 on are addressed in No. 1 and it's just that we feel the urgency to get on with assessment reform is definitely there, as was pointed out. There's a headline in the Free Press today reminding us again of the serious inequities that exist in the City of Winnipeg. We're familiar with the problems that exist in rural Manitoba. All we're saying is let's get on with this problem, because every day we delay it, it's just compounding the problem that much more.

MR. CHAIRMAN: Mr. Banman.

MR. R. BANMAN: Mr. Chairman, first of all I, after reading the report and after agreeing with the first seven

pages, and agreeing with the first clause of the resolution, one really wonders why the other ones are necessary and why the government is really dragging their feet with regards to getting on with the assessment changes.

All you have to do is read every clause after Clause 1, the second one begins, "That further research" - No. 3 - "That further study" - No. 4 - "That until such time" - No. 6 - "That a study be undertaken." I have the distinct impression, Mr. Chairman, after having served on the committee and after having seen the Weir Report tabled back in March, almost a year and three months ago, that the government is really petrified of dealing with this particular question. I think they are deliberately trying to drag their feet on this issue, in a hope that this particular thing will go away on them and it won't go away. We are being asked if we pass the report, the way the Minister wants it passed, we are going to be, once again, limiting the rights of appeal. We are going to freeze assessments, a problem which is, as the Member for Brandon West pointed out, a time bomb. It's a ticking time bomb, because there will be some major action taken on behalf of the people who are being aggrieved by the current assessment practices.

So I say to the Minister that we have been waiting patiently for four months for this document. I think that we could have done this in one afternoon, we could have agreed. We're all agreeing to the main body of the report, with the exception of the resolutions, but we could have done that because that was the feeling we got from the people when we met with them - the recommendations or the summary of what the different people in rural Manitoba, as well as the urban areas, were telling us.

I cannot see that the committee passes this particular resolution at a time when something has to be done. It's too open-ended. This thing has been dragging on too long and we have seen the Minister drag his feet on this little report for four months. Now, if this took four months to do, Mr. Chairman, I suggest to you we're an awful long way from ever dealing with this particular assessment thing. We're an awful long way because this could have been done in two or three days and if this is what we waited four months for, I want to tell the Minister he's in big trouble.

Because you're going to have to move an awful lot faster, and I suspect the game that he's playing is hopefully maybe in the proposed Cabinet shuffle that the First Minister is talking about, maybe he's going to be relieved of this and given some other portfolio and he won't have to deal with this. Or maybe the government is hoping that the polls will look a little better a year-and-a-half from now and they can call a snap election without dealing with this particular subject. I think really that's the game that's being played here.

I think the government just doesn't have the guts to deal with this issue; is trying to procrastinate; is going to study the thing to death; is going to research the thing to death; before they go ahead and do anything on it. I say that, having grounds for saying that, because it took four months to produce this little document which was common sense and which the committee should have had two weeks after the committee met.

MR. A. DRIEDGER: Mr. Chairman, the thing I find interesting and this is what it's been all about, I think,

since we started with the MARC Report a long time ago, since the time the Minister got it, the Minister hasn't got much to say. He's sitting back there and just letting things flow and hoping that the number game is going to work in his favour, so that he can get his report passed.

If we look at the recommendations from No. 2 on, the Minister of Cultural Affairs indicated that he thought there was a direction given. There is no direction given. From No. 2 to 6, when we look at No. 5, for example, "That the Provincial Assessor's Office immediately take such steps as are possible to ensure province-wide equity."

Is the Minister in this report indicating that there is not equity?

A MEMBER: Assessment procedures. Read the whole thing.

MR. A. DRIEDGER: Yes, "... in assessment procedures and provide for education of the public on assessment practices." Well, that's what we covered, to some degree, when we had our hearings out there. I think the hearings were a good program. I think it was a good step because the municipal people could come out and present their briefs. I think many of them had a better understanding of what was involved at the time, but now it's time to move, and I'm sure that the Minister, when he goes to his regional meetings - as he does on a daily basis now - that the pressure must be on him to move on it.

They want some direction from this Minister, instead of hearing all kinds of things about some of his other programs and conflict of interest; he should be worrying and coming forward with something at these regional meetings to give them something to talk about to discuss. But he's doing nothing; he has done nothing for the municipal people to date and it is time, I think, that we move on this thing and I'd like to hear exactly what his position is going to be.

HON. A. ADAM: I will start with the last speaker first and maybe juggle them around. I want to remind the Honourable Member for Emerson that when he mentions it was a good step to have the hearings, I agree with him, because that's what I proposed and that's what I said we would do. But I would also remind him, as well, that when I proposed this, I was criticized by the opposition for taking those steps, for going out and talking to people. I was chastized by the opposition for doing that, as a waste of time, and that we were dragging our feet. The report was there and we should deal with it. That is what the position of the opposition was at that time and I can read that back to them, chapter and verse, if we have to and I don't intend to do that.

I want to say that the comments of dragging our feet on it, we are not dragging our feet on it. We have a process that we are following and that process, I would suggest to you, is based very closely on the recommendations of the report. If you will look at the report and it says that we should phase in this over a period of - it gives you a timetable there to phase it in up to 1987. Sure, we may be able to do it sooner; we may be able to do it one year later, or two - I don't

know, because there are still a lot of unknowns out there.

Now, I want to remind the Member for La Verendrye, who has left, he is saying that we are dragging our feet and I want to remind him at one of the hearings, and this was in Winnipeg, - he had a different version of speaking when he was out in the rural areas and we went out to Grandview, I believe, and some of the other areas and when we came back, I believe the Member for La Verendrye was getting close to home and he took a different tact entirely. I think I can paraphrase his remarks very closely when he made the statement that if the farmers are going to pay any more in taxes, we're not going to support this. That's pretty well what the Member for La Verendrye said and he was referring to this report.

Now, if we are to proceed on farm residences without the information, that is likely going to happen. Now Mr. Gourlay mentioned that yes, the assessment is still going on and it's being done, but we'll only probably have about 50 percent of the farm buildings at the present time that are assessed in a few areas, and that will also respond to the question from the Member for Brandon West, when he says the assessors should be out there working. Well, they are out there working and I want to indicate to you that the information that I have, to complete that work of getting all the information on farm buildings will take probably up to two years to get that information, and that will be providing when they go in to do an assessing, a municipality for assessment, that they only do the farm buildings and not the entire municipality. That's what's likely going to happen. That is why we think that we've got to get that information because it is going to affect the farm communities that the majority of the opposition represent, and so we are the protectors of those people that they represent at the present time.

They are saying, let us proceed, lock, stock and barrel with those recommendations. I'm saying, we're protecting your people right now. You want us to proceed as quickly as possible, and I'm telling you that's just the opposite to what you are doing, because we know already that if we don't place some protection at the present time that there will be maybe \$8 million transferred onto the farm community at the present time if we don't put in some safeguards to protect major shifts as Mr. Kostyra has indicated.

That is why - and I want to just go over this and perhaps an explanation will maybe change the opposition's mind on this. I think that a White Paper - and I don't have any great hangups - I want to say, Mr. Chairman, I don't have any great hangups about coming out with a White Paper, but I think it's going to delay things at least a year to go in and prepare a White Paper and get out there and get some reaction to it again. We have a lot of reaction from the public out there, both municipal people and individuals and so on, but what we need is more information here. We don't have any information in Winnipeg to speak of, very little, and we don't know what the impact is going to be except an overall general view.

What we want is specifics. The portioning that the Weir Report suggests for classification is outdated and that is why in No. 2 we are saying that we want staff to redefine the portionings. That is what we're saying here so that there'd be no major shifts, that we minimize

the shifts. That is what No. 2 is saying, asking staff to deal with the portions and what portions should we have if we move in that direction. There are some studies there that must be done. The assessment of farm buildings, we don't have the information. We have to have the complete information before we can move in that direction, otherwise we may be creating some serious problems for some of our farm population that these people are supposed to represent. That covers No. 2.

The concept of No. 3 is that further study to be done to develop a method of evaluation as applicable which would include factors such as soil productivity and replacement value in addition to the current consideration given to market value. Now, did we not hear that at the hearings? Time and time and time again, we've heard farmers come up and say that the present system of taxation on land was antiquated and outdated. It should be tied in some way to productivity. Now, we are asking here that the valuation concept be looked at because we don't have all the information. We certainly do not have the information for Winnipeg. We've only scratched the surface, and so that is what we're saying there because surely the hearings did indicate that.

No. 4, that until such time as the above principles can be equitably implemented, current legislation validating the assessment rolls and limiting the rights of appeal be extended as necessary.

We are saying there that in the event that there are some major shifts that take place not under a new system, but under the present system, that we make sure that doesn't happen. That is the major recommendation that we're putting in to save the farmers represented by the Member for Emerson, the Member for Swan River, the Member for Gladstone, the Member for Dauphin, the Member for Emerson, the Member for Gimli and the Member for Springfield. Now we have a report coming in, I expect very shortly, from Springfield because we are doing a study there.

Now there was a comment made by Mr. Gourlay on the single assessing authority. He didn't recall whether there had been any comments made on that. I would refer him to Page 123, Thursday, 27th of January, 1983, where Mr. McCreedy was making a submission. Here is in part of what he said. I don't intend to read all his comments, but he said, "What is the cost estimate of initial capital costs in the establishment of a Manitoba Assessment Authority? Has a proposed budget for such an authority been worked out in draft form?" Question, those were two questions. "What are the anticipated yearly operating costs of such an authority expressed as a percentage of the revenue generated from municipal and school taxes?" Question No. 3.

Those are three very valid questions that we have to know before we're going to establish a single assessing authority. You are saying, gentlemen, go ahead and do it. I'm saying, yes, we will do it once we know what we are doing. We don't want to go in with our eyes closed like you would do. We don't want to go in to do things with our eyes closed like you would do, and I think we are moving in the right direction.

That is why, No. 5, we suggest that the Provincial Assessor - No. 6. We ask that a study be undertaken to determine the cost benefits of a new single assessment authority as compared to the existing

structure. Now why should we move to a new system if it's going to add twice the burden on the municipalities? Why should we do that? Is that what they are asking us to do? I say, no. I'm not going to do that until I know what it's going to cost the municipality in Emerson, the municipalities in Arthur or in Morden or wherever.

MR. A. DRIEDGER: Tell them you won't do nothing.

HON. A. ADAM: No. 5, that the Provincial Assessor's office immediately take such steps as are possible to ensure a province-wide equity in assessment procedures and to provide for education of the public on assessment practices. Now that is a recommendation in the MARC Report. That is a recommendation that, I think, is a good one.

We have said that basically the recommendations are sound. They may need to be modified. They may need to be redefined. The portioning certainly was criticized during the hearings. I would instruct staff to start working on what portions should we have to prevent any major shifts. That is what I would do if this committee recommends the proposals that we have before you at the present time.

MR. CHAIRMAN: Mr. Plohman.

HON. J. PLOHMAN: Mr. Chairman, I just want to support the Minister in the explanation that he's given. I think he's taking a very responsible and reasonable position with regard to this.

Certainly the Weir Commission served a valuable purpose. If we wanted to play the same games that the opposition is playing now or make the same insinuations, we could say that they were petrified of dealing with this issue when they were in government, therefore they appointed this Commission which they knew would take some time to come back with a report and they wouldn't have to deal with it before the next election, but we won't say that they were doing that. They wanted to find more information out. They needed more information.

At the same time the Weir Commission gave us information that was based on the facts that existed at that time on the assessments that existed and so on, and they made some proposals, and based on that information it seems like they're sound proposals, portioning seems like a sound one and we're recognizing that, and recognizing the classification that was proposed and so on.

However, we don't know the exact implications of those principles. If you put those principles into place and do it blindly, you're going to have chaos out there and that's exactly what the opposition wants. I would say they're worried about the farmers, they're not worried about the shifts, they're simply doing it for political reasons and they're pushing it trying to force us to get into something that we don't know the exact implications of and then they can say well the NDP did it; they can blame us.

I'm not going to fall for that either and I support the Minister's position. What we're going to do is find out the implications of any decisions that we make. We want to know and we have a right to know, and the

people of Manitoba have a right to know, so that we do not impose chaos out there and changes that might exist. The Minister of Cultural Affairs, he expressed that very well in terms of shifts that could occur if we do not have the proper information. You can laugh at saying that he has to know what he's doing, that's fine, that's absolutely true, you have to know.

This is a complicated subject the opposition knows, and we are not going to replace chaos now with more chaos. If that's what the honourable members are trying to suggest, if that's what they're suggesting that we impose a new system that is going to result in more inequities and greater disparities out there, that's exactly what's going to happen unless we know what the total pool of assessment is. That's why that assessment has to be completed first so we know what the value of those properties are, and then we can decide what the portions are. You can't do it on the basis of what exists now because they don't have that information. It's just not there. So it's going to take some time to get that.

I think every one of these recommendations or problems that were addressed in those hearings, they need to be addressed. We recognize they are concerns of people; they're legitimate concerns of people and we want to deal with them and that's why they're here. We're not going to do it blindly; it's as simple as that.

MR. CHAIRMAN: Mr. Gourlay.

MR. D. GOURLAY: Well, Mr. Chairman, the members of government are talking around in circles. The Minister started out by saying that we criticized them for wanting to have hearings. We criticized the Minister because the government was not taking a position with respect to the MARC recommendations. Weir and his commission had spent two years going visiting the various communities of the province gaining information so that they could come up with their recommendations. Then when the Minister got the report he wanted to go back out and re-invent the wheel that Weir had already been working on.

All we're saying is that the government should have taken a position with respect to those recommendations and then gone out to hear what the people had to say with those recommendations. This Minister hasn't moved at all on the recommendations. We still don't know what the government's position is with respect to the whole assessment reform and chaos is building out there. I can tell you that every day there is just a real fester going on with the question of assessment and this government is doing absolutely nothing.

We know how quickly this Minister has moved on Main Street Manitoba. This government's been here for about 20 months and I daresay that there hasn't been a dollar flowed under Main Street Manitoba. So if this is the kind of movement we can expect with assessment reform, all I can say to the people of Manitoba, we're in real trouble over this whole assessment process.

We passed recommendation No. 1 which basically supports the assessment review recommendations. On Page 73 of the Summary Report it says, "The implementation of the recommendations of the Manitoba Assessment Review Committee be

commenced as early as possible through the use of existing assessment records." Again we've gone out as a committee. We've listened to the submissions of the people out in Manitoba and the City of Winnipeg. They say basically we support the MARC recommendations, but we urge the government to get on as quickly as possible because these equities are festering and we have some very serious problems. The fact that assessment is frozen in the City of Winnipeg, we just cannot continue to have that freeze go on indefinitely because there is a big problem there and this Minister doesn't seem to realize that.

He's talking now of a further two-year study to get the necessary information before he can proceed. That's absolutely garbage. We have to move quicker than that. We all know too that when the government does proceed on assessment reform, from time to time some changes will have to be made. That's only human nature that some corrections will have to be adjusted from time to time, but certainly we have to get moving on this very important issue.

As far as I can see this Minister is planning on doing absolutely nothing. Nothing has happened in the last year. We're still debating the Weir recommendations, and yet we've passed No. 1 recommendation, that the principles of property classification and portioning as generally proposed in the report of the MARC Committee are basically sound. Now the Minister is saying that he's not so sure that these are sound. So I just feel that the Minister is talking around in circles, he doesn't know where he's going and he's just hoping to hell that there's going to be a replacement for him or a replacement for the government so that the work can get on in this province.

MR. CHAIRMAN: Mr. Carroll.

MR. H. CARROLL: Mr. Chairman, the Minister in his remarks indicated that there were some problems in having enough information, that half the assessments haven't been done yet. The concern that I've heard from the Conservative members and some of the concern that I have expressed myself has been that time is awasting. Times are going by but the pressures are mounting. This may be too late, Mr. Minister. I could go along with the report as written if you were to indicate in the House that there would be a further jobs program in which as many people as would be necessary would be hired to go out and do the assessment; make it a crash program. This would be a jobs program that you'd get an awful lot of support for. — (Interjection) — I think our problem is that we don't have enough people in Winnipeg to do the assessment. We don't have enough people in the country to do the assessment, but if — (Interjection) — Mr. Minister, I'll stand up in the House and applaud you if you come in and say you are giving X millions of dollars to a crash program and bring these things in in a hurry, you'll have my full support.

MR. CHAIRMAN: Mr. Bucklaschuk.

HON. J. BUCKLASCHUK: Yes, thank you, Mr. Chairman. First of all I very strongly support the recommendations that have been presented before us

and oppose the amendment that has been presented by the members opposite.

The situation that we're facing today is not something that happened or developed overnight. It's been around for a number of years. I find it rather odd that the members of the opposition should be urging us to press with all haste to resolve the problems that they knew were around in 1977 and previous to that. It's interesting to note that it took a number of years for that administration to come up with the Weir Commission, which then took a couple of years to come down with its recommendations.

We have been in government for at least 17 months, not 20 months. We have made a very serious attempt to travel around the province to hear from those persons that are affected by assessment, to hear their opinions of the Weir recommendations.

I should also remind the members that they made comments about our hearings having finished in February. I recall very well receiving written briefs not more than a month or six weeks ago. I think that any input we may have is welcome and should be reflected in our recommendations.

I stress again the importance of minimizing to the greatest extent possible any shifts in taxation. The Minister has made reference to the potential shift from urban to rural; so has the Minister of Urban Affairs. I think we have to be very careful here that we do not blindly take steps that may impact very negatively on a part of our province and in this case I think it would be in rural Manitoba, which is facing rather difficult economic times at the present time, it would be very irresponsible of us to just say go ahead and press on immediately. It will take time to determine what the impact of the shift would be and I think it would be irresponsible for us to move with too much haste.

The Minister has also indicated that about 50 percent of the rural buildings have not been assessed. I find it rather difficult to understand how we can talk about accepting the principles of classification and portioning, implementing those principles, and not having an accurate basis on determining the level of portioning. The members recall very well that there had been some consideration given including the assessment of farm buildings as part of the total farm assessment, if portioning is to be maintained such that there is no inequitable shift in taxation, I just cannot understand how that could be done without having available all the required information.

Point 3, I recall so well that many many presentations provide a different perspective as to a fair and equitable means of determining valuation of farm land. Again, how is this to be determined without some further study? The further study can be done by assessing the current situation and by having a fairly comprehensive base of information.

One of the comments made by the Weir Commission was that very few people, or at least a considerable part of our population, had very little understanding of what assessment was all about. I know that in a complex area such as assessment, if we are to provide for education or for understanding of assessment practices of the principles involved in assessment, that is not something that will be done overnight.

It has to be thorough; the process is time consuming and it has to be comprehensive, so I am pleased to

note that the recommendation indicates that the Provincial Assessor's office would immediately take steps to provide for this education.

Lastly, recommendation No. 6 is a recommendation reflecting the responsibility of this government. It simply cannot get into a program or an authority without knowing what the cost benefits are. It would be efficient power, one of the ways of maximizing benefits and minimizing costs. It's very easy for the Member for Brandon West to say, well I will applaud the government if you will develop a crash course and I'll support a move to appropriate millions of dollars to the Minister of Municipal Affairs to get that assessment over with and done.

There are priorities and I think it behooves us to study, to determine the cost benefits of a single assessment authority to make sure that we are getting the best value for our dollar. I think that the recommendations are responsible. I think the main thing is that whatever decisions are made, and they will be made, have to be based on accurate current information fully realizing the implications of whatever steps are being taken. So I support the recommendations.

MR. CHAIRMAN: Mrs. Oleson.

MRS. C. OLESON: Thank you, Mr. Chairman. The Minister in his remarks mentioned that he was working on behalf of the communities represented by the party and, of course, all parties. I don't think the municipal people in this province will rest easy in their beds thinking of that.

I went to municipal meetings the other day and one of the expectations of what would happen at those meetings was that the Minister would make some sort of a statement on what was happening with the MARC Report. At the meeting I was at that didn't happen and they are waiting. There is an expectation out there that something is going to be done because on a daily basis the Mayors, Reeves and Councillors of this province are being bombarded with complaints by taxpayers about the inequities with the taxation system.

Mayors and Reeves are getting fed up with it. They are people who have other things to do than take abuse for something that is really not their fault. Then this Minister heaps upon them the problem of conflict of interest legislation. There are a lot of people who are going to decide this fall when it comes to municipal elections, that they really would like to lead an easier life than be elected as public officials, that it isn't worth it. I know their expectation is, that when those hearings were held during last winter that out of this would flow some activity, not just a statement that would say, we'll study it more.

The Minister must realize that assessment is not a static thing. You will never get to a point where everything says, hold, and we'll set your rates and your strategies from this point, it goes on and on. Things change on a monthly or daily basis with values of property and houses. You're never going to get to a point where everything holds still for you to make a decision. You've got to make a decision and work with that and there will, no doubt, be inequities result from that. It is impossible to have a perfect plan.

The Minister wanted a perfect Main Street Manitoba Plan. The people have seen that that isn't perfect.

There's no way it's going to be perfect but we have to make up our mind, something has to be done and then when there are inequities, we address those inequities.

The report itself states that there is an urgent problem, then the recommendations immediately contradict those statements. They say we'll have further study. The whole thing leads me to believe that this is going to be studied and studied, as the Member for Swan River says, it's going to be studied to death and there comes a point where action is necessary.

I think if this Minister was acting the way his government says they're acting and listening to people, they would understand that this is one of the most pressing problems in the municipal field. I think it behooves him to show some leadership and deal with this problem immediately. We know that you can't come up with legislation tomorrow, that's not what we're asking. We're asking for at least this Minister to say exactly where they stand and give us a policy paper to show the people of Manitoba where they stand on this so they can work from there. Now they go to hearings and they talk about this but they don't know exactly from what base the Minister is coming from.

I think the government would show a great deal more credibility if they voted for the amendment to this report and came up with a paper, stating clearly where they stand on the Assessment Program problem in Manitoba.

MR. CHAIRMAN: Mr. Adam.

HON. A. ADAM: Thank you, Mr. Chairman. On the question raised by Mr. Carroll, it indicated that he would support a job creation program and introduce a crash program to do assessments in the province. I want to advise him that it's a good idea. It sounds good in words and perhaps on paper but to implement it is a little more difficult.

Over the years, governments have been reluctant to hire more assessors. I've been able to get a few more in the last Estimates - not this one but the previous - but prior to that it didn't matter which government was in power, they've always been reluctant to hire more assessors so that's one of the reasons why the assessment in the province has fallen behind schedule.

The problem is that you just can't pick somebody off the street and send them on to a farm and say, you assess this property, because it is an art; it's a skilled art that has to be accumulated over a number of years. It takes at least four years to train an assessor to go out and do property evaluation because it's a complicated procedure that they use to come up with values. So while the idea is sound, the suggestion is sound and it's a good one, it's impractical because we wouldn't be able to put it into effect even if we wanted to.

Mr. Gourlay, in his comments, indicated that we're reinventing the Weir Committee by going out to the meetings and they were not critical of the hearings that I had suggested but it was just duplicating the procedure over again. I want to say that there was a big difference with our meetings than that provided under the Weir Committee because we had provided information to municipal people and those who had presented briefs to the Weir Committee.

We had presented them with information that we had found and studied on the Weir, the trials, the projects and the dry runs that we had undertaken, that information, even though limited in extent, some of that information was available; it gave us some idea of what could happen even though we require more information in this direction. There was a big difference between the meetings that Mr. Weir had and the ones that we had because we had the Green Paper, we had the studies and we wanted to get some input based on the report, the recommendations, so there was a big difference there.

I appreciate the comments of the Member for Gimli. I think he's put it very eloquently. I think that is how we are proceeding. I think the question that municipal people are getting exasperated and so on, I don't believe is correct. I think the municipal people have come to recognize that we are proceeding in a prudent manner but we are advancing on it. The proof of that is, at the last two meetings that I have attended, at our district meetings, the question wasn't raised at all. They didn't raise any questions, where are we, Mr. Chairman. They have recognized how we are proceeding. They know that we are moving forward, that we are doing the studies and they've come to recognize that and I believe they support that position.

I am completely baffled by the position of the opposition in that they want us to proceed holus-bolus with the recommendations, because I think this would be a disaster unless, Mr. Chairman, they have discovered something in there. Perhaps they have discovered that farmers may be adversely affected if we moved ahead too quickly on this. They perhaps would like us to move so that there would be some reaction and then they could turn around and say, well see what the New Democrats have done to you, see what the Minister of Municipal Affairs has done to you, and they represent mostly farm areas. All they're interested in, Mr. Chairman, is their own re-election. They would just love that we do something that turned into a disaster; that's what they would like to see happen.

It's not going to happen; we're not going to let it happen. We're going to protect the farmers even if the opposition don't want to protect their own farmers.

MR. CHAIRMAN: Mr. Driedger.

MR. A. DRIEDGER: Mr. Chairman, it is with regret that we have to try and drag this reluctant Minister kicking and fighting into bringing in some legislation, but one thing that I want to flag for him is the fact that if he does not proceed then this whole two-year report of the MARC Report, could be obsolete. The Minister of Consumer Affairs confirmed that feeling there because he indicated we have to bring everything up to a certain level; everything has to be reassessed.

Well the Minister knows full well that you'll never catch up with your reassessment because we've seen that illustrated year after year already, where municipalities have not been reassessed for 11 years. When that happens the problems become very apparent. If he says he's going to bring everything up to date, by that time this whole recommendation and report is going to be obsolete. He has to start moving

on it somewhere along the line. He can flag all he wants about not making any mistakes and trying to play politics with this game.

We have indicated all along when we were out on the hearings, everybody realizes - I think the total committee realizes - something has to be done. This Minister is finding 101 reasons why he will not move, and if he says that municipal people aren't raising their concerns with him, there is a reason for that, because they can't wait for him to get replaced so that somebody's going to take the initiative and move on this thing because this thing is going to be outdated and we'll have to redo this again.

I can see in two year's time, we'll have to get another committee out to do another study, I suppose. That is possibly where we'll end up because much of this information will already be outdated and obsolete and the outlines are right here. You must have read it. Certainly all members of the committee must have read the alternatives and the time frame that's in there - that doesn't mean that there has to be legislation on the books right away but the thing has to be initiated - but this Minister is not initiating nothing, except for this study. I can just see possibly, maybe like we have with the bilingual thing, we'll have some promotional committee go out and do some selling job or stuff like that, or maybe have more hearings.

What the people want, they want to see the direction that's going to be taken, not further study; it's been studied to death. The problem was there and it has to be moved on and that's all we're asking this Minister to do. We're not fighting him on this thing; we just want him to move forward, and the committee I think generally will accept that. Give us a direction. I'm sure staff has a direction ready for you. It is the Minister that is refusing to move on this. If he will move forward, we can discuss it; we can debate it in the House or with the municipal people but they don't know where they're at and the Minister's refusing to move. That is why that resolution was brought in by the Member for Swan River, to put a time frame on things so that people can accept that.

The municipal people, if they see that resolution, they'll say, that makes sense. It gives you lots of time to come forward with a White Paper, to work for some legislation, it can't all be done in a shot, but let's move forward. This is the White Paper, my foot, this is a stall. That's all we're asking, is to give us some indication, Mr. Minister. Let us approve the resolution that we have on the table now and then you have a time frame in which your staff can work; you know which direction to go and the municipal people will accept that. But if you do nothing, if you pass this thing here, the recommendations, we're exactly where we were two years ago, nowhere.

MR. CHAIRMAN: Mr. Adam.

HON. A. ADAM: Yes, it seems to me that to have a White Paper, in my opinion, would delay the whole process a year, at least a year, because what would happen is that we would prepare a paper based on non-information. It would be very difficult in the first instance to even develop a White Paper because we lack the information particularly on farm residences.

We don't know how many buildings are out there. We don't know how many outbuildings are out there. We haven't got a clue as to their evaluation and any assessments that are being done, they do the farm buildings. But in order to get all the information would require a crash program as suggested by the Member for Brandon West.

They would have to go out there and when they do an assessment do just the farm buildings and drop all the rest and that would require perhaps up to two years to get that information. So as far as farm residences are concerned - and I think that was a major concern at the hearings - I think there was general support that yes, maybe farm residences should be assessed. Some said yes; some said no, but I think there was general agreement that it could be done providing it was taken off a farm land. They agreed to that maybe and there was a consensus there that I thought was present, but to proceed and to say right now, in a White Paper, we are going to assess farm buildings without knowing the impact on the farmers, I think is irresponsible.

I would like to know and I would like the members to put it on the record. I would like them to put it on the record right now and I challenge them to put it on the record. Go ahead and assess all farm buildings and residences with the information that we have. Put it on the record.

MR. CHAIRMAN: Are you ready for the question? All those in favour of the amendment, please say aye? All those opposed to the amendment, please say nay?

In my opinion the nays have it.

MR. R. BANMAN: Recorded vote, Mr. Chairman.

MR. CHAIRMAN: All those in favour of the amendment, please raise their hands. (5)

All those opposed to the amendment, please raise their hands. (5)

MR. R. BANMAN: Oh, the Chairman is contemplating his impartial position.

MR. CHAIRMAN: That's right.

MR. R. BANMAN: Now we know where we stand.

MR. CHAIRMAN: Before the Chair casts a vote, the Chair has the right then to state the reasons for the vote.

The Chair has a difficulty with the amendment, in that it precludes the Recommendation No. 4 primarily, which is a recommendation to bring in legislation validating assessment roles and the equalized assessment which I understand is necessary this year, so for that reason I have some difficulty in supporting the amendment and would vote against it.

I declare the amendment lost.

Recommendation No. 2—pass. All those in favour of Recommendation No. 2, please say aye? Same division.

On Recommendation No. 2, Mr. Carroll? Same division? All those in favour of Recommendation No. 2 please say aye? All those opposed, please say nay?

I declare the Recommendation No. 2—passed. Recorded vote?

MR. R. BANMAN: On division.

MR. CHAIRMAN: Passed on division.

Recommendation No. 3—pass. Pass on division? Passed on division.

Recommendation No. 4—pass. Pass on division? Passed on division.

Recommendation No. 5—pass. Pass on division? Passed on division.

Recommendation No. 6—pass. Pass on division? Passed on division.

That concludes the draft report. A motion to accept the report? It is moved by the Minister. Is that agreed? Report is passed on division.

Gentlemen, since we last met we've had certain written submissions which have been distributed to members. I would request the agreement of the committee to include those written submissions in the transcript of this meeting. Is that agreed? Additionally?

MR. R. BANMAN: Just on a point of order. It shouldn't be gentlemen, it should be gentlepersons.

MR. CHAIRMAN: Ladies and gentlemen. Order please. The other item I have Mr. Driedger, will just take a moment. The normal format for a report to the Assembly includes several pages of introduction listing the dates of the hearings and the individuals who presented briefs at the hearings. The Clerk has prepared that in the standard form. If it's agreeable to the committee, I would propose to append the report that we have approved today to the introductory pages prepared by the Clerk of the Committee. Is that agreed? (Agreed) Mr. Driedger.

MR. A. DRIEDGER: Just a further point, Mr. Chairman. The draft report would be included in total in the Hansard report on the committee, right? In case we did not read it into the record word by word.

MR. CHAIRMAN: There is no provision for a report to be included in the transcript of the committee. It is printed in Votes and Proceedings. However, I'm willing to entertain a motion to print as an Appendix to today's transcript a copy of the report if that's what members wish. Mr. Driedger.

MR. A. DRIEDGER: Why I feel it would be necessary or advisable to do that is because the municipal people will want to look at exactly what's happened and what the report indicates. If it is not included in that I think it creates a problem.

MR. CHAIRMAN: Then you have to send the Votes and Proceedings as well as the transcript.

MR. A. DRIEDGER: That's right and I would suggest, Mr. Chairman, that we include this as part of the . . .

MR. CHAIRMAN: Moved by Mr. Driedger that the report approved by the committee today, as it's submitted in the House, be included as an Appendix to the transcript of this meeting. Is that agreed? (Agreed)

Any further discussion? Hearing none, committee rise and report.

APPENDIX "A" - COMMITTEE REPORT

By Resolution of the Legislature passed on June 29, 1982, your Standing Committee on Municipal Affairs was authorized to elicit the views of the citizens of Manitoba with respect to the Report of the Manitoba Assessment Review Committee (M.A.R.C.- WEIR Report).

Pursuant to this mandate, your committee held meetings in Souris on January 24, Gilbert Plains on January 25, The Pas on January 26, Winnipeg on January 27 and February 2, and in Morris on February 8, 1983. Your committee heard representations from numerous organizations and private citizens as follows:

SOURIS, MANITOBA (Souris and Glenwood Community Hall)

MONDAY, JANUARY 24, 1983

Dennis H. Heeney, Reeve (R.M. of Elton)
Sid Ransom, Private Citizen
Bill Rolston, Private Citizen
Donald J. Alexander, Reeve (R.M. of Thompson)
W.G. Goodwill, Private Citizen
John Whitaker and Lyle Ross, National Farmers Union, Local 516
Ivan Stocks, Reeve (R.M. of Roland)
Herman Arason, Private Citizen
Brian Gibson, Reeve (R.M. of Roblin)
Tony Riley, Private Citizen

GILBERT PLAINS, MANITOBA (Gilbert Plains Arena)

TUESDAY, JANUARY 25, 1983

John Hyshka, Private Citizen
Ken Sigurdson, National Farmers Union, District 7
Art Morin, Private Citizen
Bob Forbes, Private Citizen
Russ Phillips, Reeve (R.M. of Dauphin)
Mr. Phillips also read a brief from Art Rampton into the record.
Morris Mazurkewich, Reeve (R.M. of Gilbert Plains)

Alan Armstrong, Private Citizen
Adam Smith, Private Citizen
Doug Cowling, Private Citizen

THE PAS, MANITOBA (Elks Hall)

WEDNESDAY, JANUARY 26, 1983

Jack McIntosh, Reeve (R.M. of Minitonas)
Mayor MacLean and Deputy Mayor DeGroot, City of Thompson

J.P. Bodnar, Reeve (LGD of Consol)
Tony Moule and Chris Sunde, The Town of The Pas

Harold Ellingson, Reeve (R.M. of Swan River)
Ken Jenkins, Town of Snow Lake

WINNIPEG, MANITOBA (Room 255 Legislative Building)

THURSDAY, JANUARY 27, 1983

Arthur Doering, Private Citizen
Stephen Olnick, Manitoba Beekeepers' Association

J. S. Walker, Q.C., Private Citizen
William Hilabura, Reeve (LGD of Armstrong)
Dave Harms, Union of Manitoba Municipalities
Aron Friesen and Charles Teetart, R.M. of

Hanover

Fred McCullough, Carman District Farm

Business Association

Steve Rapko, Private Citizen
Wilfred Mutchter, Reeve (R.M. of Dufferin)
George J. Froese, Reeve (R.M. of Stanley)
Ed McCready, Private Citizen

WEDNESDAY, FEBRUARY 2, 1983

J.C. Balderstone, Reeve (R.M. of West St. Paul)
S.J. Lye, Reeve (R.M. of Portage la Prairie)
Albert St. Hilaire, Reeve (R.M. of Montcalm)
John M. Giesbrecht, Reeve (R.M. of La Broquerie)
Rex Virtue and John Wiens, Manitoba Teachers Society
Philip Kienholz, Solar Energy Society of Canada, Inc.
John Klaponski, Polish Gymnastic Association

MORRIS, MANITOBA (Legion Hall)

TUESDAY, FEBRUARY 8, 1983

Dave Derksen, Private Citizen
Henry Hildebrand, Reeve of Rhineland
Louis Balcaen, Private Citizen
Leo Braun, Private Citizen
Luc Catellier, R.M. of De Salaberry
Francis Beneoit, Reeve of Ste. Anne
Jake Friesen, Private Citizen
Don Hamblin, Private Citizen
Leonore Eidse, R.M. of Morris
Tom Carruthers, Private Citizen
Ella Roy, Private Citizen
Roy McLaren, Reeve of Louise
Archie Hunter, Reeve of Franklin

WRITTEN SUBMISSIONS:

J.R. Guthrie, Reeve (R.M. of Pipestone)
Canadian Property Tax Agents Association
Canadian Hostelling Association
Carpathia Housing Co-Op Ltd./Westboine Park Housing Co-Op.
Assiniboine Memorial Curling Club
Winnipeg Chamber of Commerce
R.M. of Minitonas
St. James-Assiniboia School Division No. 2
Manitoba Milk Producers' Marketing Board
Casimir Petaski, Private Citizen
Rose and Alice Chita (Dauphin, Manitoba)
Jack Pawick (Cartwright, Manitoba)
Steve Rapko
Urban Development Institute
Town of Dauphin
David Roberts
Winnipeg Bible College
City of Winnipeg
I.M. Brandson (Ste. Rose, Manitoba)
J.A. and Edith Nicoll (Steinbach, Manitoba)
City of Thompson
Diploma Agriculture Graduates Association
Town of Selkirk
District of Alonsa
Rural Municipality of Rosburn
Canadian Nazarene College
Fort Garry School Division No. 5
Mr. Neil J. Bell, Manitoba Agriculture, Northwest Region (Dauphin, Manitoba)

Your committee met on Thursday, June 23, 1983 for further deliberations and has agreed, on division, to report as follows:

The committee heard and received submissions which covered a wide range of assessment and related taxation issues. Although it is not possible, in this report, to list each and every point raised at the meetings, the committee has attempted to summarize the majority of concerns identified by the public.

GENERAL COMMENTS: The committee was impressed by the general public awareness of the problems facing the assessment process in Manitoba. It is fair to report that there was a general sympathy for the recommendations of the Manitoba Assessment Review Committee which attempted to resolve some of these difficulties. The general tone of the meetings was that there were many inequities in the current system and we should get on with resolving them. At the same time, the public is well aware that the assessment problems are complex and that solutions should not be rushed into place until they have been adequately evaluated and tested. The committee must also report that the majority of submissions it received were from concerned rural residents and rural municipalities. There were regrettably few submissions from urban residents or urban municipalities.

VALUATION: The concept of valuation level assessment, which would see property values associated with current market value, received a considerable amount of comment. Most speakers accepted the M.A.R.C. rationale that market level assessment would be a step towards province-wide equity and would also produce an assessed value that the public could most easily identify with. A number of modifications were suggested however, and a special concern was raised with the valuation concept as it might be applied to farm land.

Many speakers were concerned that market level valuation placed an unduly high level of assessment on farm land. Suggestions were received that productivity of farm land be the major criteria in determining its value. Other speakers, with reference to farm lands, suggested a combination of market value and productivity, while still others suggested that market value over a longer period of time might be an adequate measure.

Suggestions were also received that market value should not be the sole factor in assessing urban residences. Combinations of market value, replacement value, frontage and square footage were all suggested for consideration. In Northern Manitoba, in particular, it was recommended that replacement value be a major factor.

Comments were received that prior to implementation of a valuation system, a "dry run" be tested over the entire province.

CLASSIFICATION: General support was heard for the M.A.R.C. recommendation regarding classification of property by use. An expansion of the number of classes also seemed to received support. Specific suggestions were received regarding the definition of several of the proposed classifications. In particular, the "golf and curling club" class and the "charitable and non-profit" class were discussed. Recommendation was also

received that the residential class be subdivided into single family and multi-family categories.

PORTIONING: The majority of delegations, who spoke on the concept of using only a "portion" of the valuation level of assessment for taxation purposes, were in favour of the idea. Strong support was received for the M.A.R.C. recommendation that at least initially no shift in total assessment and taxation between property classes occur. The choice of portions was, therefore, viewed as critical to ensure that shifts did not come about. Again it was suggested that a provincial "dry run" be considered before implementation.

A number of delegations rejected the concept of portioning and indicated that the inequities that exist between classes would remain under a system of status quo portions.

A separate concern was also registered regarding the lobbying powers that might affect a government of the day in establishing portions.

FARM PROPERTY ASSESSMENT: By far the single greatest issue raised at the public meetings concerned the levels of assessment and taxation on the farm community. The recommendations to assess and tax farm residences and farm outbuildings were acceptable to most delegations, as long as the total tax burden on the farm community province-wide would not be increased.

More specifically, there was widespread support for the assessment and taxation of farm residences. Comments were received that the present system of determining residential exemption based on income, was nearly impossible to administer. Most proponents of this recommendation also cautioned, however, that this new contribution from the farm community should be taken into account in establishing the farm "portion" so that the total provincial farm contribution would not increase.

Most delegations also agreed, in principle, with the assessment and taxation of farm outbuildings. A greater variety of reservations were also heard by the committee however, regarding the details of implementation of this recommendation. As with farm residences the main proviso was that the total contribution from the provincial farm community not be increased. Other comments ranged from a suggestion that this was the single greatest inequity in rural Manitoba to the other extreme which totally rejected the concept of assessing outbuildings.

In between the extreme of comments on outbuildings, were suggestions for moderation of the M.A.R.C. recommendations in this regard. Suggestions in this line included continuing to exempt non-productive outbuildings, for example silos, exempting vacant outbuildings after a suitable period of time, or the removal of school taxes from outbuildings.

Many of those who supported the principle of assessing and taxing outbuildings felt that the partial exemption relating to the size of the land parcel upon which the outbuilding sits, was potentially very unfair. Recommendations were received that a flat rate exemption would be the easiest to administer and the fairest to all Manitoba farmers.

URBAN FRINGE ASSESSMENT: The complexities of assessing and taxing lands within an urban fringe also

received attention from several delegations. The majority felt that farm viability would be threatened by a market level assessment where that market level was heavily influenced by the proximity of an urban centre over and above its inherent agricultural value. Again, a range of opinions was received on this issue, with some delegations agreeing with the M.A.R.C. recommendation regarding payment of back taxes, while others felt that as long as land remained in farming it should be assessed based on use and that a tax deferral system was unfair and should be rejected. Another criticism of the deferral system was that it might result in a shift of assessment onto the residential and commercial properties until such time as the deferred taxes were charged and received. Further study was recommended by some into the problems of urban fringe assessment.

RESIDENTIAL ASSESSMENT: Little comment was received by the committee in the area of residential assessment other than a frequently mentioned recommendation that all buildings should be taxed at 100 percent of value rather than the current legislative provision for 2/3 of value. One or two delegations did suggest, in addition, that certain relief from assessment for home improvements be provided and also that the value of energy-efficient homes should be recognized in the assessment process.

STATUTORY PROVISIONS: The delegations who spoke on this issue generally recommended an updating of all statutory rates and that the valuation of railway right-of-ways be closer in line with market conditions.

CROWN LANDS: Of those who spoke on this subject, most felt that Crown lands should be assessed and taxed. Other more specific comments were received that suggested that developments on Crown land were not paying their fair share of the overall tax load. A contrary recommendation was also received that suggested there was no need for the Crown to pay taxes or grants-in-lieu on land which was currently undeveloped and requiring no municipal services.

SMALL BUSINESS RELIEF: The concept of taxing the first \$50,000 of "other" building assessment for education support levy purposes at the residential rate, received support from all delegations speaking on the subject. Some questions were raised as to the definition of which businesses might qualify, with the suggestions that franchise-type business, pipeline companies, etc., might receive a greater benefit from the recommendation in that their properties were scattered over a greater number of parcels of land.

ADMINISTRATIVE AUTHORITY AND PROCEDURES: It was suggested by a number of delegations that the assessment process and the taxation process be kept as separate as possible. The valuation of land was considered a separate endeavour from the policy decision process which directs taxation.

Many delegations made mention of the complexity of the assessment process and of perceived inequities on how it is applied. A strong feeling emerged that province-wide consistency in the assessment of real property is necessary. Most delegations recommended that a single authority afforded the best means of achieving this consistency. Some concern on this

subject was raised as to the cost benefits of a single authority versus the existing system of assessment.

Many individuals and organizations stressed that the assessment system must be made easier for both the public and the assessors to understand. More frequent re-assessment and the use of market level valuation were considered steps in this direction.

A variety of specific recommendations were brought to the committee's attention to improve the assessment process. These included self assessment of property, more rigid guidelines for the assessors to follow, and more detailed assessment notices.

OTHER MATTERS: Although not within this committee's terms of reference, the committee would like to report, based on its experiences, that confusion continues to exist regarding the distinction between taxation and assessment in Manitoba and secondly that the issue of education financing and its relationship to real property assessment was raised by many individuals.

RECOMMENDATIONS:

The committee having received the views of the public on the report of the Manitoba Assessment Review Committee wishes to recommend the following to the Legislature:

1. That the principles of property classification and portioning as generally proposed in the report of the Manitoba Assessment Review Committee are basically sound.
2. That further research be conducted into the determination of "portions" that would minimize to the greatest extent possible, any shift in taxation between property classes. Related to this research and prior to a decision with respect to the current exemptions on farm residences and farm buildings, the Provincial Assessor be directed to complete the assessment of these buildings across the province.
3. That further study be done to develop a method of determining valuation as applicable, which would include factors such as soil productivity and replacement value, in addition to the current consideration given to market value.
4. That until such time as the above principles can be equitably implemented, current legislation validating the assessment rolls and limiting the rights of appeal be extended as necessary.
5. That the Provincial Assessor's Office immediately take such steps as are possible to ensure province-wide equity in assessment procedures and to provide for education of the public on assessment practices.
6. That a study be undertaken to determine the cost-benefits of a new single assessment authority as compared to the existing structures or related alternatives.

WRITTEN BRIEFS SUBMITTED BUT NOT READ

Brief by Winnipeg Bible College by Mr. William R. Eichhorst, President

**A Rationale for Relief from Municipal Tax Assessment
February, 1983**

INTRODUCTION

Winnipeg Bible College was founded in 1925 and functions as an institution offering post-secondary education at the university level. The College was located in Winnipeg until 1970 at which time a move was made to the campus of the former St. Joseph's College in Otterburne, Manitoba.

In terms of standard student equivalents, the Institution is similar in enrollment to St. Boniface College. It has a staff of 42 full-time and 18 part-time employees. When the faculty, staff, students and their immediate families are totaled, the Institution maintains a population of approximately 700 people in southeastern Manitoba.

It is a non-denominational college not affiliated with, or responsible to, any religious body.

Academically, the College is accredited by the Council on Post-Secondary Accreditation in the United States through affiliation with the American Association of Bible Colleges. Since Canada has no accrediting agency, WBC has arranged transfer of credit agreements with individual provincial universities.

The College is chartered by the Province of Manitoba as an academic degree-granting institution and offers the B.A. degree. The latest Charter revision took place in 1977 through a private member's bill introduced by Mr. Steve Derewianchuk.

RATIONALE FOR MUNICIPAL TAX RELIEF

The municipal tax assessed to WBC after the move to Otterburne in 1970 was \$127.45 - based upon the assessment of the former campus owner, St. Joseph's College. The 1982 assessment stands at \$31,301.12 and the accumulated total since 1970 has reached \$155,265.10. (Taxes from private homes on campus are not included in the above figures).

In our opinion, Winnipeg Bible College should not be assessed a municipal tax for the following reasons:

1. As a College chartered by the Province of Manitoba, WBC should be treated as an educational institution along with other educational institutions in the province. The three provincial universities receive grants in lieu of taxes and therefore, in effect, do not pay a municipal tax.
2. St. Boniface College, a church related College, is exempted from paying municipal taxes. It is therefore educationally and religiously discriminatory that municipal taxes be assessed to WBC.
3. Theology departments located on the university campuses and training students for the ministry or priesthood, receive the same municipal benefits as those received by the universities but do not pay a municipal tax.
4. Apart from some improvement to campus roads in 1982, the College has not benefited from any such services as road maintenance, snow removal, lighting, sidewalk construction, local recreation facilities, garbage collection, etc. The taxes assessed bear no relationship to the benefits received.
5. A survey of colleges across Canada similar to WBC reveals the fact that Manitoba is the only province not exempting such institutions from taxes. (Some provinces assess a small percentage of the tax, but only Manitoba collects the full amount).

In view of the above rationale, Winnipeg Bible College should not be assessed a municipal tax. A relief from assessment would not only provide consistency to government policies already established but would also serve the cause of justice and equity.

Respectfully submitted
"Wm. R. Eichhorst"
William R. Eichhorst, President
Winnipeg Bible College

Brief submitted by I. M. Brandson

I.M. Brandson
R.R. 1, Wapah
Ste. Rose, Manitoba R0L 1S0
January 25, 1983

Excerpts from a letter addressed to Honourable A.R. (Pete) Adam
re: *The Municipal Assessment Review*.

Farmers in Manitoba, and probably right across the country pay an unparalleled portion of property and school taxes, when you compare their number, with the rest of the population in any region of the country. And to say that this recommendation of assessment would make tax paying more fair, is absolutely lunatic. Grain and livestock farmers can never set the price of their product. They just have to take what the market offers, not like businesses who just raise their price, and have the public pay any increase in taxes.

It seems to me that not all factors have been taken into account, in the Statistical Analysis of Impact of Selected M.A.R.C. (Weir) Recommendations. I think this is the same comparison used by C.K.D.M. when reporting on the impact when school teachers in Dauphin-Ochre School Division were getting higher pay And it was always compared this way. A resident of Dauphin with an assessment of \$5,000 and a farmer with an assessment of \$5,000 would be paying a certain figure. It was never said a Dauphin resident with assessment of \$5,000 would be paying such an amount and a farmer with an assessment of \$50,000 would be paying taxes 10 times greater than the Dauphin resident.

What I would suggest is that if farmers buildings are going to be taxed, that none of the land he uses should be taxed and would urge that a study be made on, say, three school divisions in the province at different locations, take all the assessment of farm land from the assessment roll, and assess the farm building at the same average of assessment as residents in towns in that school division, and see what effect that would have on the tax income of those divisions. That way and only that will you see how unfairly farmers are being taxed right now.

Sincerely,
(typed as letter received)
"I.M. Brandson"

Brief presented by J. A. and Edith Nicoll

J.A. Nicoll,
Miss E. Nicoll,
Steinbach, R.R. 1, Man.,
R0M 2A0
Jan. 24 - 83.

Dear Sirs:

Thank you for forwarding the results from the Assessment Commission.

As a Manitoban - Farmer - Veteran it affects me very much and I would like to see justice done.

Having attended the meeting, I found Mr. Weir's bias pro urban. In R.M. of Ste. Anne all buildings are assessed but exempt from taxes on farms except the 4 mill special levy.

My two main concerns are:

(1) Poor land was reassessed up to 300 percent on account of real estate get rich quick schemes. Rightly so, but a genuine farmer who bought land in 1936 for pasture was not interested in this, while this land could have been sold a few years ago for a fair price. Today's market and conditions have lowered to very near nothing except pasture again. Furthermore, this is too costly a period to develop this land.

(2) Assessment should be tied in somehow to income derived. For example, when one retires he would have to tear down all his buildings except his house if he expects to pay his taxes. I would suggest there should be a deductible clause per set of buildings. This would leave a domicile for senior citizens to live out the end of a rugged and sometimes frugal life.

Finally, I would like to see assessment used to promote: (1) Conservation, (2) Better buildings (3) and better farm practices encouraged, to promote prosperity in our wonderful province.

Respectfully yours,

J.A. Nicoll

Edith Nicoll

Briefs submitted by City of Thompson

CITY OF THOMPSON
City Hall
226 Mystery Lake Road
Thompson, Manitoba
R8N1S6
Phone (204) 778-7033, Telex 07-664579
February 16, 1983

Hon. A. R. Adam
Minister of Municipal Affairs
Room 330, Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Mr. Adam:

RE: ASSESSMENT REVIEW

Further to the submission of the City of Thompson to you in the Town of The Pas on January 26, 1983, we were concerned that we communicate further with you concerning our interpretation of "replacement value" assessment.

First of all, we suggest replacement value assessment as it relates to buildings only. We understand that, at present, this forms the basis of assessment although it appears to be modified in many instances by market value. In simplest terms replacement value assessment would see a value ascribed to a building based on current costs of replacing that building. (We recognize

the necessity, however, of some appropriate depreciation factor for age and/or condition).

Second, in the City of Thompson brief we suggested that as long as the Education Support Program is in place, replacement cost assessment should be based on Winnipeg costs so as not to penalize communities outside of Winnipeg for higher building costs.

Third, replacement values (like market values) can be understood. Most properties carry fire insurance and are used to replacement cost (or a portion thereof) in relationship to homes or places of business.

Fourth, as long as markets for commercial and residential real estate are stable and real, market value assessment may work. Outside of Winnipeg, and especially in single-industry communities market value may fluctuate considerably or may be maintained by "artificial" actions (e.g. ownership of housing by a major company of C.M.H.C.). Replacement value is more stable in relationship to the value of materials and labour in construction.

Fifth, we fully realize that no method of assessment will satisfy everyone and, indeed, we expect there may be some problems in using replacement values on constructed property. We believe, however, that it is the major reasonable alternative to the use of market value. As such, it requires fuller attention than we believe has been given by the authors of "A Fair Way to Share". We would be pleased to have your Department do an analysis of the impact of replacement value assessment in the City of Thompson. We would be interested to compare any tax shifts which might occur, in relationship, with the anticipated shifts should market value assessment be utilized.

Sincerely,
Doug McEwen
City Clerk
DMcE:dnz

February 22, 1983

Honourable A. R. Adam,
Minister of Municipal Affairs,
Room 330, Legislative Building,
Winnipeg, Manitoba,
R3C 0V8

Dear Mr. Adam:

RE: ASSESSMENT REVIEW

Further to our submission to you and the Municipal Affairs Committee in The Pas on January 26, 1983 and correspondence to you of February 16, 1983, our purpose in writing this further letter is to expand on a suggested "Assessment Delay" program which we touch upon in Page 4 of our submission.

You may recall that in our submission of January 26, 1983 we referred to a problem which faces many homeowners. They undertake improvements to their home and then promptly find their property reassessed and taxes increased. To encourage improvements and at the same time not pervert the basic principle of Property Assessment we suggested a program which would delay the application of a changed assessment.

The Council of the City of Thompson now wish to outline more fully how the program might function and even to suggest a means by which municipalities could control this program.

- (1) We request that as other amendments are considered for the Municipal Assessment Act, an amendment be considered which:
 - (a) would permit municipalities to pass a by-law which would indicate municipal desire to conduct a "Home Improvement Assessment Delay" program for a set period of time.
 - (b) would require that non-structural improvements such as building of recreation rooms, painting, recarpeting, addition of insulation, application of exterior siding and window replacement be identified by a building permit and completed within a reasonable period of time.
 - (c) that upon receipt of a final inspection certificate from the City, the Assessor would visit the home and conduct a new valuation. However, the added valuation would not be added to the property assessment for a period of five years or such lesser time as might be set by the municipal by-law.
 - (d) notwithstanding item (c) above, in the event of sale of the home within the period of the Assessment Delay, the valuation would be added to the Assessment. (The City believes this caveat would serve the dual purpose of preventing home improvement for "speculation" purposes and give a form of relief only to the person(s) undertaking the improvement.)
 - (e) it is critical that the Assessment Delay for improvements be independent of normal reassessment activity so that if assessments remain periodic (i.e. 3-5 years) the homeowner is not penalized on the basis of which year in the "assessment cycle" he undertakes the work.
- (2) We believe the program, while requiring the full co-operation and assistance of the Municipal Assessment Branch, should be operated by the municipality for the following reasons:
 - (a) in periods of economic stagnation this program could stimulate considerable work and enhancement of local properties.
 - (b) the impact is felt municipally because presumably some taxes on some properties are foregone and municipalities should be responsible to choose if they wish to do this.
 - (c) the program is triggered and controlled by effective use of building permits which are managed, by and large, by municipal authorities.
- (3) We believe the program should apply purely to residential properties and primarily single family homes. The program should be limited to properties in which the owner of the property makes his or her primary residence.

We trust this outline will convey our feelings on this matter more fully and we would be pleased to offer any assistance your officials might require in examining these ideas.

Sincerely,
Doug McEwen,
City Clerk.
DMcE/gS

**Brief submitted by
Earl Geddes, Policy Director, D.A.G.A.,
Box 397, Pilot Mound,
Manitoba, R0G 1P0**

Pilot Mound, Man.
February 8, 1983

The Honourable Pete Adams;
Minister of Municipal Affairs;

Dear Sir:

I am writing on behalf of the Diploma Agriculture Graduates Association. Our association is made up of Diploma Graduates of the University of Manitoba.(D.A.G.A.) There are over sixteen hundred grads still residing in Manitoba. We function on donations from our members, who elect seven directors a year to a board of directors of twenty-one.

Our board of directors has been following the Assessment Review Committee's work on the Weir Commission's recommendations. We are very concerned about the inequities in the present form of assessment and are pleased to see that a review is in progress. The current Assessment Review Committee's position in regard to updating the total provincial assessment is in agreement with our policy. D.A.G.A. feels that if farm residences and outbuildings are to be assessed for the purpose of taxation that the practice of lowering the urban residential assessment by one-third MUST be dropped.

D.A.G.A. supports the concept of taxation on all residences in the province including multiple unit dwellings for the purpose of raising educational tax.

We feel that the practice of taxing farm property and commercial property for education is a punitive tax and totally unfair as it does not allow for a fair sharing of the education tax load. What we mean is that we do not feel it is fair for such a small percentage of the population (farmers and businessmen) to carry the largest portion of the education cost.

We are agreeable to having farm residences and outbuildings assessed for the purpose of raising municipal tax as we feel this will accommodate some of the problems arising from building intensive farming operations.

In conclusion our position is that we would encourage an update assessment covering the entire province (farm land, commercial and residential) as soon as possible. We encourage the concept of one assessment authority as this is the only way we see that equalized assessment can be arrived at. In no way can we support the assessment of farm residences for the purpose of taxation if the current one-third deduction on residences is not lifted. Our position on taxation is that education tax should be raised by a tax on all residences in the province and that municipal taxes should be raised by taxes on all property.

Thank you for this opportunity to present our position in regards to assessment and taxation. If you wish further clarification of our position please feel free to contact me.

Yours truly,
Earl Geddes,
Policy Director,
D.A.G.A.
Box 397,
Pilot Mound, Man.
ROG IPO

c.c. Hon. Maureen Hemphil
Hon. Bill Uruski.

**Brief presented by R. and A. Chita, Dauphin,
Manitoba**

204-6th Ave. S.E.
Dauphin, Man.

Clerk of Committees

Dear Sir:

Regarding review assessment on homes.

We had our home Foam Insulated 1976 (UFFI) also very bad Insulation.

Winnipeg home owners received \$300.00 back 1982 taxes because of (UFFI) Foam Insulation.

We understand their taxes will be lowered on these homes when assessed.

We feel same consideration should be given to us here in Dauphin since it applies in Manitoba.

Our taxes were approx.- \$480 in 1976, since then they are up to \$879.34 1982. There will be an increase of 5 to 6 percent.

We feel since our home will be devaluated on the market, our assessment should be taken into consideration.

Thank you,
Yours Truly,
Rose and Alice Chita
March 1, 1983

Brief presented by Town of Selkirk

March 1, 1983

The Honourable Pete Adam
Minister
Municipal Affairs
Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Minister:

Re: *Manitoba Assessment Review Committee
Report*

There has been a considerable amount of discussion within Council and throughout the Province concerning the Manitoba Assessment Review Committee Report. After considerable review by Town Council and our staff, I would like to report on the position the Town has taken with regard to the report of the Commission.

Rather than deal with the technicalities that were outlined in the Report, the Council decided to deal with

some very general principles which should help you and your department in dealing with recommendations of the Manitoba Assessment Review Committee. The Council agrees with the following:

1. All property should be taxable. The Town is prepared to give grants back to charitable organizations such as churches, etc. which have traditionally received tax exempt status.
2. The Assessment Review should be conducted every five years maximum.
3. Taxation shift-under any new formula adopted there should not be an increase in residential taxes caused by decreases in other assessment, i.e. commercial or industrial.
4. Renovations and improvements should be made exempt from assessment for a period of three years to encourage property owners to develop their property.
5. Court of Revision should remain a body of elected officials.
6. If farming is a main occupation, the land should be assessed lower; however, buildings, particularly houses, should be assessed as residential.
7. Assessment on buildings should be full replacement value. Assessment of land should be on fair market value. Replacement value of buildings seems the most equitable way of dealing with potential problem of massive devaluation of market prices. With respect to land, fair market value seems the only fair way of dealing with land.
8. There should be one assessment department for the whole province so everyone can be assessed on a yearly basis, probably using a computer system.

I hope these comments and general positions taken by the Town of Selkirk are valuable. Thank you for your consideration on this matter. If there is any way the Town may be of further assistance, please let me know.

Sincerely,
Bill Shead,
Mayor.

c.c. Honourable Howard Pawley, Premier
Manitoba Association of Urban Municipalities

Brief presented by R. M. of Rossburn

A FAIR WAY TO SHARE

**. . . Or would it only appear to be
a fair way to share!**

A Presentation of the Rural Municipality of Rossburn to the Standing Committee of the House on Assessment.

February, 1983

We, the Council of the Rural Municipality of Rossburn, appreciate the opportunity to make this presentation to the Standing Committee of the Provincial Legislature on the Assessment (Weir) Report.

As a Council and as elected representatives of our Municipality's taxpayers, we have opinions and suggestions regarding this report.

Assessment - Taxation

When one talks of assessment in rural Manitoba it is automatically converted into talk of taxation. If we are not talking taxation, then why is this report basing assessments on budgets? The report tells us that we cannot talk about taxation but this is the whole basis of the report's statistical analysis.

Value of Residences

In "A Statistical Analysis of the Impact of Selected M.A.R.C. (Weir) Recommendations" you compare a residence in Winnipeg, a village residence, and a rural farm home. These three residences cannot be assessed the same for the following reasons:

- (i) city home vs village home - the services available to an urban dweller are uncomparable and unparallel to that of a small town, i.e. protective services - fire and police; recreational facilities, shopping, health care, public transportation and others. The small town resident has few of these services and if available, distance to these services are an important and usually detrimental factor.
- (ii) Village home vs farm home - once again services available to a village resident far outnumber those to a farm resident and distances are even a greater factor than in the city - village comparison.

It is very obvious that the three types of residences must be assessed under a variable formula taking into consideration every type of service available to each type of resident with particular emphasis on the "distance" factor.

Assessment Irregularities

The information contained in the M.A.R.C. Report is not perfect, why then do we think that we can come up with a new assessment that will eliminate all previous anomalies.

Winnipeg's last assessment took place in the fifties; towns, villages and municipalities in rural Manitoba have been re-assessed at various times in recent years. Comparisons are ambiguous to say the least.

Apportionment of the Property Valuation

If we are to be assessed at a residential rate of 15 percent then we had better consider the farm residence as a service centre whereas many farm residences are used as a yard, water pumphouse, heated chemical storage area, farm office, farm comfort station and the farm coffee shop. These aforementioned situations are all needs for humanely treating farm staff and people having to do with the farm business.

In essence, farm dwellings are used just as much for farming purposes as for residential purposes and like a commercial business/residential establishment and dwelling, should be assessed on a pro-rated basis.

Distance to Markets Factor

At one time consideration was given when assessing farm land to the distance of the farmer's nearest markets point. When rail abandonment became a common occurrence this consideration was eliminated. We believe that this factor should once again be instituted when assessing land.

Assessment of Family Farms and Family Farm Buildings

Is it not a more well planned operation to be situated on a main traffic artery where the assessment for

services (school, road, fire fighting, etc.) would be less costly to provide thus alleviating the need for a higher assessment for services to this property? We do not believe that a farmer should be penalized for having his buildings in a central location thus making his farm-business more efficient and less costly to service.

Productivity Capability of Land For Assessment Purposes

There are ample records over the past 25 years to indicate what this land can produce to sustain a fair property assessment. i.e. verification by crop insurance records, permit books.

Market Value of Land For Assessment Purposes

The market value of land for assessment purposes is a very unpredictable and inaccurate means of assessing land in that land has a market value only when you have a seller and two buyers. At this point you have a speculative market value which may change substantially when one party withdraws from the negotiations.

Assessment of Land Used For Wildlife Purposes

It is our contention that all Crown lands used for wildlife purposes should be assessed and the municipality eligible to grants in lieu of taxes.

A Few Definitions of a Farm

A farm is an agricultural piece of property that can sustain the occupant with the normal services for comfortable living;

A commercial farm would be a small acreage holding that is livestock intensive or poultry intensive, but if that farm produced the feed to support that livestock or poultry then it would not become a commercial farm for the purpose of assessment.

Portioning of Assessment

Who would be responsible for deciding the percentages for portioning and at what point in time would this be done?

We must have, in place, a very simplistic and comprehensible appeal procedure in order that each property owner would be able to appeal in the event of an unfair and unjust assessment of property.

In conclusion, we in rural Manitoba do not believe that the rural areas can sustain any increase in assessment for the purpose of balancing budgets. We say this in good consciousness because the assessments on all other services are continually rising with no corresponding increase in the prices received for the produce from the rural farm properties.

Brief presented by the City of Winnipeg, H. K. Irving, Chairman, Board of Revision

February 7th, 1983

The Honourable A.R. (Pete) Adam,
Minister of Municipal Affairs,
Room 330,
Legislative Buildings,
450 Boradway Avenue,
WINNIPEG, Manitoba,
R3C 0V8

Dear Sir:

Re: *Report of Manitoba Assessment Review Committee*

At a meeting of the Board of Revision held on Tuesday, October 26th, 1982, the Board of Revision considered certain portions of the above noted report. The Committee on Finance of the City of Winnipeg has instructed me to forward to you the views of the Board of Revision with respect to the report for your consideration.

The portions of the report which we wish to draw to your attention are as follows:

Page 57 - V-F-7

It is the opinion of the members of the Board of Revision that the Boards of Revision should not consist of members of Council, primarily because it was the feeling of the members that Councillors are subject to political motivation, a factor which is not present when the Board of Revision is composed of citizen members.

Page 28 - III - A-2

The recommendation of the report is that the prime consideration in the establishment of the valuation of real property should be sales data from the 24-month period immediately preceding the year in which the valuation of the property is being established.

It was the opinion of the members of the Board that with respect to rural properties, there is not enough sales data to come up with a satisfactory result. This applies both in rural towns or with respect to farm lands. If the recommendation is to be followed, it was the opinion of the Board that a period of 36 months would be more appropriate. One of the members of the Board was recently involved in appraising property, both in rural towns and farm lands, and the sales data available was very minimal.

It was also the opinion of the Board that other than residential properties in the City of Winnipeg, there may not be enough sales in the City of Winnipeg from which to arrive at a valuation of the property. In addition, the members felt that the market value of a property will fluctuate greatly depending on the sales conditions that are applicable, for example, whether a long-term mortgage is involved, the interest rate, whether personal property is included in the sale. In addition, the appearance of the property may substantially increase its value for assessment purposes, whereas at the present time such is not the case.

It was agreed that updated costs of construction, market value and an economic approach should be used in the valuation of property for assessment purposes as opposed to the recommendation contained in the report.

Page 52 - V-D-2 - Assessment Notices

It was agreed that the present Assessment Notices are sufficient for the purposes and that all of the information recommended in the above noted paragraph is not required. The party owning the land is quite familiar with his property, whether it be farm

property or residential or urban property. However, if there was a change in the assessment from the previous year, it was agreed that an explanation as to why the assessment was increased or decreased should be incorporated in the notice.

Page 53 - V-D-6

The Board agreed that separate valuations should continue to be provided on the assessment notice for land and structures, and with the rest of the recommendation.

Page 55 - V-F-2

The Board agreed that the burden of proving that the valuation for property should be maintained or where the assessors are the appellants, altered, should rest with the assessors, and with the remainder of this recommendation.

Page 56 - V-F-6

The members agreed that property owners should have the right to obtain from assessors details used by them to establish a valuation on their property. However, the right to obtain such details should be within reason.

Page 57 - V-F-9

This recommendation provides that complaints should be received on an ongoing basis. We presume that this is after the roll is closed for a particular year. The recommendation is that "when complaints are received after the date set for the lodging of complaints, the Board of Revision should be permitted with the concurrence of the assessor to hear the complaint at its next sitting or defer consideration to the following sitting of the Board." The members of the Board of Revision are of the opinion that the concurrence of the assessor should not be a prerequisite, but this should be left to the Board to decide on its own.

The Board is also of the opinion that a section should be provided giving the Board, in deserving cases, the right to hear a complaint although all of the statutory requirements perhaps have not been complied with by the complainant.

Page 58 - V-F-14

This recommendation provides that the Board should complete its review no later than November 30th of each year. This is a good recommendation, but in some instances it is not possible and, therefore, the recommendation should provide that this be done "if possible".

Page 59 - V-F-20

The Board agrees that the present authority of the City of Winnipeg to cross-complain in respect to an appeal on the assessment of property should be repealed.

Page 60 - V-F-23

The members of the Board are of the opinion that the Board of Revision should have the authority to order a new assessment. There have been many situations

in the past in which a complaint has been made and it is obvious that other properties in the immediate area if a complaint has been lodged, would be similarly re-assessed. To be able to order a re-assessment under the circumstances would create great inequity as between property owners. It is also the opinion of the Board of Revision that, based on the facts presented to it at the time, it is in the best position to decide whether or not a new assessment should be ordered.

On Page 62, V-F-30, the Municipal Board has the right to order a new assessment. It presently has that right and this should continue.

Page 67 - VII-B-1

It is the opinion of the Board of Revision that rental values should continue to be utilized as the base for the establishment of the assessment for Business Tax purposes as this is the most appropriate manner in which to make an assessment for Business Tax purposes.

In dealing with the valuation of property within a municipality, and the recommendation that it should be updated annually by the assessment authority as provided on page 28, III-A-13, the Board presumes that this refers to the sale price of all properties. If this is to be done, it is the opinion of the members of the Board of Revision that this update should include an update covering such matters as zoning and changes in the building, one way or another.

One of the problems that we foresee in attempting to set a valuation based on market value is the problem of assessing such properties as Eaton's, The Bay, the Richardson Building and similar buildings.

The members of the Board are of the opinion that the present method of assessment of real property has worked reasonably well except for the fact that the base year for the cost of construction has not been updated as often as it should have been. The Board is of the opinion that the cost of construction should be used as the method of valuating real property, but that the construction costs should be updated more frequently to bring them in line with present costs.

Finally, it is the opinion of the Board of Revision that the market value approach should only be applicable if it would be applicable at all with respect to residential property.

I trust that you will find the comments of the members of the Board of Revision of some assistance to you in your consideration of the report of the Manitoba Assessment Review Committee.

Yours sincerely,

H. K. Irving,
Chairman
Board of Revision
/sw

**Brief presented by City of Winnipeg, Mayor W.
Norrie, Q.C.**

February 22, 1983.

The Honourable Pete Adam,
Minister of Municipal Affairs,
Legislative Building,
Winnipeg, Manitoba.
R3C 0V8

Dear Mr. Minister:

Re: *Analysis and Evaluation - Manitoba Assessment Review Committee Report - "A Fair Way to Share"*.

I am enclosing herewith, for your attention and consideration, a report of the Executive Policy Committee dated February 10th, 1983 including an Analysis and Evaluation of the Manitoba Assessment Review Committee Report which was adopted by City Council at its meeting held February 16th, 1983.

I particularly wish to draw to your attention the following recommendations contained in the report:

2. That the Honourable Minister be advised that the City recognizes that a comprehensive evaluation of the report and a tax impact study must be carried out by the government prior to the implementation of the new assessment system and also recognizes that the legislation which freezes all assessments at the existing levels of value must be continued while the study is in progress.
3. That the Honourable Minister be advised that in view of the current status of assessments, the City has very serious concerns and strongly recommends that the proposed new assessment system be implemented as quickly as possible for the following reasons:
 - (a) the existing assessments result in an inequitable distribution of the tax load among all property owners.
 - (b) the legislation which validates the use of the existing assessments for purposes of levying real property taxes expires on December 31st, 1983.
 - (c) the current system of assessment equalization referred to as the Balanced Assessments and which is used for purposes of apportioning the share of the costs of the Provincial Education Support Program to each taxing jurisdiction is outdated. The current system results in an inequitable distribution of the tax revenue required to be raised by each municipal taxing jurisdiction throughout the Province. It is the City's particular concern that it has borne in recent years, a disproportionate share of the Provincial School Program, which cannot be permitted to continue.

On behalf of the members of City Council, may I take this opportunity to thank you for the privilege of commenting on the Assessment Review Committee's report.

Yours very truly,

William Norrie, Q.C.,
MAYOR.

Please note that copies of the report of the Executive Policy Committee dated February 10th, 1983, including an analysis and evaluation of the Manitoba Assessment Review Committee Report which was adopted by City Council, are available upon request from the Clerk of Committees by calling 944-4729.

**Brief presented by the Local Government District
of Alonsa**

To:

The Honourable A. P. Adam
Minister of Municipal Affairs

RE: *THE MANITOBA ASSESSMENT REVIEW
COMMITTEE RECOMMENDATIONS*

After attending some of the meetings on the M.A.R.C. recommendations and discussions by council, it was decided to present you with the following recommendations for your consideration before the M.A.R.C. report is adopted as legislation.

1. Farmland cannot stand the extra tax burden according to the M.A.R.C. recommendations. At this point we understand land is assessed at approximately 20 percent of 1975 market value. The M.A.R.C. recommendations state land should be assessed at 100 percent of its value based on the data of sales over the last 24 months.

Due to decreasing market values of farm produce both in the agricultural and livestock areas we believe the drastically increased rates would be too much for even the most efficiently run farms and ranches. Add to this the very high price of machinery, building materials, inflation, the ever rising cost of farm land, etc. and we believe the farmer or rancher will be placed in an untenable position under the M.A.R.C. proposals if they are adopted.

We believe the M.A.R.C. recommendations of basing assessment on market value would not be a good system due to the very rapid fluctuation in land prices that can occur. For example, a quarter section that sold for \$7,000 a few years ago, sold for \$18,000 and then sold for \$47,000 within a few months during 1981-82.

We therefore recommend that 20 percent of present market value be used for assessment purposes.

2. On page 34 of the summary of M.A.R.C. recommendations, farm residences are to become taxable. We have no objection to this but recommend the following:

- a) that all residences be taxed for school purposes only and exempt from general municipal tax.
- b) that all land should be exempt from school tax but taxable for general municipal purposes.
3. All farm outbuildings excluding the farm residence should be totally exempt from all taxation.

Bjarni Sigurdson, Reeve.

c.c. Mrs. Donnie Payne, M.S.O.

Brief presented by Canadian Nazarene College

CANADIAN NAZARENE COLLEGE

A Rationale for Relief from Municipal Tax

Assessment

March, 1983

INTRODUCTION

Canadian Nazarene College was founded in 1921, and until 1961 functioned as an institution offering post-

secondary education in religion and arts in Central Alberta. In 1961 it moved to Winnipeg, occupying the old St. Andrews College premises on Church Street. In 1966 it completed its new campus at the present location and moved here in late summer of that year.

The institution has an enrolment of 130, and employs a staff of 25 full-time persons, and 11 part-time employees.

We are a college of the Church of the Nazarene in Canada, and serve the 142 congregations of the denomination which are located across Canada. We are subject to the oversight of a Board of Governors representing the five ecclesiastical districts of the Church of the Nazarene in Canada.

Since 1973, we have been an approved teaching centre of the University of Manitoba, which affords us the only route for accrediting available in Canada, since Canada does not have an accrediting agency. By this approved teaching centre relationship we are enabled to offer up to 60 hours of university cross-registered courses, in the arts, humanities, social sciences, and religion.

Canadian Nazarene College is chartered by the Province of Manitoba as an academic degree-granting institution, offering degrees in theology, church music, and religion. Our charter was granted in 1964 by the Provincial Legislature under Bill 33.

RATIONALE FOR MUNICIPAL TAX RELIEF

C.N.C. is currently paying \$56,019.11 (1982 Assessment), and in its first year of operation on the present campus (1966), its total municipal tax assessment was \$1,292.30. That is an increase of 43,358 times the initial assessment. The accumulated total of tax which we have paid since 1966 amounts to to \$438,583.80; and since 1976 we have been paying only upon one-half of the original land dimensions, for in that year we sold 38 acres south of Lee Boulevard.

In our opinion, Canadian Nazarene College should not be assessed a municipal tax for the following reasons:

1. As a College chartered by the Province of Manitoba, CNC should be treated as an educational institution along with other educational institutions in the province. The three provincial universities receive grants in lieu of taxes and therefore, in effect, do not pay a municipal tax.
2. St. Boniface College, a church-related College, is exempted from paying municipal taxes. It is, therefore, educationally and religiously discriminatory that municipal taxes be assessed to CNC.
3. Theology departments located on the university campuses and training students for the ministry or priesthood, receive the same municipal benefits as those received by the universities, but do not pay a municipal tax.
4. Apart from some improvement to campus roads in 1982, the College has not benefited from any such services as road maintenance, snow removal, lighting, sidewalk construction, local recreation facilities,

garbage collection, etc. The taxes assessed bear no relationship to the benefits received.

5. A survey of colleges across Canada similar to CNC reveals the fact that Manitoba is the only province not exempting such institutions from taxes. (Some provinces assess a small percentage of the tax, but only Manitoba collects the full amount).
6. Private religious colleges serve a purpose in the humanities, social sciences, and theological disciplines that no public higher education institution can possibly serve for their constituencies.
7. They represent a significant financial asset in both revenue and human resources. For instance, our own payroll for 1982-83 is \$330,000.00. Ours is a small institution compared to other church-related post-secondary institutions in Manitoba.
8. The constituencies of private church-related colleges actually experience double-taxation because of their payment of taxes to the province which go for public educational purposes, and then their heavy support of their own particular religious college.
9. Undue competitive pressure is the lot of these private religious colleges because of the market necessity of trying to parallel the student fees of public institutions, but without the subsidy aid which such institutions receive.
10. The circular argument of not subsidizing religious studies in religious institutions, but permitting them in public institutions, effectively discriminates against the private and religious institutions.

It is our earnest and respectful view that Canadian Nazarene College, on the basis of the aforementioned rationales, should not be assessed a municipal tax. We believe that such a relief from assessment would underscore consistency in government policies and also serve the cause of justice and equity. We do earnestly pray your affirmative consideration in this Brief.

Respectfully submitted,

Neil E. Hightower, President
Canadian Nazarene College

**Brief presented by
Fort Garry School Division No. 5**

Fort Garry School Division No. 5
757 Lyon Street
Winnipeg, Manitoba R3T 0G6
Telephone 453-4608

March 11, 1983

The Honourable Pete Adam
Minister of Municipal Affairs
Province of Manitoba
Legislative Building
Room 330-450 Broadway
Winnipeg, Manitoba
R3C 0V8

Dear Mr. Adam:

At the regular meeting of the Board held February 28, 1983 a motion was passed supporting the following

recommendations of the Manitoba Assessment Review Committee:

1. That there be a single assessing authority to be known as The Manitoba Assessment Authority.
2. That all real property be valued including farm buildings and that values be equal to market value.
3. That assessment be a percentage of value.
4. That portions of the valuations of each class of property to be used for assessment purposes should be established at a level which will result in a total assessment throughout the province for each class that will approximate the total existing assessment for each class.
5. That the present two classifications of assessment, i.e. farm and residential and other, be replaced by six classifications, i.e. farm land and non-residential buildings on farm land; single and multiple dwelling homes; recreation facilities; charitable and non-profit; commercial and industrial; and all real property not otherwise classified.
6. That farm residences should be assessed and taxed.
7. That buildings which are situated on farm lands but used principally for purposes other than the operation of the farm should be assessed and taxed.
8. That, except for points 6 and 7 above, most present exemptions remain.
9. That total municipal assessment for schools would replace the present equalized and balanced assessments.
10. The recommendations contained in the report states, "That school facilities, both private and public, used for instructional purposes be tax exempt plus all contiguous land up to 4 acres." The report also specifies that any school property, e.g. administration building, which happened to be located on the exempted 4 acres, would also be exempt from taxes. The Board would recommend that the limitation of exemption to 4 acres should be increased to 12 acres. This would include all of the playground area. The Board also recommends that all school board property, whether situated on exempt land or not, should be exempt from school and municipal taxation.

The Board felt that the Report of The Manitoba Assessment Review Committee contained many positive recommendations and they encourage you to affect the implementation of the above listed recommendations as soon as possible.

Yours truly,

FORT GARRY SCHOOL DIVISION NO. 5

Garry E. Drewlo
Assistant Secretary-Treasurer
GED/cb

**Brief by Neil J. Bell, Land Res. Specialist,
Dauphin, Manitoba.**

Date: April 12th, 1983

To The Hon. Pete Adam,
Minister of Municipal Affairs,
330 Legislative Bldg.,
Winnipeg, Manitoba,
R3C 0V8

Subject: *Comments on the Recommendations of
the Manitoba Assessment Review
Committee*

Attached is a copy of a brief which I presented to the Manitoba Institute of Agrologists for its perusal and ultimately for recommendations by a sub-committee of that professional organization.

The recommendations by the Manitoba Assessment Review Committee interest me for three reasons: Firstly, I was employed with the Manitoba Provincial Assessment Branch between the years 1953 and 1965. There were inequities in assessments particularly with the exempting of farm residences and since that time there have been few changes in The Municipal Act. Secondly, the above referred to recommendations are in some instances contrary to the encouragement of *good land* use which is the area of work in which I am currently employed. Thirdly, in the interest of Manitoba farmers, I feel that the application of education tax to real estate is unwarranted and unfair.

I wish to make it amply clear that the comments regarding the recommendations of the Manitoba Assessment Review Committee in the attached brief are my own and at this point in time at least not that of the Manitoba Institute of Agrologists. Certain individuals who have read this report have suggested I forward a copy to you for your perusal.

If the purposes outlined for making the above referred to comments or recommendations is not clear, I would be pleased to try to answer any questions you may have.

NJB:mg Neil J. Bell
Land Res. Specialist
Manitoba Agriculture
Northwest Region,
27-2nd Ave. SW
Dauphin, Manitoba
R7N3E5

cc The Hon. Andy Anstett, Chairman
Manitoba Assessment Review Committee

**PRESENTATION TO THE MANITOBA
INSTITUTE OF AGROLOGISTS
Brandon Ag. Centre - March 15th, 1983
RECOMMENDATIONS TO THE MANITOBA
ASSESSMENT REVIEW COMMITTEE**

This brief deals with two separate but related issues. Firstly, this submission deals with matters pertaining to *property assessment valuation* for taxation purposes. Secondly, this submission comments on the application of taxation to property assessment.

In the Report of the Manitoba Assessment Review Committee entitled "A Fair Way to Share", the Committee listed a number of recommendations

regarding the assessment valuation of property for taxation purposes. This submission will comment on the various recommendations and in some instances, reinforces the aforementioned recommendations, but in other instances proposes changes or amendments to the Manitoba Assessment Review Committee's recommendations.

Please refer to the Manitoba Assessment Review Committee's Report, page 28, Section E "Recommendations":

**III LEVEL AT WHICH REAL PROPERTY SHOULD
BE ASSESSED IN MANITOBA**

A. *The Valuation of Real Property*

III-A-1 — All valuations should be at the assessors' opinion of the fair value of the property. That is to say, the price at which the assessors believe the property would most likely have sold in an open market transaction involving a buyer and seller both of whom desired to come to terms but were under no undue constraints to do so. Buildings, like all other properties, should be valued at 100 percent of value, not at 2/3 of value as required by present legislation."

Fair market value is the only common type of measurement that can be used consistently throughout the whole province regardless of where the property is situated and as what type of property whether it be land or buildings. Fair market value is the one measurement that does reflect local circumstances, local conditions, and does vary from time to time as values change. It is also the valuation that is most easily understood by people.

An individual parcel of land rated for its productivity is a major factor in the evaluation of individual properties as the principle of comparability between properties must be maintained. Regional comparabilities must also however take place in the context of valuations based on land sales. Other appreciative or depreciative factors must be applied in addition to land productivity factors to arrive at fair market value for land within the various regions. The various regions referred to would be those land areas far removed from local markets compared to land areas situated in closer proximity to, for example, a large market centre such as Winnipeg. In arriving at fair market value for lands situated close to Winnipeg, incremental factors such as investment opportunities have to be taken into consideration as well. It is essential to have a large sampling of sales values to accurately reflect regional value differences. This supports a later referred to recommendation that sales data from a *five-year period* preceding the year in which the valuation of the property is being established would be more appropriate than using only the previous two year sales data period as recommended by the Manitoba Assessment Review Commission.

Similarly, the "Fair Value" of farm buildings should reflect the fair value of the total *farm land and buildings* less the fair market value of the farm land on which the buildings are situated. All buildings in the province will be evaluated according to a prescribed manual however variable obsolescence factors depending on the location and other circumstances would be applied to farm buildings to reflect the fair market value.

III-A-2 — The prime consideration in the establishment of the valuation of real property should be sales data from the 24-month period immediately preceding the year in which the valuation of the property is being established."

In regards to the aforementioned recommendation, a *five year period* preceding the year in which the valuation of the property is being established would be more appropriate for the following reasons:

1. This would allow for the data collection of sufficient bona fide sales to more accurately establish fair market property values. A broader data base more accurately reflects changes in values, particularly regional differences.
2. A five-year period would cushion the undesirable effects of abrupt fluctuations in the value of real estate such as happened in British Columbia in 1980 and 1981. Please refer to the attached Appendix I - Free Press Newspaper Item "Tax Revolt Brews in B.C."
3. With the five-year sales data period, a re-assessment of a municipality carried out in 1983 would be assessed at a 1980 level of values. This level of values would closely enough reflect the current level of values to be realistic and easily understood by ratepayers. Refer to page 109 of the Report of the Manitoba Assessment Review Committee:

Recommendation

III-C-1 — Initially the portion of the valuation of each class of property to be used for taxation purposes.

Inequities in value and subsequently in assessment, based on the current 1949-50 level of value presently utilized, have been allowed to buildup over the years. The shift in taxation, that would result if a re-assessment were carried out using an up-date to 1980 fair market value would result in hardships for many people and in a general outcry and confusion on the part of the public. For example, farmland is assumed to have increased approximately to 20 times the present assessed value, residential property to 10 times its present assessment, and commercial to 5 times its present assessment. These unequal shifts in value are the result of a number of factors. For example, on one hand there has been an inflationary trend toward farmland values and on the other hand restrictive rent controls could have depressed apartment block sales values. The high interest rates probably reduced the demand for residential properties thereby reducing the residential market value.

Therefore to re-assess property at 1980 fair market values would bring about great shifts in class of property assessments and large shifts in taxes. We would agree with the Assessment Review Committee that drastic and abrupt increases are undesirable.

III-C-2 — The portion of the valuation of each class of property to be used for assessment should be established at a level which will result in a total assessment throughout the province for each class that will approximate the total existing assessment of each class.

We agree with this recommendation of the committee. Firstly, the assessment of property should be carried out establishing fair market value based on bona fide sales data for the years 1978 to 1982 inclusive to establish the 1980 level of value. This is a level of value that can be recognized and understood as a realistic value to the ratepayer.

Secondly, the apportionment of the property valuation in the various classes of property as outlined on page 113 of the Committee's report, for example, farmland value at the 8 percent level of the 1980 fair market value; all residential (urban and farm) at the approximate 15 percent level and the Commercial at approximately 16 percent level of the revised 1980 level of fair market value.

The assessment proportionments of the various types of properties will result in the following objectives being achieved:

- Average mill rates for municipal, school division and the Education Support Program levies will remain at approximately the same level unless expenditures are increased.
- No overall shift in tax distribution should occur, from one class of property to another class of property, until such time as the inequities within each class of property are corrected.
- The changes in assessment practise will be more gradual and will be more readily understood and hopefully accepted by the public.

B FARM BUILDINGS

IV-B-1 — The existing exemption of farm residences should be cancelled and all farm residences should be valued, together with such amount of land as is reasonably required for use with the residence in its existing setting. Farm residences should be assessed at the same portion of the valuation of the property as other residential property in the province.

It is agreed that all farm residences should be assessed at the *same proportion of value* at approximately the 15 percent level as other residential property in the province, such as, single family urban dwellings, apartment blocks, etc.

IV-B-2 — All farm outbuildings should be valued. However, because of the magnitude of the task and the cost of valuating and maintaining such valuations, a basic exemption for the outbuildings should be provided. All such structures should qualify for an exemption equivalent to the value of the land contained within the parcel of land on which the outbuildings are situated. Should the parcel of land contain over 160 acres, the exemption should be limited to the value of the first 160 acres of land.

All farm outbuildings should be assessed. However, contrary to the second part of the above recommendation there should be no basic exemption provided. The ideal way to provide equity between the land intensive farmer and the building intensive farmer would be to value and assess the total real property of both operations.

To allow an exemption equivalent to the value of the land contained within the parcel of land on which the outbuildings are situated *would create inequities* because some buildings are located on high priced land allowing a sizable exemption whereas many building intensive farms are located on lower classed, lower value lands and would qualify for a lesser exemption.

This feature would have a tendency to lead to *poor land use practices* such as spreading farm buildings over several parcels of land to qualify for the exemption which is wasteful of productive land. This type of exemption would encourage young farmers to establish new building sites on full quarters of the more productive land which would interfere with cultural pattern and could interfere with future centre pivot irrigation installations, etc.

Rather than allowing a basic exemption as recommended by the Review Committee, farm outbuildings could *initially be proportioned* at a lesser proportion, for example, at 4 percent compared to the balance of farm land which may be proportioned at approximately 6 to 8 percent of 1980 fair market value. This lower proportionment would treat all outbuildings equitably and the reduced proportionment would compensate for the partial exemption which was proposed by the Committee. However, this temporary lesser proportionment at the suggested 4 percent level does not create a total equitable relationship and, therefore, it would be preferable to use the approximate 8 percent proportionment of fair market value to be equal to that level of value used for farm land. Where due to changes in economic conditions, a specially built farm building or property, such as, a livestock feedlot or a fur farm becomes vacant for a period of time, then an economic obsolescence factor would be applied to the assessment value to reflect its current market value. This may result in a very low or no value assessment being placed on the obsolete structures. When farm buildings are assessed using the appropriate obsolescence factors for location and utilization, the approximate 8 percent apportionment level of fair market value for farm outbuildings should provide a fair assessment relationship between the land extensive farm and the building intensive farm. Please refer back to:

RECOMMENDATION:

III-C-2 — The proportion of the valuation of each class of property to be used for assessment should be established at a level which will result in a total assessment throughout the province for each class that will approximate the total existing assessment of each class.

Please note also that because the farm sector has undergone additional assessment of residences plus outbuildings which were previously exempt, the total assessment from the farm sector has increased and, therefore, the farm sector's overall taxes would increase. The examples provided in the "green book" entitled "A Statistical Analysis of the Impact of Selected M.A.R.C. (Weir) Recommendations" bears this out as per the summary on Page 36.

In order to maintain equity between the farm sector and the urban sectors, the farm sector proportionments could be arrived at in the following sequence:

1. Calculate the relative proportionments of the farming sector as compared to the urban sectors, that is, the *total present farm assessment* proportioned at approximately 8 percent as per the Committee's report for the sample municipalities at the 1980 level of value.
2. Subtract from this total amount of farm assessments the farm residential assessments at the 15 percent proportionment level.
3. Then subtract the outbuilding proportioned assessment at the selected 4 percent level of the alternative 8 percent level of 1980 values.
4. The balance of assessed value would be attributable to farm land which may work out to a proportionment of 6 percent more or less.

In this way the total farm class of property would end up in the same proportion of total assessments in the province as at present and hence the total taxes from the total farm sector would remain the same. However, because of previous exemptions, especially on building intensive farm operations, there would be a considerable shift in the individual assessments within the farm class of property. This is desirable in order to correct previous assessment inequities.

Furthermore, under the aforementioned recommendation IV-B-2, the magnitude of the task of assessing all farm buildings is not insurmountable. In conversation with the Provincial Assessor, if the present assessment schedule is maintained, all farm buildings will have been assessed by 1986. It is much more manageable for the assessor to assess all buildings at the outset and would avoid double travel and guesswork in determining if some buildings qualify for a full or partial exemption as proposed in Committee's recommendations.

IV-B-3 — Where a farmer retires from farming and continues to reside on the land, which through sub-division has been created as a separate parcel, on which farm buildings are situated, the outbuildings should continue to benefit from the exemption based on the value of the separate parcel of land. The exemption should however apply only while the outbuildings are vacant or while they continue to be used for farming purposes."

The exemption for farm outbuildings based on the value of the separate parcel created should not be allowed as this encourages poor land use practices. This will encourage farmers to split off outbuildings which could in many cases be better utilized by the farm, such as, machinery and grain storage facilities. This exemption would encourage the farmer to split off larger acreages especially of higher valued land just for the exemption which tends to be wasteful of productive farmland.

IV-B-4 — Buildings which are situated on farmlands but used principally for purposes other than the operation of the farm should not be eligible for inclusion in the farm outbuildings exemption. Such buildings or portions thereof

should be classified and assessed in accordance with their use.

This recommendation should be supported as commercial facilities, such as, custom grain cleaning facilities and machine shops are competing with other commercial establishments in the area.

V-B-6 — A system of self-reporting should be introduced. Forms should be made available for owners to report on the construction, demolition, or change in use of their buildings. Owners should report on the use of land and such matters as the additional clearing or removing of farm lands from cultivation. Changes in occupancy for Class IV and V properties should also be reported on designated farms.

There should be a penalty imposed for individuals who do not take out a permit for bush clearing of farm land and for all new construction and renovation in the Municipality.

III-A-7 — The valuation of railroad rights-of-way and pipelines must be brought in line with and maintained in such a manner as to *automatically reflect changing property values*. The principles for the establishment of the value of such property should be outlined in legislation, with the actual rates to be set as required by the Lieutenant-Governor-in-Council."

According to information presented at the public hearings held in regards to the Report on the Manitoba Assessment Review Committee it was reported that rates per mile of mainline trackage and additional trackage which are set by legislation have not been revised since 1948. The Review Committee's actual recommendation in regards to the valuation of railway rights-of-way and pipelines is that they be brought in line with and maintained in such a manner as to automatically reflect changes in property value.

The principle upon which this recommendation is based is that the assessment value should reflect the haulage or utilization of that line. At present, railways pay exactly the same assessment per mile of mainline as they do on a branch line and the suggestion is made in the report that this be varied to show and compensate for the actual importance of that railway line to the railway system. If the branch lines are taxed at a lower rate, then these lines will have a better chance to remain viable and, therefore, encourage retention of branch railway lines.

It would be more desirable to have railway rate *not engraved in legislation* as it is not practicable to reflect changes in value in order to maintain equitable relationships between railway and other real estate assessments. Railway property should be evaluated in the same manner as other property to reflect higher assessments for the higher utilization and the heavier rail construction on the main lines.

Where branch lines are in limited use and not able to handle the larger grain hopper cars there should be an economic obsolescence factor applied to the assessment value so as to reflect the lower economic value of the branch line.

D. ASSESSMENT NOTICES

RECOMMENDATION V-D-2 to V-D-6

V-D-2 — Assessment notices should contain at least the following information:

- (a) the previous assessment
- (b) the new assessment
- (c) the assessor's valuation of the property
- (d) The Total Municipal Assessment for the previous year and the current year.
- (e) Farm Property — total area of the parcel
 - cultivated acreage, non-cultivated acreage and their respective values
 - a description of significant characteristics considered by the assessor.
 - a description as available of the outbuildings on each parcel.
- (f) residential and urban properties
 - those physical features that help identify the structure and the land and help establish value. For land such matters as: land frontage, equivalent frontage and the area of the parcel. For buildings: a description of each building including type, building area, number of bedrooms, finished basement, and other special features contained within the structure.
- (g) the percentage of the value of each class of property that is to be used for taxation purposes.

V-D-3 — Records providing all the data shown on all current assessment notices should be made available for public inspection in the Municipal Office during normal business hours. Such records may be made available in any form or format as is appropriate.

V-D-4 — Reproduction of individual assessment notices should be available through the Assessment Authority. Such reproductions should be subject to a charge and conditions to be established by the Authority.

V-D-5 — The description of measurement of all property as contained within the notice of valuation and assessment should be consistent with the description of record in the Land Titles Office. Either Imperial or Metric measurements should be used to correspond with the description of record.

V-D-6 — Separate valuations should continue to be provided on the assessment notice for land and structures. Such values may be used as evidence before any appeal board. However, only the total valuation of property, of each class, within each parcel, should be subject to appeal.

With the implementation of computers it should not be difficult to provide all the detail requested in the above recommendations regarding assessment notice forms. We also agree that all the relevant information which the person finds useful should be included so that the person will have a breakdown of assessments. The person should be able to check that the dimension calculations are accurate for the various buildings and that land assessment breakdown reflects the land productivity.

However, there is a concern that if too much information is provided on the assessment notices it may get confusing and people will not tend to read any more than what you can place on one 8 x 11.5 inch page using fairly large and legible typing.

The requirements recommended on the assessment forms may have gone too far and more than the individual can absorb.

The Committee Recommended the establishment of a single assessing authority charged with the responsibility of maintaining accurate valuations of all real property in the province.

The establishment of a single assessing authority would provide the following benefits:

1. The ability to develop within a single resource centre, the necessary data processing systems and equipment to provide and maintain assessments on an up-to-date basis.
2. The ability to develop uniform policies procedures, assessment manuals and parameters for the equitable valuation of all property in the province.

The Committee recommended that the independent authority should be called "*The Manitoba Assessment Authority*". A Board of Directors should be established, representative of the municipalities and other users of the system to provide policy guidance to the assessors. The appointment of the Board by the Lieutenant-Governor-in-Council from recommendations received from municipal sources should ensure that the communications that are so necessary between the Assessment Authority, the Municipalities and the Government would be achieved.

The Provincial Government would approve the Budget of the Authority. The Authority would appear before the Standing Committee of the Legislature for public exposure and to earn continuing confidence of all political parties.

The appointment of Board Members should consist of those persons not currently active in the Political or Administrative areas of Governments so that their decisions will appear not to represent any one particular interest.

The above recommendations are sound and should provide a uniform and equitable assessment across the province. We would like to add the following comments:

1. That one assessment authority may be a rather large and cumbersome unit for administration. However, one Board with complete authority can establish one uniform rate manual and uniform procedure across the province. One administration should reduce unit costs especially in the area of computer processing.
2. Using the presently recommended portioning approach will quickly equalize assessments within each class of property, for example, farm land, residential or commercial. However, the various levels between the property classes may need future adjustment to have a fair way of sharing the tax load between the various classes of property. This type of adjustment should be a *professional evaluation* carried out under the jurisdiction

of the Board of Manitoba Assessment Authority. This should remove the tax sharing decision from any particular political influence where a government may have lop-sided representation from either urban or rural areas.

The Government of the day would give the final approval through approval of administration budgets and through tax sharing arrangements.

APPLICATION FOR TAXATION TO PROPERTY ASSESSMENT

The report by the Manitoba Assessment Review Committee entitled "A Fair Way to Share" deals not only with assessment but also with the application of taxes to assessment. The Manitoba Municipalities collect from the property owners taxes for three basic purposes. They are municipal, school division special levies and the Education Support Program levy. The Municipal portion of the taxes toward real estate property of land and buildings is justified tax because it is basically a service to the land. Increased services could enhance property values.

Education tax is a people-related tax and bears no direct relationship to earning capacity of real estate. Individuals have contended for years that education tax should be removed from real estate. Education tax is a particularly unfair tax on farmland where it is necessary for a farmer to have a large investment in land in order to make a livelihood.

Compare a grain farmer to a lawyer, a medical doctor, a dentist, or an accountant. These latter individuals have benefited most from our education system. These individuals may belong to a firm or clinic and several of these professionals work out of one relatively small office building. The amount of money each individual contributes from his business in the way of education tax, in addition to his residence, is comparatively small.

One thing that most people have in common is that they all live in residences, whether it be individually owned or rented premises.

An educational tax on residences would seem the fairest method of raising school taxes if school taxes have to be raised against property assessment.

However, past provincial governments in Manitoba have come out with a Home Ownership Tax Assistance Grant of \$325.00 regardless of the individuals income status. In many instances, individuals pay little school tax. This home ownership grant is a discriminatory tax against the farmer, as the \$325.00, while paying a good percentage of most urban dwellers taxes, amounts to less than 10 percent of farmer's taxes.

What would be a fair way to share? The Department of Municipal Affairs Budget and Finance Branch indicated the following school cost levees against the 1982 Assessment for the Province.

Chart submitted by Neil J. Bell

SCHOOLS	TAX PROPERTY ASSESSMENT	AMOUNT LEVIED	APPROX. MILL RATE
FOUNDATION			
FARM/RES.	2,233,011,455	87,546,000	39.2
OTHER	822,132,165	62,252,000	75.7
TOTAL	3,055,143,620	149,798,000	49.0

MUNICIPAL
GEN.

MUNICIPAL..... 3,099,531,990 255,892,000 82.6

Let us assume that we want to retain the amount of the Special School Tax on real estate property in the province. In the year 1982 this would amount to 35.7 mills or 42 percent of the education tax. This portion of tax would be applied to all residential type property. Until all residential properties are re-assessed at the new 1980 fair value assessment level and then proportioned at 15 percent level, the new effective mill rate could not be determined for this portion of the education tax. It is evident that the mill rate would be increased substantially.

Then let us also propose that we remove the amount of the Educational Support Program levy which in 1982 amounted to approximately 49 mills or 58 percent of the education tax from real estate assessment.

What are some suggested alternatives to raising the approximately 150 million dollars required?

1. Individuals have stated that the Provincial Government should remove the Resident Home Owner tax assistance grant of \$325.00 and the \$40 M more or less dollars from this program could go toward this portion of the education tax. It is politically unpalatable for governments to remove a service without replacing it with a substitute service. Perhaps this grant could remain to offset the rise in the Special School mill rates to the home resident owner. We would then rule this out as an alternative to raising the Educational Support Program levy.
2. Increasing the general sales tax rate by 2 or 3 percentage points as each percent increase in this tax is expected to raise approximately 64 million dollars. One advantage is that a large percentage of the population would be contributing to school taxes. Manitoba's general sales tax is 6 percent, Ontario's present rate is 7 percent, Quebec's is 9 percent, and further east the rates range up to 12 percent in Newfoundland. Some provinces have removed school tax from property, such as New Brunswick. The mechanisms are already in place to collect this general sales tax.
3. Raising tax by a combination of:
 - (a) increase in sales tax;
 - (b) applying a percent deduction from Net Income applied to personal income tax or 1 percent from income tax, gross earnings before deductions.

This theoretically, would extract taxes on the basis of ability to pay. This should also be an easy tax to collect.

An income tax breakdown for each branch bank or chain store would have to be provided to pay school tax in the school district where the building is situated.

The above suggested alternatives are not intended to be taken as recommendations but ideas to be experimented with in order to arrive at the best alternative to financing an educational tax.

This subject of financing of educational tax could be material for a post graduate thesis study.

A fair way to share the educational tax should assist the farming community at a time when our present family farm system of agriculture needs to be relieved from a burden of school taxes in order to help it survive. If we could get agriculture back on its feet in Manitoba, this would greatly help the general economy as 45 percent of Manitobans directly or indirectly derive their livelihoods from Agriculture.

Neil J. Bell,
Land Resource Specialist

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