

LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON MUNICIPAL AFFAIRS

Wednesday, 8 April, 1987

TIME — 8:00 p.m.

LOCATION — Winnipeg, Manitoba

CHAIRMAN — Mr. S. Ashton (Thompson)

ATTENDANCE — QUORUM - 6

Members of the Committee present:

Hon. Messrs. Bucklaschuk, Doer and Evans

Messrs. Ashton, Downey, Ducharme, Ernst,
Kovnats, Maloway, Santos and Smith (Elice)

APPEARING: Mr. Gordon Crozier

Mr. Roger Ritchot

Dr. Gary Glavin

Mr. Zenon Chrol

Mr. Victor Bantle

Mr. Marcel Taillieu

Mr. Gary Smith

Mr. Raymond Starkell

Mr. William Devos

Mr. Grant Fossay for Mr. Gordon Fossay

Mr. Michael Tomlinson

Mr. Jarl Johner

Mr. Roman Jablonski

Mrs. Lily Wiebe

Mr. Nelson Boychuk

Mr. Gerry Madden

WRITTEN SUBMISSION: Mrs. Alice Studham

MATTERS UNDER DISCUSSION:

Bill No. 8 - An Act to amend The City of
Winnipeg Act

Bill No. 13 - An Act to amend The Assessment
Act

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MR. CHAIRMAN: The committee will come to order, please.

We heard a number of presentations yesterday. We have a number of people again tonight. First on our list is Gordon Crozier.

Mr. Crozier.

MR. G. CROZIER: Mr. Chairman, members of the committee, my name is Gordon Crozier from 204 Crozier Avenue, and I'm representing the area of North Kildonan that is undeveloped.

We, the undersigned of the unserved area of North Kildonan, support the assessment reclassification of less than four-acre residential holdings to a one-half

acre residential classification, with the balance of the holding classified as agricultural.

This reclassification would be more in keeping with the philosophy of the present Government of Manitoba which will allow pensioners, veterans and widows of veterans to remain in their homes and potentially not lose their property because of their inability to pay the higher taxes due to the reclassification.

Veterans originally had to purchase two acre, or larger, pieces of property to qualify as a small holding. This requirement was later reduced to a 20,000 square foot or one-half acre holding in keeping with the sewage disposal laws of the Provincial Health Department of that time. Veterans who therefore now own these larger holdings will, we feel, be discriminated against by the proposed assessment rules.

The unserved residential streets in North Kildonan are zoned under North Kildonan By-law 74, which has not been rescinded, where the frontage is 100 feet and depth 110 feet, as residential, and the balance of the holding is agricultural.

As an example, on our property, we dedicated a 66-foot public road and received for this dedication R.1B zoning from Peguis Street to Crozier Avenue, a distance of approximately 1,400 feet.

In 1966 the right-of-way for PTH 59, or Lagimodiere Boulevard as it is called, was acquired with no compensation to us for the 66-foot right-of-way. Through no fault of our own, this reduced our holdings east of Lagimodiere to 3.74 acres, of which 1.26 acres is zoned R.1B and the balance of 2.48 acres is A.1 or agricultural.

Under the new assessment, the total area is assessed as residential. Therefore, does this mean that we will be allowed to build on any accessible portion of this property? I don't believe so.

The Planning Department has informed us that a subdivision, if applied for at this time, would be refused. If so, we believe that if land is undevelopable, it should be assessed as agricultural, or only that portion that is R.1B zoned should be assessed residential, not the total area.

We believe that only land that is accessible by frontage on a roadway should be assessed residential or commercial, and not landlocked parcels of land which is evident by this assessment, and that By-law 74 be honoured throughout this portion of North Kildonan or any other part of the city which is governed by such a by-law.

We extend an invitation to the three MLA's who are representing this area, at their convenience - Mr. Doer, Mr. Roch and Mrs. Mitchelson - to come with us and we will, to the best of our ability, point out some of the inequities of the new assessment and classifications throughout this area.

We would appreciate committee giving this submission your favourable consideration.

Thanking you for allowing us to bring the concerns of the landowners of this area of North Kildonan to your attention.

Thank you. Are there any questions?

MR. CHAIRMAN: Mr. Ernst.

MR. J. ERNST: Thank you, Mr. Chairman.

Mr. Crozier, you mentioned the question of the half-acre only for residential purposes, the balance for agriculture.

MR. G. CROZIER: Yes.

MR. J. ERNST: Would you also be supportive of a new classification for large lot residential properties?

MR. G. CROZIER: In that text, where a half acre is residential and the rest agricultural, yes, this I support. All of the people who have signed this petition support the same because that question we asked as we went around taking their names.

MR. J. ERNST: Mr. Crozier, then, up to now the government has refused to create a separate classification for large lot residential properties or to accede to your request, as others have made, reducing the assessment situation to a half acre.

After these hearings, if they continue to refuse to do that, do you think that Bill 13 should be amended to require them to create, firstly, a separate classification; and then, secondly, to limiting the residential assessment portion to a maximum of half an acre?

MR. G. CROZIER: That we would go along with. In our case, where the land was assessed under By-law 74 of North Kildonan, and also Plan City has not been passed as yet either, but when that takes place, no doubt they will rescind this by-law; and if we have a by-law in place for a half-acre residential on a parcel of land of larger size, this would be satisfactory also.

MR. J. ERNST: No further questions, Mr. Chairman.

MR. CHAIRMAN: Mr. Doer.

HON. G. DOER: Thank you very much, Mr. Chairman, and Mr. Crozier, and thank you very much for your brief.

I certainly want to reply to your invitation to review the land with you. We have discussed this before and I appreciate your advice on this area.

Bill 8 contains proposed legislation dealing with phasing in over three years. Would your group generally support the concept of phasing in high tax increases over the three-year period, notwithstanding the fact you disagree with the increases?

MR. G. CROZIER: Well, the freezing in would certainly help those who are on fixed income, and during that time they may be able to, if it's possible, get rid of some of that larger acreage and then they would probably be on a city lot size. I think the three years would give them time to adjust their own lifestyle.

HON. G. DOER: I've heard from the area that there is some great deal of confusion on the assessment levels in some of the properties. I know that you have

a strong opinion on the assessment itself on your own property. The bill also includes extending the assessment period to June 12 so people can review their situation in a lot lengthier period of time.

Would your group that's been signing the petition generally be supportive of that proposal as well, Mr. Crozier?

MR. G. CROZIER: Oh, yes. As a matter of fact, the day after, I was handed some to bring in, and I couldn't. I took them there and they said we'll have to refuse you because of the law. I said, well, if it's extended, then these people will be able to appeal also.

MR. G. DOER: Thank you.

MR. J. ERNST: If I may, Mr. Crozier, back up a couple of answers that you gave the Minister a moment ago. You mean to say that the effect of reassessment and tax increases on your property, phasing in or no phasing in, is such that it's going to force people to sell off their land in order to remain in their homes?

MR. G. CROZIER: I only wish I had my calculator here and the mill rate that was set and I'd give you an idea, but roughly, I'm taking what happened to me.

In '85, my land was assessed at \$500 an acre. In '86, it was assessed at \$1,000 an acre. The tax I paid in '85 was \$391 and a few cents. In 1986, it was \$800.07. Now, if it goes up - it now has gone up 10 times to \$10,000 an acre - does that mean I will be spending \$8,000 on taxes? I hope not.

MR. J. ERNST: Well, I don't think it's going to be quite that serious, Mr. Chairman; certainly that's not going to be the case. But notwithstanding that, very likely it could be \$1,200 or \$1,500 taxes instead of the \$800 that you're paying now.

MR. G. CROZIER: Well, I was taking some figures from the - I attended the city hall meeting in the morning yesterday and they had all the different mill rates for the different areas and it looked like the area of River East School District would be roughly around 45 or 46 mills which would place my property at about \$2,500 total, with my house and my extra land.

MR. J. ERNST: Then, Mr. Chairman, you say that your taxes, in two years, will have gone from \$300 to \$2,500.00?

MR. G. CROZIER: In that area they have an ongoing assessment - so I was advised by the Assessment Department and I wondered why they had assessed me in '86 when they knew this was coming up in '87?

MR. J. ERNST: Mr. Crozier, do you have a, I'm not sure exactly where Crozier Avenue is but I assume - I presume you should have a relatively gorgeous view then of the city's garbage dump?

MR. G. CROZIER: We're not as fortunate as the people on Knowles.

MR. J. ERNST: They have a better view, do they?

MR. G. CROZIER: If you look at the top you will see Knowles Avenue. Unfortunately, the garbage dump is on the south side of the residence there. They have reasonably large lots but they have already discovered rats in their children's rubber boots in the backyard. When you're near a garbage dump, that's what generally happens.

MR. CHAIRMAN: Mr. Downey.

MR. J. DOWNEY: Mr. Chairman, just to follow up on a question asked by my colleague and that is, people on fixed incomes will be forced to sell off property to be able to pay their taxes, is what you're saying, Mr. Crozier?

MR. G. CROZIER: When you take a pension without a supplement at \$3,460 or \$3,480, and your taxes are \$2,000 of it, it's going to be slim pickings for the groceries.

MR. CHAIRMAN: Mr. Kovnats.

MR. A. KOVNATS: Thank you Mr. Chairman.

Mr. Crozier, I guess it's kind of exciting living on a street that's named after you. Is that street named after you?

MR. G. CROZIER: Yes. That's an expensive street. May I advise you that the land out there is quite expensive to give away and I did not see the dollar in fee simple for it either.

MR. A. KOVNATS: Mr. Crozier, this Bill 8 is really a very benevolent bill. What it is doing is giving the people in this area three years of a phasing-in period, which is quite benevolent as far as the government is concerned. They keep telling you how great they are by allowing you the three years to phase in and it also is extending the appeal period which is very benevolent of them also. Would this great feeling of the government towards the people that are involved, do you think that it would satisfy the pensioners, the veterans and the widows of veterans and allow them to stay in their homes if the assessment isn't adjusted?

MR. G. CROZIER: I'm hoping that there will be some adjustment in the assessment for those small holdings but if there isn't and their only income is the pension, I'm afraid they would have to sell off because most veterans are my age now and on pension but their widows are the ones that I worry about most.

May I give you an example. On the street we live on, there are four pensioners. Two of those pensioners are widows of veterans, and one veteran. The other gentleman is 84 years old, a retired shoemaker. On Grassie Blvd. there are widows there who are widows of veterans; on Plessis Road, the same. There are pensioners there that had been working and just retired. They have one-acre pieces of property and it's a little much for them to be hit with.

That land out there is now between \$10,000 - from our place north and east, it runs from \$10,000-\$12,500, assessment an acre. South of us, it seems that from the north of the properties, in the north, at Knowles

Avenue, it decreases as we get closer to the centre because the property on Knowles is anywhere from \$30,000 an acre to \$16,000-\$17,000 an acre on one street, for half-acre lots. Now we come south and we get into the \$12,000 and \$14,000 assessment and south of us it's \$9,000; south of the railroad track, the CPR main line, it goes down to \$6,000 and \$5,000.00. So as you can see, from the outer limits it's coming in, it's getting lower and lower as we come in, but I'm not sure of Almey Street and the other street in there because I haven't done any research on it. But I intend to do that research on it and have it all complete.

MR. A. KOVNATS: Mr. Crozier, I just feel that you are a very feeling and compassionate person in the manner in which you talk about the association you have with some of the people in the area.

It looks to me, and the question is going to be, that if all you're going to get from this compassionate government is a phasing in and extending of the appeal period, if that's all you're going to get, you're not going to get any consideration on the new category, that other category that we've spoken about or any adjustment there.

Would you be satisfied with this government's actions or would you absolutely insist? Is that the reason that you're here, just to insist that some consideration be given so that taxes won't increase to the point that you're going to be put out on the streets?

MR. G. CROZIER: That's the main reason we're here is to see - the classifications can be changed only, I understand, by you people. The Assessment Department can look at assessments that are the same type of property but under different assessed values.

When I asked the members of the Assessment Department, when they were having a meeting in our area, where they got the figure of \$10,000 an acre on the property that we have, they said, well, we may have just picked it out of the air. I said, well, may I inform you that I sold the small subdivision of three lots on the average of \$6,250 an acre, just in '73. So land didn't go up that much in that length of time. But that was why I was at that meeting, to find out where they got the comparison and they couldn't really say. I imagine at the Appeal Board we'll thrash things out there. I think it's all of us who need a classification change, we'll end up with the Municipal Board also because the Assessment Department says they don't handle that. But it would be very simple in our case and in most of those cases to write one number down - 30. They have the assessment and all they have to do is put 30.

MR. CHAIRMAN: Thank you, Mr. Crozier.

Leslie Edwards. Is Mr. Edwards here? Josie Majer; Henry Lavasseur; Marjorie Havixsbeck; Peter Batiuk.-(Interjection)-

Howard Smallwood indicated he would not be making a presentation to the committee. He phoned indicating he would not be here.

Barb Dawes.

Roger Ritchot.

MR. R. RITCHOT: Mr. Chairman, and the committee, my name is Roger Ritchot. Please bear with me, I'm not a public speaker.

I live at 1400 St. Anne's Road, the southwest corner of the Perimeter. My lot consists of 2.19 acres which is frozen by the Department of Highways for future overpass. How do you justify an increase when I cannot build or make improvements?

Also, my family owns 152 acres located at 1870 St. Anne's Road, the corner of Forbes and St. Anne's, which has been in our family since the late 1800's. We have always been farmers and intend to remain farmers. But being taxed at \$22 an acre as of May '86 and you are proposing a 13 times land assessment increase, it's impossible. You, the city, are forcing every farmer within the city limits out of farming and depriving them of their livelihood. A good portion of farmers will lose their land to outrageous taxes. Do you want another Fort Garry Hotel? Who will pay taxes then? The city cannot rent their own farm land, they let it go to weeds, such a parcel was located along the South Perimeter. How many more parcels do you want to go to weeds?

You cannot classify farmers as land speculators or developers, we are farmers.

I have put in two separate appeals and I am waiting to be heard. And I refuse to pay any increases until I have received a fair hearing, and it's up to the city to do so.

Thank you.

MR. CHAIRMAN: Are there any questions?

Mr. Doer.

HON. G. DOER: Is your acreage classified as farm land?

MR. R. RITCHOT: Yes, it is.

HON. G. DOER: I believe the mill rate on that land will be much much much lower than even the Residential. It is a separate classification and it will be a much lower mill rate.

MR. R. RITCHOT: After the tax assessment they got our whole farm yard, which is considered five acres classified as a Class 10, which is a private dwelling.

HON. G. DOER: Sir, have you appealed the designation as Class 10?

MR. R. RITCHOT: Yes, I am. I will appeal, yes, sir.

HON. G. DOER: I think if the rest of your acreage is classified as Class 10 as well, I believe you should be classified as Agricultural.

MR. R. RITCHOT: That's right.

HON. G. DOER: And your mill rate will be much lower. We did create the separate classification for your situation.

MR. CHAIRMAN: Mr. Ducharme.

MR. G. DUCHARME: Do you agree with the previous speaker that the five acre, you would agree with the half, and that the rest goes in with your agricultural

land. That's what you agree on, the same as the previous speaker.

MR. R. RITCHOT: Right.

MR. CHAIRMAN: Any further questions? Thank you.

Just before calling the next presentation, I just would remind members of the committee and also members of the public, that for recording purposes it is very helpful if you can wait to be recognized before responding. It's very difficult for us to get a proper recording of the proceedings, so I would ask members of the committee and members of the public to please wait for me to recognize them.

The next presenter is George Amara; Emile Vermette; Nick Senkiw; William Snatenchuk; Joseph Chwartseki; Hugo Delfing; Lily Wiebe; David Walsh; Nicholas Scherbain; Anne Pickley; Clyde Wood, Sr.

Mr. Charles Wood and Mrs. Jeanette Wood have indicated they will not be here tonight.

Clyde Wood, Jr.; Edward Bodnar; Gary Glavin. Please proceed, Dr. Glavin.

DR. G. GLAVIN: Mr. Chairman, members of the committee and concerned citizens: My name is Gary Glavin and I am a resident of South Headingley, Manitoba. I would very much like to continue to reside there, however, unless some action is taken by both the Provincial Government and the City of Winnipeg, I, and many others will be forced off the land that we worked very hard to obtain without asking for or accepting any handouts from any level of government and despite our having paid more than our fair share of taxes over the years. I, for one, am weary of the attitude of all levels of government who continue to view the "ordinary" taxpayer as a "bottomless pit" from which to continually extract more and more money. Gentlemen, the pit is empty. The backs of the "ordinary" taxpayers are strained, are indeed in traction and are very nearly broken.

I applaud the efforts of both levels of government which have resulted in Bills 8 and 13 soon to be before the Legislature. However, what is conspicuously absent from the wording of these bills and indeed from all of the conversation for the first 90 minutes of this hearing last night - and here I refer to Mr. Norrie's presentation and subsequent examination by this committee - is the term "fair and equitable." It was not until Mr. Shapiro and the rest of the "ordinary" taxpayers began presenting their cases that the words "fair" and "equitable" began to refresh the air in this committee room.

Under provincial statutes, the City of Winnipeg was charged to complete a general property reassessment which they dutifully did. The wording of the statute, as continually advocated by Mr. Morton, Mr. Simpson and others with whom I have spoken at the assessment office is, and I quote "a fair and equitable assessment" of one's property. This is the core of the matter before this committee and indeed at the core of Bills 8 and 13.

First, I would like to give you an overview of the some of the situations in Headingley which belie the words "fair and equitable." I, and the other residents of Headingley, as well as those who reside on similar large

but unserviced lots and who have the misfortune to be included in the technical, but not in the practical boundaries of the City of Winnipeg, have several unique features which have not as yet been considered in our assessments and which demand attention from your committee and from both levels of government if, as the statute says, assessment is to be "fair and equitable".

Specifically, we do not have paved roads. In fact, our gravel roads are so very poorly maintained and contain potholes of truly mammoth proportions so as to challenge even the hardest of automobile suspensions. These roads are abandoned by the city and the province at the first hint of spring, to wit today, with the result that the dust raised by both local and tourist traffic as well as by the occasional travels of our largely empty city bus which incidentally results in an 80 - that's \$80,000 deficit to the city each year - penetrates even the most tightly sealed homes.

We do not have running water or sewers. This has resulted in our installing costly septic systems, field tanks, and attendant plumbing and pumps. This equipment must be maintained at our own expense. In addition, we must truck in our own water at a net cost to us which is far greater than comparable water use in the rest of the City of Winnipeg. The installation, at our own cost of some \$7,000 to \$10,000 of these septic systems raises one interesting point.

Following such installations our lots changed in classification from "unserviced" to "serviced," presumably because they now had a waste disposal system and a means of obtaining water. Accordingly, the assessment on these lots doubled. However, if the city now decides to put in sewer and water in our area, our taxes would increase hugely to cover this cost of sewer and water. Our septic systems would then be either obsolete or legislated out of existence and we would end up paying twice for water and disposal services. Would this be fair?

In addition, because there is no running water in our community and because we are greater than 8 km from a fire station, our MPIC insurance rates are substantially higher than in the rest of the city as Mr. Fleming told this committee last night. If our own provincial insurance corporation does not consider us part of the city, why then should we pay city taxes as if we were?

Recently I was refused a library card at the Centennial Library on Donald Street when I gave my address as a post box on a rural route in Headingley. Why then do I pay city taxes for services which I do not and, evidently, cannot receive?

We do not have community swimming pools or wading pools for our children, nor do we have schooling beyond Grade 6. After Grade 6, our children must be bussed to other school divisions.

Another point also deserves mention. Mr. Norrie stated last night and in the past that one underlying theme to reassessment is to shift part of the tax burden from commercial to residential taxpayers. I find this especially ironic when these very same businesses for whom I shall soon be paying a share of their taxes refuse to deliver goods to my home unless I pay an additional delivery charge because these very same businesses do not consider my home as part of the city. Barkman concrete, The Bay, Sears and Eaton's are only recent examples of companies which refuse

to deliver goods to my home without an additional delivery charge ranging from \$15 to \$50.00. Mr. Chairman, it appears as if I shall be shouldering some of their tax burden only to be denied fair treatment by these very businesses even though I do indeed reside within the boundaries of the City of Winnipeg.

I am not for a moment suggesting that we pay no tax. What I am suggesting is that the various officials involved at both the municipal and provincial levels do something tangible to provide some easement of what is an intolerable assessment and by extension, tax burden. I applaud the efforts of the officials involved in the genesis of Bills 8 and 13, and I strongly endorse the amending of the residential-agricultural breakdown to one-half acre lots as presented by Mr. Adamek last evening. However, deferral and phasing in of huge and inequitable tax increases do nothing to solve the basic problem of inequity. Such measures treat the symptoms without getting at the true cause of the problem - inequity in the assessment of large unserviced lots outside the city but inside the ephemeral urban limit line. If physicians were to treat patients symptomatically without eliminating the root cause of their illness many would die.

I implore this committee to look at the root cause here - unfair and inequitable tax assessment - and to excise this disease and to eliminate it once and for all.

Thank you.

MR. CHAIRMAN: Are there any questions?

Mr. Ernst.

MR. J. ERNST: Dr. Glavin, you have been championing this cause for some time on behalf of the residents of Headingley. In any discussions with either the municipal or the provincial government, have you been given a reason why a new classification or why an assessment adjustment reducing the amount residential classification to a half acre, have you been given any reason at all, let alone a good reason why that cannot be done?

DR. G. GLAVIN: The only reason I have been given regarding the refusal of the government to include a tax classification for large lot unserviced properties is because we don't want to make another classification. That's been the only reason I've been given continually by both the Executive Policy Committee of the city and through the Minister of Municipal Affairs.

MR. J. ERNST: I asked the question of Mr. Crozier earlier. If the government continues to refuse to create a separate classification and/or change the limit of residential down to one-half an acre, would you be supportive of our amending the bill, Bill 13, to see that the large classification is in fact put into legislation.

DR. G. GLAVIN: I would be very much supportive of that.

MR. J. ERNST: Thank you.

HON. G. DOER: Thank you, Mr. Chairman, and thank you very much for the brief.

The issue of the shift from homeowners onto businesses, I'd just like to clarify that point. We are

trying to prevent that shift because of the relative value of land by establishing differential mill rates. I believe the mill rate has been established at about 37.4 for the commercial sector as opposed to 30-something for the residential sector, notwithstanding all the other issues of the serviced and the unserved and the Headingley issue. So I just would like to leave that on the record.

MR. CHAIRMAN: Are there any further questions?
Mr. Ernst.

MR. J. ERNST: Dr. Glavin, do you have any information, or in your travels around the community - can you give the committee any indication, are there a number of people there who will be forced out of their homes? You mentioned that earlier in your brief, but are there a number of people that you anticipate will be forced out of their homes as a result of a large increase in taxes?

DR. G. GLAVIN: Yes, I can. I can think of several in our area alone, in south Headingley alone, that will be unable to bear this. Especially if you calculate, as I think people are doing as we speak, with the charts that were published in the Free Press this evening, find your school division and multiply by 52, 53, 54, wherever you happen to be. People are getting the grim reality of what's happening to them. So far it's been very general, taxes are going to go up but nobody knew by how much and admittedly these aren't finalized, but I think they are fairly close. I think people are calculating that tonight and are fretting.

MR. J. ERNST: Can you indicate to the committee, Dr. Glavin, what might be in, for instance your own case, or perhaps another case that you're aware of where the differential between what they are paying say during 1986 and what they may well pay now under those rates as published in . . .

DR. G. GLAVIN: My own taxes will go up 34 percent.

MR. G. DUCHARME: What are your comments on the comments that are made by the committee, Mayor Norrie and a few people on the committee, that it isn't a tax problem on the appeal, if you were being wrongly assessed, that it will show up in your appeal process. Those comments have been made by Mayor Norrie.

DR. G. GLAVIN: As I understand it, this is the only province whereby the assessment department has the burden of proof. It's not the homeowner who has the burden of proof. So I'm not having to prove to the assessment department. They're having to prove to me. They simply cite real estate values, transactions and so forth. What they don't cite, and it's interesting, there has been a precedent set in Ontario whereby homeowners appealed their assessments using sales values since the assessment base year, that is since 1975. We can show in our area that values have in fact decreased. But they are not using that and they will tell me, take your assessment, multiply it by your 2.5. You know, the house is reduced by one-third. Use your little formula and say, would you sell your house for

that much money? You would say, yes, because in most cases they are bang on.

But what they don't consider - and first of all, I doubt seriously whether the assessors have ever been out there. I think Mr. Simpson came to our town hall meeting some weeks ago. He was made very, very well aware of the fact that there were some very unique situations out there and he was unaware of the lack of services and so on. I don't think the assessors have actually been out there. It's interesting because they are assessors, not appraisers. I don't know that they have ever appraised the value of the land and the house out there. These are assessors who have given the straight formula. They are charged to do that and Mr. Norrie correctly said that he doesn't want to get involved with it. It's not the purview of City Council to interfere with what's going on. But people who have been down and attempted to appeal their assessments, as I understand a lot of cases, ours haven't come up yet out in Headingley but the approach of the appeals committee, review board or whatever it's called is to baffle the assessee with a lot of language and a lot of terms and a lot of mumbo jumbo and for the most part people just seem to get confused and say, well, I guess I have to take what you give me; and they say, yes, you do and away they go.

That's going to be very very difficult for a lot of people.

MR. CHAIRMAN: The Honourable Member for Burrows.

MR. C. SANTOS: Dr. Glavin, can you tell this committee and members of the committee what is the average size of lots or land holdings of people in the area?

DR. G. GLAVIN: The average size, the most frequent size would be one acre. Some are a little bit more, some are half, but I would say the most frequent average size would be around one acre.

MR. C. SANTOS: Is it a fact that people live in the area because they choose to live in there, or is it because they have been there all of the time? I mean are people who are now owning this large lot, have they been there generally since the beginning, or are they moving in there because they want to have some large sized lot?

DR. G. GLAVIN: There is a substantial portion of both. There are people who were born and raised there, there are people who have moved out there recently. I, myself, am one who moved out there recently. I did so because I wanted my child to grow up in an environment such as that, where I didn't want to have the influence of a big city of corner stores. I have my own views on that, that I don't think are relevant here. I did in fact choose to live out there because of those very reasons. I like the environment, I like the idea for children, I think it's safer, I think it's better for them. Those are a variety of reasons.

I don't want sewer and water, I don't want those services. And in fact The City of Winnipeg Review Act, the Cherniack Report, says quite clearly, the city has no intentions of ever putting them out there. There was a study done to consider the possibility of putting sewer

and water all the way out to the jail, which is several kilometres on the other side of the river and further out from where I live. There's no way that can happen because there's a straight rise, it's going uphill and you'd have to put another pumping station in at ridiculous cost, so that report says it'll never happen. We don't want it.

In fact the report says they would, as Mayor Norrie indicated last night, they'd like to get rid of Headingley outside the city and that's a move that I strongly support, and form our own municipality. I believe Mr. Doer has been presented a petition to that effect by Mr. Ernst.

HON. G. DOER: Yes, I have.

MR. C. SANTOS: What I'm going after is people make their choices about many things in life, taking into account the advantages and disadvantages and therefore, they take the benefit along with the burden. If it turns out that according to the system of assessment, according to the criteria they have established, owning a large lot will entail some burden - it is part of the choice that we make in life, is it not?

DR. G. GLAVIN: It is indeed part of my choice, if it were fairly assessed. I don't think that burden is fair. For tax purposes, South Headingley is considered Charleswood. So we're all Charleswood. But inside the perimeter of Charleswood land assessments increased seven times on average.

Outside the perimeter, which is not a border of anything, if we're considered part of the city, it's just a road, our land assessments increased 18.1 times. Tell me why that's fair? And we don't have service.

MR. C. SANTOS: I'm not here to argue with Dr. Glavin, I'm just asking questions. All I want to point out is that those people who take the benefit of certain things also take the burden with them. You cannot take the benefit without taking the burden.

DR. G. GLAVIN: That's absolutely correct if the burden were fair.

MR. J. DOWNEY: Mr. Chairman, one question dealing with the question that was just asked. It would appear from your brief that, and I would ask this question - it shouldn't matter where you choose to live in the province, you should be treated fairly and equitably when it comes to assessment and taxation. Is that not the point that you make?

DR. G. GLAVIN: That's absolutely correct.

MR. J. DOWNEY: Thank you.

MR. G. DUCHARME: And further to add to that, that's exactly what we're talking about, benefits that you want to receive according to your assessment, right? In other words.

DR. G. GLAVIN: Correct.

MR. CHAIRMAN: Okay, no further questions, comments from the committee members?

Thank you, Dr. Glavin.
Elizabeth Hogan.

MR. G. DUCHARME: Mr. Chairman, a Mrs. Wiebe is now here that you called out earlier. Could she now appear? Would this committee now . . .

MR. CHAIRMAN: Our normal procedure is that we go through the list and then add people at the end unless there's a willingness to change that, but certainly anybody who was not present when their name was called will have a second opportunity when we complete the list. Thank you.

Elizabeth Hogan; Zenon Chrol.
Please proceed, Mr. Chrol.

MR. Z. CHROL: Mr. Chairman, members of the committee.

My name is Zenon Chrol and I reside at 1244 Templeton Road, located both inside the urban development line and the City of Winnipeg boundary line. What makes my property somewhat different from that of most Winnipeg landowners is my property is basically unserved.

By that I mean I had to install all of the services normally available to most Winnipeg residents at my own cost, services such as a deep water well, pumping system, water pressure system, septic pump and water conditioning system.

My property further differs from most Winnipeg landowners in that they usually have a lot offering a 50-60 foot frontage with a depth between 100-120 feet. My particular lot measures 120 across the front by 640 feet deep. The fundamental difference between these lots is that the conventional city lot's land area is totally usable. I on the other hand cannot utilize my total yard, at best I utilize slightly more than the average city home owner. The inequity is further compounded by the City of Winnipeg and Plan Winnipeg preventing me and my fellow landowners from subdividing our land into more manageable sizes. In essence we are land locked.

We also do not share in any of the other normal services provided by the city such as paved roads, road lighting, bus service, adequate police, fire and ambulance service, cable vision services, yet we are included in the same mill rate as those city landowners who do enjoy these services.

I would like to make it perfectly clear that I believe that I should be indeed responsible for paying my fair share of the city taxes. However, I also believe that under the current system the inequities are too great and the level of services below normal standards, as a result of which I feel am being overtaxed.

I will also agree that one day my raw, unused land will be worth considerably more than it is today and when that land becomes unusable then I should be taxed accordingly. At present I am being taxed as if it was usable residential land without the benefit of such use. This in itself is neither reasonable, nor is it fair.

Bill 8 does not deal with my particular problem nor the problems of my fellow large lot owners, both inside - and I stress inside - and outside the urban development line.

Phrasing in, as quoted in Bill 8, only acts to compound the tax in equity and, in effect, places a caveat against

our land for future sale purposes. I respectfully suggest and ask that a provision be made to Bill 8 and/or Bill 13 to reflect our concerns, this provision being that our land assessments be revised or changed to where a landowner be assessed as residential on the first 20,000 square feet of land and agricultural on the balance, failing which, we would be happy to have the committees entertain the notion for a separate classification rate.

I thank you for your time and consideration to this matter.

MR. CHAIRMAN: Are there any questions?
Mr. Ernst.

MR. J. ERNST: Mr. Chrol, in your dealing with this issue, so far the government has refused to create either a separate classification or deal with the matter of reducing the residential assessment portion to a half acre.

Have you ever been presented, in your view, with a valid reason why that cannot be done?

MR. Z. CHROL: In our communication with the tax assessor, the valid reason that they gave us was that it would be too complex for them to change the system to accommodate all of us.

MR. J. ERNST: Have you ever communicated with the Minister of Urban Affairs or the Minister of Municipal Affairs in this regard?

MR. Z. CHROL: No, I haven't.

MR. J. ERNST: Thank you.

MR. CHAIRMAN: No further question, thank you, Mr. Chrol.

Larry Frostiak is not here tonight.

G.A. MacKenzie; Mary Reutlinger; Johanna Pickley; William Korade; Wanda Barringer.

We have a written presentation by Mrs. Alice Studham.- (Interjection)- If it's a written submission, I think probably distribution and tabling will suffice. We can table it for the record.- (Interjection)- Okay, that's your choice. Perhaps for the record too, if you could state your name.

MR. V. BANTLE: My name is Vic Bantle, a neighbour to Mrs. Alice Studham, who was unable to be here due to an illness.

She so states: "I, Alice Studham, object to an appeal the outrageous assessment of my property at 11 Strathboine Crescent.

"I am 80 years of age and pride myself at being able to take care of myself and my household. My late husband and I pioneered here and have lived here for a great many years. My late husband built Empire Road with his bare hands without any help from city or municipality. By taking this severe measure with regard to reassessment you are forcing me and many like me from our homes.

"We have very limited services here. Nor do we want them. But you cannot go ahead and tax our acreages as if it were in the city.

"My piece of land is 2.93 acres, it is just that. It is not divided into titled lots or into acre lots, yet the city sees fit to assess me approximately \$16,000 per acre, this apparently being because my property is on the river. However, river frontage is only 200 feet, so only one so-called acre lot can be a river lot. The others are not river lots and should be assessed less, certainly not more than other titled one-acre lots on Grange or Empire which are assessing at \$10,000.00.

"The city is discouraging subdivision on the one hand, but on the other hand is forcing people like me to sell home and land to people who can afford to buy and subdivide and demand services.

"I hear that those of us to the east of Charles Glen are subsidizing this new subdivision, and we certainly are, by the amount the taxes have jumped since this subdivision came in. That is truly unfair.

"You must reclassify these properties which are really outside the city and bear no resemblance at all to city lots which have sewer and water services, bus services, mail services, handy police, fire and ambulance services, etc. This is a rural area and is likely to remain so for many years to come as the city has no plans to service it.

"Your urgent consideration is required. Alice A. Studham."

MR. CHAIRMAN: Thank you.
The next presentation is Victor Bantle.

MR. V. BANTLE: Should I proceed, Mr. Chairman?

MR. CHAIRMAN: Mr. Bantle.

MR. V. BANTLE: We, Victor and Mona Bantle, owners of a residence and property known as 228 Empire Street, as shown on Plan 1780, located in both Headingley, for tax purposes, the City of Winnipeg, hereby appeal to this committee to use reason and fairness and reconcile Bill C-8 to allow for a differential assessment of properties located beyond the urban limit line of the City of Winnipeg.

We are one of the many unfortunate residents that have under four acres of land and therefore are not given any relief in the form of a portion assessed as agricultural.

We are not after city services. We moved here in 1976 because we liked this rural setting and did not mind not having city services. So it is absolutely unreasonable and unrealistic to expect us and others in this area of unserviced larger lots to pay city-type taxes.

The following is our situation: We do not have sewer and water, roads are mediocre - gravel, and very dusty in the summertime; police, ambulance and fire protection are distant; septic field cisterns, associated pumping facilities, are at our expense and yet considered part of the total assessment.

We suffer from noise pollution from snowmobiles, all-terrain vehicles and motor bikes which, by the way, the city bans within the perimeter, and yet allows it out in that area. The Charleswood sewage lagoon smells very rosy with a south wind, city businesses such as couriers, pharmacies will not deliver beyond the Perimeter, and as my daughter read it, she said, "And

they won't deliver pizzas either," and that's the reason we live there.

House insurance by Manitoba Public Insurance Corporation places us in a rural category and has the highest rate of any other privately owned insurance companies.

For all of the above reasons, we consider the new assessment procedure as unfair and unjust. The land on which we are situated is designated under the Greater Winnipeg Development Plan as an area of limited urban expansion. This therefore automatically devalues the land as it cannot be used for anything but gardens and, at that exorbitant level of assessment, it sure makes a radish an expensive vegetable.

The city discourages subdivision in this area, and yet it is encouraging it if we are forced to sell to someone who can afford to pay the taxes and to subdivide.

The City of Winnipeg Act Review Committee's final report in 1986 contained the following:

"The city has stated its clear intention not to provide for the foreseeable future water and sewer services beyond the Perimeter Highway into Headingley. City officials have also expressed support for severing the Headingley area from the city.

"Some residents of the area, for their part, claim to pay city-level taxes without getting adequate city-level services such as roads, transit and protection.

"As the committee did not have the opportunity to hear from many of the residents of the Headingley area, we urge their involvement in discussions about the area's future. From our perspective, however, we perceive the area as a predominantly rural area without the status of a rural municipality. It would appear beneficial, therefore, to permit the area to pursue its rural and agricultural future as either a separate municipality or as part of an existing rural municipality . . ."

Mr. Chairman, from our interpretation, the Review Committee has clearly stated that this area must remain rural. If it is permitted for this assessment to continue, there is going to be a dumping of land which will lead to further building in the area which, in turn, will result in increased demand on city services which we all know is against its plans and policies and which the residents of this area do not wish either.

If this assessment is allowed to go unchanged, it will mean disruption for many families who will be forced to sell to those who can afford to buy and to subdivide and to demand city services.

The impending tax increase will force our taxes to an unbearable level. We know very well that we will no longer be able to stay on and will have no alternative but to sell out and move. Be it known that we made many sacrifices and worked very hard to acquire our land and home and the prospect of being squeezed out of it is very frightening.

We are also concerned about other residents in this area who have been here since the 1920's and 1930's, who are elderly, living on pensions. This increase will force them out as well; in their cases, probably forced into care home institutions at the public's expense.

It has been a trying and frustrating year for the taxpayer. Following are just some of the additional burdens imposed on the taxpayer this year: federal tax increases, Manitoba Telephone System rate increases, Manitoba Hydro's 9 percent rate increase,

Autopac increase, sales tax increase, 2 percent surtax increase, water tax, fuel tax, the MTX fiasco, the MPIC fiasco, Workers Compensation fiasco, and now this catastrophic land assessment increase.

How long before the camel's back is broken? We, the taxpayers, have reached our limit and literally can't take any more. How long before the overburdened taxpayers throw up their hands, give up, and maybe go on welfare?

It was very disconcerting to hear the Minister of Urban Affairs, Mr. Doer, make such an irresponsible statement as contained in the Winnipeg Free Press on March 11, 1987, which was as follows:

"Residents whose property values have risen sharply have to recognize their taxes will go up as a result. Many of these people were really underpaying for years," he said."

Now this was an irresponsible and ridiculous statement by an elected representative. We find it hard to swallow when we are already, in our case, paying \$4,200 taxes a year, with regular and steady increases over the last 11 years, and last year there was a whopping \$600 increase.

Winnipeg has the highest property taxes in Canada despite the fact that housing costs are lower. A study carried out by Runzheimer Canada revealed the following:

Real estate taxes paid as a percentage of market value varies from a high 3.13 percent in Winnipeg to a low 0.95 percent in St. John, New Brunswick.

A home in Toronto valued at \$165,000 has a property tax of \$3,449 or 2.09 percent.

The same house in Montreal would value at \$125,000.00. The property tax is \$2,881 or 2.35 percent.

The same house in Winnipeg would be valued at \$140,000.00. The property tax is \$4,500 or 3.13 percent.

We therefore plead that steps be taken to correct this inequity here in Headingley, and indeed in other similar rural areas of the city, to prevent a human disruption far beyond your expectations or the expectations of the experts who put this bizarre procedure in place.

My wife and I are reaching the stage in life where we were possibly looking for an early retirement at an age when we should be, but if this bizarre assessment and procedure of property taxation is allowed to continue, we will have to start all over, give up what we worked for, and relocate.

It is not beyond the realm of possibility that if the tax increase is allowed to continue and if we're able to unload a tax burdened property, we will leave the province to seek relief from all of these tax burdens.

A statement such as I have just made was unthinkable to me 10-15 years ago. I love Canada, I love Manitoba and the City of Winnipeg. I was a true Canadian, but it is a terrible price to pay to stay here just because I love it.

We therefore beg of this committee to have common sense and compassion in easing a burden on people such as us who absolutely have no recourse but to plead to our elected representatives. We cannot shop for the best land tax deal. What you recommend is what we and others have to suffer or accept.

You must consider nothing else but a differential mill rate for properties here, that being a certain differential mill rate for a residence and one-half acre and the

balance of the acreage to be assessed as agricultural as proposed and communicated to us in a letter from our Mayor, Mr. Norrie, dated March 25.

Mr. Chairman, I'd like to thank you for allowing me the time to present.

MR. J. ERNST: Mr. Bantle, you were here last night and heard the explanation that the Mayor offered, and yet you say in here that he is, in fact, in favour of a differential mill rate for residences and in favour of their reducing the residential assessment portion to a half acre. It seems a little incongruous. Can you comment further on that?

MR. V. BANTLE: That is correct. I was absolutely shocked because we received that written communication from the Mayor on March 25, and when I heard his presentation last evening, I just didn't know which way he was coming from. But he did write that he supported the half acre with the balance to be acreage assessment in a written statement to us.

MR. J. ERNST: Through this, as you term it, sort of a bizarre process, have you ever had anybody give you a valid reason why a separate classification could not be provided and/or a valid reason why the residential portion of your lot could not be reduced to a half acre?

MR. V. BANTLE: No, I have never been given a valid explanation. I can only say what I have received was what I have read and heard is that the province would not consider a separate classification and no reason given.

MR. J. ERNST: The Minister has up to this point refused to acquiesce to that request made of him by myself, by any number of people by way of petition and other means. If the Minister maintains that refusal to acquiesce to your requests, do you think that we should amend Bill 13 to create that large lot classification so that it would be permanently enshrined in legislation?

MR. V. BANTLE: Yes, I sure do; I support it fully.

MR. CHAIRMAN: Thank you, Mr. Bantle.
Michael Sellors, Eleanor McDowell, Marcel Taillieu.

MR. M. TAILLIEU: Mr. Chairman, committee, I thank you for letting me present a few words here tonight.

I don't think there's any use in going into a lot of detail. I think you've heard it all from Dr. Shapiro and people ahead of me. I have been a resident of Charleswood or Headingley for 67 years, I served on the council for 10. I know full well how the assessments operate. I think the doomsday came about when Unicity took over Charleswood or Headingley. I attach no blame, if you'll bear with me I'll give you a little background on how it came about.

As you know, Mr. Juba was a very egotistical man. I was on the Mayors' and Reeves' Association for 10 years. He couldn't seem to get his own way with the suburbs and finally he talked to us and said, look your land is adjoining the City of Winnipeg by the City Park. Let's make it one big city. We turned that down in 1963.

When Ed Schreyer came into power, he had worked on Ed, and Ed was a farm boy and a pretty fair person

I think at the time, and he said, look this will be good for the people, it will be good for the farmers of Headingley. Ed, being of a farm background, he thought well it wasn't that bad of an idea. We could capitalize on our land and let's go ahead with it.

Charleswood and Headingley were not in favour of it. It was pushed on us, and much to the detriment of the people of Headingley and Winnipeg. There are no speculators in Headingley. We were all farmers and market gardeners and I feel that this government - and giving no blame to the present government - they are saddled with a can of worms that there's only one way you'll get rid of it, is by letting the municipality go on its own, west of the Perimeter or join with either MacDonald or Cartier or Rosser, or whatever it may be and the land that you have inside the Perimeter that belongs to MacDonald and Rosser, absorb that.

I repeat again to you people on the government, we hold no grudge against what you have done, because you've inherited, like I said, a can of worms. Now you also were known to be the champions of the little guy and the minority. We are the little guy and the minority.

Since I'm living in Charleswood, as small an area as it is, there's 8,000 acres that has been sold to foreign investors, and if I'm allowed to, I can name them, but rather maybe we'd leave it alone. That's 8,000 acres gone, including 700 of my own and I'm on a homestead, I didn't want to sell my farm. That land was cleared by hand, not by bulldozers. There was no way I wanted to let that land go, but the taxes kept up and up and up. I'm paying \$50 an acre for farm land. I still retain 285 acres because my home is on it and I do like farming, but what has happened? It has happened to you people where I know you tried your best not to have foreign investment come in. You have got them in and one man owns it all, from Europe, and you will be faced with that problem in time, because he'll live long enough to give you a headache for the simple reason, it's in trust to his grandson who is 15 years old, and you can rest assured gentlemen, you have a problem.

There are people out there in Headingley, old age pensioners who have asked for nothing, I know them, some of them worked for me when I had a dairy farm. They're living on their five acres, growing a few vegetables and they're trying to make a living and they're people that are my age now and they are very proud people. I don't think you'll count many on the welfare rolls in Headingley. I see you can talk about assessments, acreages all you want, there's only one solution, give Headingley its free status, in line with whoever you want, or let it operate on its own which it can.

When I was on the council, we had a fire truck, brand-new, the City of Winnipeg took it away the second day after the amalgamation, a brand-new fire truck. We had a fire hall, we had a new city hall and that was all taken away, they took our grader away and our bulldozer and we had RCMP protecting us for \$7,000 a year. That's all we needed. We did not have a problem.

The road that runs through Headingley is maintained by the present government. Wilkes Avenue is maintained by the government, Portage Avenue and Saskatchewan Avenue, so the city isn't doing a bloody thing for Charleswood or Headingley. Peter Warren the other day said, well he's going to put up a toll bridge or a

toll, a ridiculous statement. West of the Perimeter is maintained by you people, and with all due respect, I say again I am not blaming this present government. I am just sorry for the position they're in, because I'm sure they have a conscience. We all live and eat the same way, no matter who we are, and we all feel sorry for certain people. I am not crying for myself, because I'll make it, but I am telling you facts, not stories.

To give you an example today, I went to the Court of Revision of the City of Winnipeg. They assessed my farm on the north side of Portage Avenue. I went there, it wasn't even my farm. It was in the Municipality of St. Francois. They had assessed it off a map, the map was wrong. That only happened at 1:30 today. I doubt there's any councillors that know physically where their Perimeter is west of Winnipeg, it's that far out in the boondocks.

We had nine dairy farms in Charleswood and Headingley at one time, all employing three to four people, they're gone. One man in Europe owns all that land, so therefore there's no use for me going into detail of assessments and anything else. There's only one way to give us relief, is that way.

I thank you for your time.

MR. CHAIRMAN: Thank you.
Mr. Ernst.

MR. J. ERNST: Thank you, Mr. Chairman.

Mr. Taillieu, I understand your concern with regard to the cessation of Headingley from the City of Winnipeg and have in fact advanced that position on behalf of you and others to both Ministers of Municipal Affairs and Urban Affairs, and hopefully they will be conducting a study into that almost immediately.

That however does not solve the tax problem that you face imminently, not just yourself but all the residents of Headingley. That also needs to be addressed, and while the other process is ongoing, it may take two or three years to see that finally occur.

In the meantime people cannot afford, as I'm advised, to hang on for that long, waiting for that to occur. So let me ask you a question: In the interim, shall we say, are you in favour of either or both a separate assessment classification for larger lot properties in the Headingley area and, secondly, limiting the maximum residential assessment on land to a maximum of a half an acre?

MR. M. TAILLIEU: Can I answer it this way? And again, I don't like to say that I know so and so. Ed Schreyer, I knew very well, and at the time that this was imposed he did give a concession, a mill rate. I think it was 14 mills to that area, and, sorry to say, he said that this would stay, but your City of Winnipeg took it away after three or four years.

I went back to Mr. Schreyer and he said, well, I have no power to reinstate it, because the City of Winnipeg was so greedy, they wanted that 14 mills, and yet they gave no service for it. This is exactly what happened. An immediate result could be had to the people west of the Perimeter - I'm just talking about west of the Perimeter - a mill rate could be given, whatever the mill rates going to be, we figured out the other day, about 22-23 mills, and you don't have to fool around

and spend a lot of money on assessments. Just give the people, say with acreage, a mill rate - not on their houses - I'm not talking about the buildings. Building assessment's fair; it's on the land. The people that have moved out there since the city took over, I may feel sorry for them but they knew what they were walking into, so I am feeling really sorry for the people who have inherited something that they couldn't move. There was no way they could move out.

MR. CHAIRMAN: Thank you, Mr. Taillieu. Gary Smith.
Mr. Smith.

MR. G. SMITH: Thank you, Mr. Chairman.

Mr. Chairman and members of the committee, my name is Gary Smith, and I am representing the South Charleswood Community Committee, an area bounded to the north by Wilkes Avenue, to the east by McCreary Road, to the west by Charleswood Road and to the south by Four Mile Road.

I have been asked to voice the concerns of our committee as they relate to the proposed Bills 8 and 13.

The statements made by Dr. Shapiro yesterday reflect our feelings for the most part. However, we wish to elaborate on our particular concerns.

As you may or may not be aware, we live in an area which lies beyond the urban limit, but within the city limits. We do not share the use of certain services that the majority of Winnipeg residents take for granted such as:

Sewer: We must provide and maintain our own septic systems;

Water: We must haul our own water or have it delivered at a very much higher cost than other Winnipeg residents. Along with the cost of the water we must provide our own cisterns and pressure systems;

Fire Hydrants: The lack of city hydrants causes fire insurance premiums to be much higher;

Street Lights: We do not have adequate street lights;

Streets: Our roads are not paved. Poor maintenance has caused the degradation of the grade to the point where water no longer runs off but is retained to produce severe potholes;

Drainage: There are no storm sewers, only open ditches which store run-off water instead of draining it. This provides ideal mosquito breeding conditions, the effects of which are felt in other areas of the city;

Dust: Some of our streets do not receive any dust control treatment which leads to an extremely dusty environment and a potential health hazard;

Cable TV: The cable television companies tell us that it is not economically viable to provide cable service to our residents;

Bus service: To catch a City of Winnipeg transit bus requires a walk measured in miles.

When we moved into this area, we accepted conditions pretty much as we found them, trading off city luxuries for the peace, quiet and privacy which comes with owning larger pieces of property. Conditions however did not remain constant. Traffic increased to

the detriment of our streets, our special area allowance has been arbitrarily removed, and our taxes are about to be increased substantially.

We are not asking for the provisioning of urban quality services. However we are asking that the taxation process fairly reflect our situation and how little cost burden we place on the City of Winnipeg.

Mr. Chairman, my committee membership has asked me to put forward the following recommendation: Establish a new mill rate category to reflect our lack of city services and the loss of our special area allowance.

Failing this, we recommend that: All lots with the city limits over one-half acre in size be classified agricultural and taxed in accordance with agricultural mill rates. This would mean that large lots within the city limits being of one-half to 40 acres in size would be taxed as residential on the first one-half acre only; and any tax increase be phased in linearly over three years as allowed under Section 152(10) of Bill 8. This must not be interpreted as a tax deferral which must be repaid by the residents in the future, but rather a "limited increase."

Thank you very much.

MR. J. ERNST: Mr. Smith, you people reside inside the Perimeter Highway, and yet outside the urban limit line, development line, as I understand it. Is that correct?

MR. G. SMITH: Yes, that's right.

MR. J. ERNST: I asked the question of Dr. Glavin earlier with respect to the mill rates.

Have you had an opportunity to look at the mill rates that were set yesterday by the city and have them applied to your assessment to see how it would work?

MR. G. SMITH: No, I'm sorry, I have not had that opportunity.

MR. J. ERNST: Thank you.

MR. CHAIRMAN: Mr. Ernst, I was wondering, in phrasing questions, if you could perhaps speak into the mike a bit more. It's difficult to hear when you're facing the other direction and some distance from the mike.

Mr. Ernst, any additional questions?

MR. J. ERNST: No, no further questions.

MR. A. KOVNATS: You state a lot of things that you don't have. Do you have natural gas?

MR. G. SMITH: Yes, we do have natural gas as of last year, I believe, or the year before that it was placed on our street.

MR. A. KOVNATS: Thank you.

MR. CHAIRMAN: Gerald Young; Raymond Starkell.
Mr. Starkell.

MR. R. STARKELL: Mr. Chairman, members of this committee, I'm not here with cap-in-hand begging for

relief. I'm only going to quote from this book that was given to me by the city.

In the first place, the city says that in the beginning there was a tax assessment, but this was lost, so we decided to set one of our own, the land assessment. We have documents to prove that we can take your money without any argument. Now am I entitled to these documents?

Further on it states in his book that, according to value, fair and equitable, on similar properties, now in my area particularly where we live - I live on Lagimodiere Boulevard outside of the Perimeter in this concerned area. Now according to this book that the city has sent to me, and I'm led to believe this is the gospel, where in God's acres is a similar property to what I own in the City of Winnipeg above the Perimeter in the inner part? There is not another piece of property in the City of Winnipeg that is similar to mine. So how can they say they're going to assess me on a similar piece of property, when it doesn't exist in Winnipeg, only past the Perimeter?

Now if there's anybody in this audience here that came tonight that has a similar piece of property and if their assessment has gone from \$800 for property to \$12,500 or has had a greater assessment than I did prior to it being reassessed, then I would be willing to pay on that basis. But to say that I am similar to anybody in Winnipeg is absolutely wrong, because nobody has my property in Winnipeg. Nobody has two-and-three-quarter acres.

Furthermore, in 1969, when I purchased my land, the following year the government decided to take part of my property. Why? For the cloverleaf on the Perimeter on 59. They came to me and they told me that we'll give you "X" number of dollars. This is a fair and equitable value for your land. You took it on a fair and equitable value, and you gave me nothing. I got \$1,000 for roughly an acre of land. Now if this is being fair and equitable, the only enhancement my property's had since '70 is my grass has got greener, my trees have got bigger, my drainage has got poorer, my highway, my roadway belongs to the Province of Manitoba. I get one lousy garbage pickup a week. I was entitled to a school bus that was provided by the Province of Manitoba, so therefore I got nothing from the city, absolutely.

We didn't come here begging for anything at all. All we want is fair and equitable and justice. Two hundred years ago, there was a nation lost through the same crazy set-up as here, through stubbornness, nothing else but stubbornness, and that's what Mr. Doer is. He's being stubborn and insolent. He's telling us that we have no right. We didn't come here begging. We want our rights. We demand justice, and fair justice.

Now if this is the kind of justice we get from both levels of government, why should we live in a province like this? Am I forced to sell what I've worked for all my life? In my twilight years, do I have to give everything away to the government and say, here take my land, I can't sell it. It's no use to me, I can't afford it. Take it, I don't want it. Would you be willing to pay me for it? No, you wouldn't. You'd give me the lowest dollar you could get but then, when the taxes come around, I have to pay the top dollar because it's fair and equitable. Everybody else is doing it, so why shouldn't you? Where's the fairness, where's the equitability? I don't see it.

In the end here, it says on the last page: "We're here to help you. Just ask." We're here to help you, just ask! Do you know what happened when I asked? I was told, oh, you're not going to be in town. Well, I'm sorry you can't appeal. Who do I appeal to? You won't listen to us now, you won't do anything for us now. So when I go back to the city and I say, here I want to appeal my assessment, oh we can't do nothing about that. It's the set procedure. You're not being treated any worse than anybody else. Oh, then I got an option I can go to the Municipal Board. I can pay \$15 for a second appeal, but then the same thing applies. I'm sorry kid, that's the way it goes. It's been enacted, and that's what you're in for.

Now is this justice? Is somebody's stupidity justice? Is this what I spent three-and-one-half years in during the war, to come home and find in later years that I'm not entitled to nothing, I'm not entitled to my property? You people have the right to walk in and take it any time you see fit, pay me what you want for it, and tell me, look, be thankful you're getting what you got. You're lucky you got what you got. But now you tell me, here my land is worth a fortune, I'm living like a king. Everything I own, I should be taxed right out of existence, because some guy in the City of Winnipeg has got a lot of postage stamps, and he's paying a big buck because you got two acres. Come on mister, let's fork it over, let's be fair and equitable.

Every time I turn around, every department of the government, every time they want a dollar off of me, they tell me this is fair and equitable. Well I'm tired of being fair and equitable, and it's time people started paying more attention to what's going on. We let everybody - we're the government - you people aren't the government anymore than I am. You may be elected officials, but I'm the government. I'm a Canadian citizen, and I'm entitled to fair and equitable treatment. If I can't get it here, then it's time I get the hell out of this country.

Thank you very much.

MR. CHAIRMAN: Any questions?

Order please. I would remind members of the public, once again, that we do have rules against applause. I would remind members of the public too that they have the opportunity to make their views heard by appearing before the committee, and I think we'd be more than willing to allow anyone to make those presentations. I think that's been fairly clear, so I would ask for your cooperation, please.

Are there any questions for the last presenter? Okay, thank you.

Joseph Krowiak; Jenowesa Basarab; Samuel Jebamani.

William Devos.

MR. W. DEVOS: Mr. Chairman, and members of the committee, I'm a farmer in St. Vital. I live on 525 Christie Road. We bought the property in 1954, and we paid taxes to the City of St. Vital to the tune of \$48 when we started. By the time the City of Winnipeg took St. Vital over, it went up to \$500.00. We were paying \$200 to St. Vital, we went up to \$500 the next year. It rose and rose till about, after 10 years, we were up to close to \$2,000.00. When we appealed the assessment just

as writing a letter to the Assessment Board, I told them that our property wasn't very good for building because the province passed a law that we have to be a certain height. We're on the river, we're quite low, so we were reassessed. You sent us a notice that our assessment is way down. Now, my assessment went 12 times higher than it was before.

The large lots, people here are complaining about large lots. The city demanded that people have five-acre lots. We couldn't break down our lots into two acres to sell. Maybe I could have sold 10 or 15 years ago if I could have broken it down in two-acre lots. I couldn't do it. I have ten children, seven girls and three boys. We have made a good living on this farm. It's a small farm and we feel that this government, which is a government of so-called justice and equity, should do better than raising the assessment 12 times.

We have had trouble with the city ever since the city took over. St. Vital had money in the bank when the city took them over. Our grader was moved out of St. Vital, our grading services went way down. We are now saddled with the debt of the City of Winnipeg too, and we have to pay for it. Mr. Downey made a statement yesterday that it amounts to 70,000 people who have property who are paying more for this Bill 8, which is a phasing in. I call it a phasing out. I say, like the gentleman before, just forget about the phasing in. I don't want no mercy from you. If I can't pay my taxes and have to sell, I sell.

Mayor Juba, when this thing came in, he was quoted in the Free Press as having said that, when something like this comes in, it's a little painful in the beginning. It's just like a patient who's going to the hospital. He gets an injection. But by golly, you know, when the stuff starts to work, he might get better. But in my case, I think, it was fatal.

The same like last night, the other Mayor, Norrie, was so smart to say that it's a phasing in. I tell him, the same with Mayor Juba, it's fatal. It's a phasing out. If I am going to be saddled with a huge tax bill, I can't afford it, I just can't afford it. My wages are high. Mayor Norrie said last night too, he can't help the farm economy. I realize that. The farm economy is not the best, yet we battle the city continually.

I've got a beautiful shelter belt around my property. Lo and behold, the province passed a law that all the elm disease should be cut out. All my trees are going. My shelter belt is being taken down year by year. This year, this spring, 44 big trees went out, all because of the City of Winnipeg. The City of Winnipeg Forestry Branch said, we can't save the trees anyway, but your trees have to go. They drop a big tree, three or four little trees go down the drain with it. That's how we get treated, Mr. Chairman.

I think it's a shame, and that's from a government who say they have principles. Although lately, when the Cryovac fiasco happened, when all of a sudden Cryovac could have special status, I thought, hey Broadbent, where are you, and then your brothers are the same way. Now this is not the way to go. I am a small farmer; I have a big family. The Lord has blessed me abundantly in St. Vital. Now the NDP is going to kick me off my property.

The NDP put in The City of Winnipeg Act, the NDP put this assessment in. The Minister should go and investigate the Assessment Branch. My field right now

is under water, half of it. The beavers are swimming on it and this morning, the ducks. It's a beautiful sight.

The other side of my property is high banked. The people are assessed exactly the same as I am. Isn't there no difference in low bank and high bank? Doesn't the Assessment Branch know? I can't understand it. I think the Minister should instruct the Assessment Branch to reassess us. I can agree with these large property owners with a quarter-acre residential and the rest agriculture, but I think the whole thing is that we are unfairly assessed.

Do you know what? When this whole thing came out in the Free Press, this whole business about the taxes, lo and behold, the real estate company phoned me, and I have nearly 15 acres there. I've got a two-storey house, I've got a double garage, a few other buildings on my property. Do you know what they offered me? \$150,000.00. They said, Mr. Devos, we'll give you \$150,000.00. Well, hallelujah!

I can go to town, buy myself a little house in town and have a few thousand dollars in the bank, and I'm getting to be an old man. That's all I get for my property and for my work, and all for this silly assessment. There's nobody been at my place. They just looked at the map and say, well, these acres on the river are worth so many thousand dollars. The acres across the road are worth so many thousand dollars. I think it's ridiculous.

I think, Minister, I do not want Bill 8 or 13, I don't care less. I don't want no phasing in. I want to be reassessed and I want my taxes lowered. That's what I want. I'm paying close to \$2,000 now. If it goes four times higher, they will be \$8,000; I can just as well leave. I don't have to bother any more.

Thank you.

HON. G. DOER: We had a situation where a farmer last night was unclear of what the lower mill rate for agricultural land would mean for his ultimate tax bill and, when we calculated it, it was a couple of hundred more - you could argue it's too high - but it wasn't the four times or five times higher with the much lower mill rate which Agricultural will have.

Have you had the opportunity to calculate, if your taxes now are \$2,000 - and I wouldn't dispute your concerns about your assessment - the fact, with the lower mill rate on Agricultural, which I believe is about 13 mills or so as opposed to the 30 mills, what that would mean for your situation, sir?

MR. W. DEVOS: Yes. Mr. Chairman, two acres of my land are assessed to Classification 10 which is \$14,830.00. Why should I pay that? I'm a farmer.

The Assessment Branch is getting smart. They say, your houses and your buildings are on its own land, so my yard is not a part of my farm? Or the place where my house is sitting is no part of my farm? Why should I be assessed two acres, \$14,000, 10, and the rest over 30? I don't think that's fair.

I'm a farmer; I have a farm. My buildings are exempt. Maybe that's not fair, I don't know, but that's the law of the land. You know, maybe that law will be changed one of these years. I don't know. But why should I pay Residential now? I'm a farmer and I use the whole farm, except I have a strip like I say, with this bush. They

didn't make no special rates for that, because I guess they don't know about it. They didn't look. Maybe otherwise, you have to pay for park land there or something, I don't know. You know, you don't know.

But I'm assessed here for two acres and what was that? \$14,830.00. That might bring my tax rate up quite a bit already, which I never was before. I always was assessed Agricultural.

HON. G. DOER: I don't know all the details. I'd certainly like to know them. There may be some appeal factors there, Mr. Chairman.

MR. W. DEVOS: Well, Mr. Chairman, I have appealed this assessment. But like you heard last night, you make a noise that, yeah, they have 7,000; but before they had a big batch too, but only two of them came. But I think now, they have hard core assessment. Now these people who are really up in air, they're being taxed now. There won't be 12, there'll be 7,000, I think. How long is that going to take?

I haven't heard anything. I appealed soon. I got my tax bill and I appealed, and I haven't heard a thing.

MR. A. KOVNATS: Yes, thank you very much.

I really don't have any questions to ask of Bill, but I just have to make a remark about the wonderful presentation that was just made from an honest and responsible person. Also when Ray started telling me his presentation just prior to that, it was just an excellent presentation from an honest, responsible citizen of the Province of Manitoba. Let's not do anything foolish and allow these people to lose their property because of taxation. I hope the Minister is going to listen.

Thank you very much, Bill.

MR. CHAIRMAN: I'm sure, Mr. Kohnats, that all the presenters are honest and responsible citizens, and we certainly thank them for making their views. I don't think there was a question in that. Were there any more questions?

MR. W. DEVOS: If I may make a remark, Mr. Chairman, I think that I'm hard on the NDP. I don't vote NDP, fine. I would never do it. But when the NDP is elected, then they are the government for me too. Bill Uruski is my Minister, the Minister of Agriculture, whether I voted for him or not, you know. And the Government of Manitoba is the NDP right now and they're my government, too. I have to be obedient to them and they should listen to me, and I think we have a valid case.

Thank you.

MR. CHAIRMAN: Thank you, Mr. Devos. Thank you for your presentation. Kirk Kastes; Gordon Fossay.

Mr. Fossay. Please proceed.

MR. G. FOSSAY: Mr. Chairman and committee members, I am speaking to you tonight on behalf of my father, Gordon Fossay, who owns and operates an 800 acre grain farm, 500 of which are in the boundaries of the City of Winnipeg and South Headingley. The land is located four miles outside of the Perimeter bordering on Wilkes Avenue.

I have been a farmer in South Headingley for 32 years. I'm speaking tonight because of my concern over the tax assessment of my property.

My farm land borders on two rural municipalities: MacDonal to the south and Cartier to the west. I think it is a crime that I have to pay \$10.45 per acre in tax for my property when just across the road my neighbor pays \$6.40.

I think I could understand paying higher rates of tax if I received more service than my neighbors, or if the land was worth more than that of my neighbors. However, this isn't the case.

We have had to put up with extremely poor drainage and maintenance services from the city. Also, we have had to pay the cost of two gravel roads for a total of \$8,000.00. Farmers in the other two municipalities enjoy excellent drainage and maintenance services and do not pay the price for gravelling their roads!

I could also understand the land values being assessed at their current rate if the property was suitable for development, but this is also not the case. The property I speak of is bare fields, not development property, it is farm land. In fact, I would like to point out that the only development south of Wilkes and west of the Perimeter in my time has been the Charleswood lagoon.

Finally, I would like to remind you of the present state of the farm economy. We're facing a situation where the cost of seeding a crop is greater than the price you get at the elevator for it. Farm land prices have been going down steadily. A piece of land three miles southwest of me recently sold for \$430 per acre. A couple of years ago it would have sold for \$800.

I guess what I'm trying to say is that farming is difficult enough these days without increasing the tax burden and further jeopardizing the profitability of my farm. What I would like to see is the same rate of tax that the two neighboring municipalities enjoy and the same rates of service.

In closing I would like to add that this farm land absolutely has no possibility for any type of development in the foreseeable future. In fact there are not even roads in place on it. We have survived through the years in spite of the fact we have paid 50 percent higher taxes than the bordering municipalities and suffered through poorer maintenance services, mainly in the forms of drainage. If the City of Winnipeg is allowed to raise my taxes in the magnitude they are suggesting, I will not be able to continue farming the land even though I own it outright and owe no money on it.

Furthermore, I seriously doubt I would be able to sell my farm land to any prospective buyer when he realizes he would be facing an annual tax bill that exceeds the price he could rent comparable farm land for.

If any farmer in South Headingley, or for that matter in the City of Winnipeg is to survive, the city must act in a more responsible manner or allow it, South Headingley to separate from the city.

Thank you.

MR. CHAIRMAN: Mr. Fossay, I wonder if you could state your own name for the.

MR. G. FOSSAY: My name is Grant Fossay.

MR. CHAIRMAN: Okay, Are there any questions?

Thank you, Mr. Fossay.

Mary Odger; Andy McDowell; Gerald Rattai; Mary Denesovych. Allen Abraham has indicated he's unable to make a presentation tonight.

Lubo Jezik; Elsie Loewen; Michael Tomlinson.
Please proceed, Mr. Tomlinson.

MR. M. TOMLINSON: Mr. Chairman and members of the Standing Committee on Municipal Affairs, considering Bill No. 8.

Mr. Chairman, my name is Mike Tomlinson, I live on 48 Wescana Street, South Headingley. I've been in this area since 1930.

If I may just have a moment, Mr. Chairman, the documents I am going to read, I wish the members here to be able to follow the data that I am about to present.

MR. CHAIRMAN: All the members of the committee now have the document, please proceed.

MR. M. TOMLINSON: I am enclosing copies of documents showing the mill rate charged in the Rural Municipality of Charleswood from 1966 to 1971 inclusive. You turn to page 3, to the bottom line of page 3. Municipal general mill rate is 13.3 in '66 ends up with 13.9 in 1971.

That general mill rate, as you are aware is for the operation, for the general purposes of a municipality.

The amounts charged, I've submitted my own property taxes. The amounts charged on my property that has no additions or alterations since 1962. In 1967, on page 4 the assessment was 4010, my general municipal rate was \$66; goes on to 1968 at \$79; 1969, \$78; 1970, \$79; 1971, \$79.00.

During this period prior to becoming Unicity we built the Eric Coy Arena, the library, a Municipal Hall with an attached public garage and extended our fire hall and purchased a new pumper for our Fire Department. I was a councillor and chairman of finance during seven years prior to this amalgamation with the city. We had lengthy discussions that took place with the government at that time with the surrounding municipalities, including Charleswood, who opposed this amalgamation as we predicted increased taxes with no increase in services.

The government at that time ignored this opposition and rammed through this amalgamation that has cost us dearly. We are now faced with larger increases with no increased services as predicted.

Taxes should be applied for services rendered, therefore, how can there be any justification in further tax increases when no additional services have been promised?

In 1972 when the surrounding municipalities became part of Winnipeg, the general rate in taxes in Charleswood rose as follows. You take a look at page 9, gentlemen. In 1972 the mill rate rose from 13 mills to 96 mills. Assessment was still at 5410, taxes \$210 for the same services, which is an increase of 270 percent. We were also told at that time, that there would be a phased-in program, a gentle phased-in program. How can 270 percent be a gentle phasing-in program?

In 1973, page 10, the mill rate was increased to 102, assessment for the same is \$241.00.

In 1984, practically the same assessment, \$640 and in 1985, \$664.00.

I plead with you to review these matters and give us a fair hearing. Have a heart, gentlemen, don't break ours.

Thank you.

MR. CHAIRMAN: Are there any questions?

Thank you Mr. Tomlinson.

Gordon Grenkow; Doug Knight; Jarl Johner.

MR. J. JOHNER: Mr. Chairman, and committee.

Having previously met with Dr. Jim Shapiro and his committee from St. Germain, I would like to add my support to his presentation made last evening.

I have also shortened my presentation to save time and repetition as much as possible.

My name is Jarl Johner and I reside at 53 Rodney Street, South Headingley, approximately five kilometres west of the Perimeter Highway.

Fair and equitable taxes is what it's all about. Suburban lots that are on septic tanks, septic fields, holding tanks and water reservoirs, are being taxed unfairly in comparison with fully serviced lots.

The point I want to make is, we, on unserviced lots have an investment of anywhere from \$5-7 thousand in our own supply and disposal systems. This amount is included in our market price when the property is brought and sold. As our assessment is determined by the market value of a given year, at present 1975, and the price includes septic tanks, septic fields, septic pumps, water reservoirs and water pumps, I believe the value of this equipment should be deducted from all such property assessment.

At the present number being rumoured of 54 mills at \$7,000 assessment, this would give a relief of \$378 per residence, or 54 mills at \$5,000 would give us \$270 per residence.

I do not want sewer and water but we want fair and equitable taxes. It has been said that inner-city lots pay on their sewer and water systems also but I ask you, do the private owners of serviced lots, fix their own systems or buy their own replacement pumps when they break down? And should the day ever come when sewer and water is extended to us, will the city put it in at no charge to the suburban lot owners? No. Each lot owner will pay again on a foot frontage method.

I ask, is this fair and equitable? Our systems should be deducted from our property assessment to avoid us paying twice.

There has to be a different method of calculating property taxes on large unserviced lots. At present it seems to vary somewhat. Five acre lots or more have a different set of rules from 4.75 acres or one acre. A 5 acre lot can have a half acre with buildings as class 10 residential and the balance as class 30, which receives a much lower mill rate. If the property is going to be frozen as far as development is concerned, and is unserviced, and the main use of that land is for residential, it should be taxed as a half acre lot, class 10, and the remaining property as agricultural, as its only use is for septic field.

The majority of our people on these small acreages are not high income earners. Most of these people have built their homes themselves to save money, not

to resell and make a profit. If the tax problem is not dealt with, many will have to sell and lose their homes that they have worked so hard for.

As to Bill 8, "limited increase," this serves only one purpose, it allows people to sell their homes and find cheaper places to live and for the older people, give up on life and become dependent on the province.

1987 assessment appeal date - I am in favor of extending the appeal date to the date that the city is ready to give out a mill rate so that the people will know what their taxes will be, and they can do it.

In closing, a separate classification is a must for large lot owners and all lot owners on unserviced lots.

I'd like to add something that is not on my statement. In 1971 I bought 12 acres of land for \$16,800.00. The tax bill was approximately \$300.00. The assessment year is 1975 and in 1975 I still had 11 acres. I'm an employer of people in this province and due to declining business I was forced to sell some of my land in order to inject more cash capital into my company and in 1987 I now have 4.9 acres. Bear in mind, I bought the land in 1971, the assessment date is 1975 and in 1975 on the 4.9 acres that I still owned, the assessment was \$31,000.00. The land has limited frontage. I can't subdivide the balance of it because it has a strip of land 175 feet along the front and 75 feet deep taken out by a previous subdivision from many many years ago. I just want to make that point.

Thank you.

MR. CHAIRMAN: Are there any questions? If not, thank you Mr. Johner.

Roman Jablonski.

MR. R. JABLONSKI: Chairman, committee, and ladies and gentlemen.

I live at 1092 Templeton. We own three parcels of land there. My mother lives on 3.9 acres. She is a pensioner; she is 84 years old. Her assessment, she was paying then approximately \$2,000 taxes. Now with this reassessed at \$37,000, I've been helping her out all this time, but there is only so much help you can do.

My property, I've only got 75 feet of frontage, but it goes 550 feet deep. It's assessed at \$10,000.00. The back, I can't do anything with it because there are no roads to it and it's all unserviced land that we own. We've got no services, just garbage pick up. I live right across from District 3, they haul sand all summer long. They have a pile, I don't know how many cubic yards, but they haul it out in the middle of winter, and guess what? That noise on the tractor, peep, peep, peep, all night long, keeps you awake. Of course, I can't stop them from doing that because it's an emergency.

There are all these empty fields right across from my place. It's owned by a millionaire; he's assessed at \$75 an acre. It looks like we have two different assessments for people around here. He's a large landowner, they tell me. My property will be developed first, they tell me. I've been waiting for 20 years now. My property assessment has been reassessed about four times since I built in 1962. We're on the same basis as everybody else, septic tanks and no roads, conditions are just gravel roads.

So I won't take any more of your time because everybody wants to go home. But I was a little bit

annoyed yesterday, you people, there was just laughing and giggling there when people were making presentations here. I don't think it was very fair. People coming in here and standing, and there were quite a few people here yesterday. They are not here today, but I don't think it was very nice. End of my speech. Thank you.

MR. CHAIRMAN: Any questions?

Thank you, Mr. Jablonski.

Sid Jorgeson; Thomas Lillyman; Margaret Lillyman. I have called everybody's name who had indicated initially that they would like to make presentations. I'm aware of the fact that Lily Wiebe is here now. What I would ask is that anyone else who is either on the list and was not here when their name was called and would still like to make a presentation or else anyone who was not on the list - I understand that a Mr. Nelson Boychuk has indicated his desire to appear before the committee. I'll put him on the list at this point in time, but anyone who had indicated before or would still like to make a presentation to the committee, could you please contact the Clerk of the Committee who is on my right.

I'll begin with Lily Wiebe.

MRS. L. WIEBE: Sorry I'm late. I had to wait for my husband to get off work. He worked overtime.

MR. CHAIRMAN: No problem.

Please proceed, Mrs. Wiebe.

MRS. L. WIEBE: Mr. Chairman, and members of the committee.

I am not a speech maker, nor am I politically inclined, so it is with double fear that I stand before you today. However, I am not going to be intimidated by it and I don't really believe that a person cannot fight City Hall.

I would like to tell you some of my thoughts and property history, and then how it relates to Bill 8. We bought our property 16 years ago and paid \$20,500 for 12.5 acres. We sold the house and one-third of the property for almost double that amount four years later. As promising as that seemed at the time, we found that replacement costs had also increased tremendously due to labour and material increases, not to mention lawyer fees and a dedication fee of 10 percent. We weren't really wealthy landowners after all. Anyone who sold their home for healthy profits and then bought another one found that they had to pay a healthy amount to replace it. That's inflation for you - a balloon full of air.

Here we are today. Everything is inflated, but we are really no further ahead. We are now living on four acres of the original property in a house which I helped my husband build from the footings to the shingles to cut costs. It looks finished on the outside, but we've been living in it two years unfinished on the inside to cut costs. If the government had tried to cut costs, they wouldn't be trying to bleed us for more and more taxes. You have tried to convince people that we are now wealthy landowners all of a sudden. In my opinion, this is just a way of passing the buck. You aren't trying to raise our taxes because we are suddenly wealthy

landowners, but because you need the money "badly," and why? Because you or your predecessors have "managed" our money "badly."

I don't know much about politics, but I have heard about MINCOME through a close relative who received it. It means minimum income. I understand that it was a program funded by some government office whereby families picked at random were given a guaranteed income monthly just as an experiment to see whether or not it would decrease a person's incentive to work. People I talked to had never heard of it. Maybe there are a lot of expenditures we have never heard of. Search your souls.

Nothing given out is actually free. It's the old rob "rob Peter to pay Paul" syndrome. On the one hand, you gave people grants to insulate their homes; on the other hand, someone who makes their walls six inches or a foot thick with insulation has to be penalized every year on their taxes by paying tax on the unused extra square footage in the walls.

The reason I was motivated to stand before you today is the fear of losing our home which we built in the heat of summer and 30-degree below conditions in the winter, and why? Because we may be facing unreasonable tax increases now that you are changing our code to residential and omitting our justly deserved area allowance.

Nothing has changed, as far as I'm concerned, since we moved to St. Germain 16 years ago. The gravel, sometimes mucky, road we live on still looks the same with all its potholes and a ditch on either side of it. I felt the lack of change when we built our house and had to pay a fortune for a well, septic tank and field. Someone is now trying to tell us we have a half acre of residential property. I don't see sewer and water service on it or any possibility of subdividing that half acre, or a sidewalk in front of it, or a bus stop less than five miles away - all conveniences a house of the same value in the city would enjoy.

By the way, the reason we have large lots is because we are not serviced by sewer and water and are required to have large lots to accommodate our wells and septic fields.

Let's face it. What we are paying for is someone's waste of public funds. Someone who gave out handouts they really couldn't afford; not only to others, but also to themselves; example, pensions. I understand that shortly Manitoba will have the distinction of being the highest taxed province in Canada. Congratulations - your past is finally catching up with "ME" - the taxpayer.

Bill 8 is not a cure for increased taxes. The "phasing-in" process reminds me a frog experiment I heard of, wherein a frog was placed in a pot of cold water on the stove. The element was then turned on. Since the water heated slowly and its body temperature adjusted to it gradually, the frog did not realize his danger. He did not try to escape even when the water began to boil and he finally met his demise. Maybe you think we taxpayers are like the frog in the experiment. I'm not saying the "phasing-in" process is not without merit, however, because anyone who is faced with unreasonable taxes will be given time to sell and get out. Also, the extended appeal date would be helpful.

While I'm here, I would like to say that Bill 13 would give you the power to give us a classification which would give us equity in regard to the proportion of

services provided to us. This would merely compensate for the inequities recently incurred, regarding area allowance omission and new residential 10 code.

You still have time to prove to me any credibility you may have in relation to fairness and equality.

In addition to my prepared brief, I have a few comments to make in regard to comments made by councillor Santos. He asked someone if he had chosen to live where he does, he inferred that the disadvantages had to go with the advantages. I, for one, chose to live where I do. I made my choice because the property was cheaper than in town, the taxes were lower, fuel for my car at that time was cheaper. Now, through no choice of mine, you, our government representatives, have changed the rules of the game. It is your choice to add to my burden. I respectfully ask you to reconsider and give due consideration to a more favourable classification of large rural lots.

Thank you.

MR. CHAIRMAN: Are there any questions? Order please. Are there any questions? Thank you, Mrs. Wiebe.

Nelson Boychuk.

MR. N. BOYCHUK: Thank you, Mr. Chairman.

I quite honestly have to say that I'm not used to speaking publicly. I would normally be very nervous and I guess I am somewhat nervous, but fortunately I haven't had time to get nervous tonight. I also hoped to conjure up some support from His Worship, Mayor Norrie, by wearing this City of Winnipeg pin here, but I understand he's not here tonight, so I'll forget about that as well.

Mr. Chairman, committee members, ladies and gentlemen, our submission today will address the inequities and unfairness of the assessment process as it relates to farm properties in the City of Winnipeg, which ultimately, combined with the mill rate, effectively produce or constitute the land tax levy. Through this brief, we intend to demonstrate some of the reasons for our opposition to Bill 8 and at the same time, in conclusion, offer some constructive alternatives of alleviating some of the gross inequities ultimately produced by the tax burden levied on farm land within the City of Winnipeg.

Perennially, since 1975, we, as farmers within the jurisdiction of the assessment and tax system affecting Winnipeg properties have been faced with unfair and unjustifiably high assessment values of our farm properties. We use the words "unfair and unjustifiable," because in comparison with other farm properties within the Perimeter Highway, our assessment and taxes are exceedingly high and in comparison with the tangible services most precious to farmers, the City of Winnipeg fares poorly in providing gravelled roads or drainage to their farm tax ratepayers.

The criteria used prior to the 1986 reassessment of farm properties was, as I am told by the City Assessment Department, market value. Interestingly, at that time, referring now to a block of land running north and south from the Four Mile Road to Saskatchewan Avenue and east to west, from Sturgeon Road to the Perimeter Highway, there were differences in the assessed value of properties within that block. The difference in the

assessed values placed on the various properties apparently indicated the detriments or attributes of each property, hence reflecting the relative value of each property.

During the 1970's, several properties within that area sold at prices ranging from \$1,000 to \$7,800 per acre. Upon asking the Assessment Department what criteria they used for assessing farm lands in Winnipeg in 1986, they responded by saying, market value. Even though the criteria for assessing the land is the same, a single assessment value of \$2,500 per acre has been placed on the entire block of the land referred to above. Where, according to 1975's assessment, there was a variation of approximately 175 percent in assessment values within that block; the same Assessment Department, in their 1986 assessment of all properties within that block, has deemed that all properties are of the same value.

Mr. Chairman, we say that is nothing short of being preposterous. How can all these properties be of the same market value when, in fact, the prices at which they sold vary so greatly? When we approached an assessor with the City of Winnipeg and asked him why the assessment was the same for all these properties and suggested that this appeared to be inequitable, and that all properties could not have identical assessment value, he responded by saying that the Assessment Department took an average market value and placed that average value across the entire block of land. He also added that, who was to say whether one property increased in assessed value while the other property went down, or vice versa. The fact that one property was assessed at 25 times the previous value, while the previously highest assessed property in that block is now assessed at approximately 7 times higher, speaks for itself.

I heard His Worship, Mayor Norrie, refer to the professional ability of the Assessment Department yesterday, and according to the Webster's Dictionary, excerpts from the definition of the word "professional" indicates that professional means, "worthy of high standards or having much experience and great skill in a specific role." This kind of performance by the Assessment Department indicates anything but professionalism, in that it is slipshod and of poor quality, not to mention insensitive to the obvious differences in value between different properties.

Mr. Chairman, we ask, would anyone here be happy to share an average of assessed value of their home with that of a home with a much higher assessed value? Not likely. In fact, if you compare identical homes, structurally and on the same street, but one has a finished basement, deck or other improvement, the difference would be reflected in the assessment of each home. Therefore should there not be consideration given to the differences in agricultural properties, and hence a difference in the assessed values of those properties?

The most insidious aspect of the tremendous increase in assessment is the proportions by which agricultural properties have increased relative to residential properties, particularly those properties within the Perimeter Highway.

Within the City of Winnipeg, the assessment of the land portion of residential properties has increased approximately six to eight times. In some cases, farm

land within the City of Winnipeg has increased 15 to 25 times. That represents a two to threefold increase over the average increase of residential land within the urban limit line. Bearing in mind that residential and farm properties formed one single classification prior to the 1986 reassessment of Winnipeg properties, we can only assume that any increase in residential or rural properties would have been kept proportionally the same.

However, with a separate classification for farm land now, there is clear evidence that farm properties have increased substantially in assessed value relative to residential properties in designated residential areas within, for the most part, the Perimeter Highway.

In the case of residential properties, the assessed value currently represents a portion of their market value, whereas without a doubt, the assessed value of farm properties, ironically, exceeds the actual market value of that farm land. We ask, where is the fairness? Furthermore, with the disproportionate increases of the assessed value, in some cases, as I referred to earlier, two to three times higher for farm land than it is for residential land, the application of each mill rate point accentuates the tax rate on farm land two to three times more every time the mill rate on either side, residential or farm land, is increased.

Recently one of the members of our group has had his land appraised by a reputable firm, only to learn from that appraisal that his land ranges in price from between \$700 and \$925 per acre. Yet that same person's land has an assessed value of \$2,500 per acre, as placed on it by the City of Winnipeg's Assessment Department.

As we understand assessment to function, the assessed value of a piece of property usually is a portion of the market value of that property, but never exceeds the market value of that land. Clearly, we have one case in which that premise is not true, and we further expect that with the depressed agricultural economy, closer examination of many other agricultural properties within the City of Winnipeg might reveal the same scenario is true for those properties as well.

Secondly, we wish to talk about the tax on our farm land, which of course results as the mill rate is applied against the assessed value of the land. Clearly speaking, the taxes on our farm land are fundamentally and particularly within the Perimeter Highway, unfair, excessive and inequitable, with farm properties in adjacent rural municipalities, yet still within the Perimeter Highway.

Taxes on some of our farm land within the City of Winnipeg are as high as \$61 per acre, while taxes on adjacent farm land within the Perimeter Highway still, but in the Rural Municipality of Rosser, are \$11.50 per acre. To put into perspective the unfairness of the land tax levied by the City of Winnipeg on our farm land, briefly for those committee members who may not be familiar with what impact land tax has on our farming operations, who are using the land for the production of grain and oilseed crops and not for the production of expensive housing, we will relate to you what the land tax cost is as a proportion of the total operating expenses in the City of Winnipeg as compared to Rosser.

As you see below, the table there representing an acre of wheat, the land tax cost within the City of Winnipeg is approximately \$61 per acre, and I refer

specifically to this one example. I don't for a minute stereotype this as being typical all the time. It could be higher, it could be lower.

The land tax cost in this example, and it's probably fairly representative, is \$61 per acre. All other operating costs constitute \$60, for a total operating cost of \$121 per acre. The land tax as a proportion of the total operating costs of that farm represent 50.4 percent. In other words, a farmer who owns land within the City of Winnipeg, particularly within the Perimeter Highway, is spending 50 percent of his total operating costs on taxes.

Let's go over to the other side. In the Rural Municipality of Rosser, comparing apples and apples, within the Perimeter Highway, the land tax cost, \$11.50. The total operating costs are the same for that acre as it is for the acre in Winnipeg - it still remains at \$60 per acre - for a total operating cost of \$71.50, representing the land tax portion representing 16 percent of his total operating costs. So as you can see, only land in Winnipeg, the land tax portion constitutes 50 percent of your total operating budget. In Rosser, the land tax portion constitutes 16 percent of your total operating budget.

In the case of school tax, 45 percent of the total land tax of \$61, or \$27.45 per acre, is paid to the City of Winnipeg. School tax in Rosser amounts to 70 percent of \$11.50, or \$8.05 per acre.

Mr. Norrie stated yesterday words to the effect that the City of Winnipeg cannot be responsible for the plight of the severe economic conditions farmers are facing today as a result of the low grain prices in the international marketplace. With that we can concur. However, what we as farmers in the City of Winnipeg disagree with vehemently is the inappropriate assessment combined with the mill rate to produce outrageously high and unfair taxes on our farm land. So on the basis of the arguments made to this point, we cannot and do not support Bill 8, that there be a phase-in period over three years for taxes exceeding 10 percent.

Even though the City of Winnipeg has made a commitment to the farm landowners to keep the percentage of taxes collected from farm land the same for this year, that is not enough. We need an assurance that this percentage will not increase in subsequent years or the tax shift on farmers will be even more dramatic and more distorted.

According to Plan Winnipeg, many of the highly taxed farm properties that lie within areas designated as no development areas will not, according to plan, be developed before the year 1999. Practically speaking, according to city planners, much of the farm land within those no development areas will not be developed for 30 to 40 years, and I can tell you I personally have that commitment or that said in words to me by more than one city official.

The obvious question is why are farmers paying taxes on the basis of potential development, when our proximity to development, timewise, is so remote? The premise for our opposition to Bill 8 is that we cannot support the implementation of a system that would allow the phase in of exorbitantly high and unfair taxes as they relate to taxes of other agricultural properties lying outside the jurisdiction of the City of Winnipeg's assessment and tax system.

More positively, we would encourage you to give strong consideration to the implementation of:

(1) A single assessment authority for all of Manitoba, as suggested in the Weir Report.

(2) The adoption of section VII-C-1, VII-C-2 and VII-C-3 of the Weir Report which may be referred to on pages 234 and 235 of that report.

Before I conclude, I would like to read those three short paragraphs that are referred to in that brief.

Section VII-C-1 states that:

All lands qualifying as farm lands should be valued at the value the land would have if the land were being sold and purchased strictly for agricultural purposes. The sales data used in establishing such values should be analysed in relation to the productive capacity of the soil and other factors affecting the value of the land for agricultural purposes, (distance to market, climatic conditions, etc.).

Section VII-C-2:

For lands qualifying as farm land which have an increased valuation due to their proximity to urban or recreational development, assessors, in addition to providing valuations and assessments of the property based on its use for agricultural purposes, should also provide valuations and assessments of the land based on current sales data. Local market conditions should be considered in the same manner as such data is used when assessing non-agricultural parcels. Valuations and assessments at both levels should appear on the assessment notice.

And the last section, section VII-C-3:

Provision should be made that on the application of property owners the assessment used for current taxation purposes will be based on the value of the land for agricultural purposes. Upon conversion of that land to non-agricultural use, the owners of the land should be responsible for paying to the municipality a sum of money equal to the difference in taxes between what was collected and would have been collected during the previous five years, had the valuation and the assessment of the property been established on the basis of the assessors' opinion of value, using then current sales data; sales data reflecting all normal market considerations. The difference in taxes which is collectable, should be collected by the municipality without interest and should become part of the general municipal tax revenues with the municipality remitting to the school division its just share of any funds collected.

And, Mr. Chairman, I would like to say, that these recommendations that were made a number of years ago by the Weir Commission, we could live with. We could live with them because they are fair, because if you are talking about collecting taxes on a land or a property that might some day be worth a lot of money, and you come to that day and you sell that property, you are no longer talking about potential value.

If you realize the value by actually selling that property, you then have the cash in hand to pay those taxes, so you're not speculating anymore. We can't on the other hand live with the fact that we're paying taxes on the

basis of potential value sometime in the future. Thirty or forty years from now will do me no good in terms of my ability to continue farming for that period of time. Heavens knows, we have enough going against us already. We don't need the outrageously high taxes that we have on our farm land today. I think, as I illustrated adequately well in my brief tonight, we're not asking for special concession, we're asking that we be treated fairly and absolutely in line with other farm properties within the province. I don't think that is a lot to ask for.

I would like to, on behalf of the presenters of this brief, extend our appreciation to you for the opportunity to submit this brief to you this evening. This brief was presented by Gordon Grenkow, Joe Krowiak and myself, Nelson Boychuk.

Thank you very much.

MR. CHAIRMAN: Mr. Bucklaschuk.

HON. J. BUCKLASCHUK: Yes, thank you Mr. Boychuk.

I found this a very informative brief. I just want to comment on the very last recommendation with respect to the adoption of some of the recommendations of the Weir Report. Those sections that you have referred to are under active consideration at the present time, however, it would be my feeling that they probably would not be implemented until such time as we had province-wide assessment reform which is probably a matter of two or three years down the road, but certainly the points that have been made in the report, points that you make today are very valid and I think they would get very positive consideration.

MR. CHAIRMAN: Are there any other further questions or comments? Thank you again.

Our last presenter is Gerry Madden.

MR. G. MADDEN: My name is Gerry Madden. I live in South Headingley. I live on 66 acres. I have a one bedroom house that's been in our family, we split up our family farm between the brothers and sisters.

Now, my mother died 22 years ago, there's been a freeze on the property for all those years, we cannot subdivide, there's not much we can do about it. But I look at this new assessment as a form, or I think it's going to lead to confiscation through taxation. And the reason I say that, is they've gone from \$400; there's now three houses on the same property, what was one farm, are over \$10,000.00. I don't know who else in this room gets stuck for paying \$940 for a gravel road each year over and above our regular taxes. When I moved in there I built the small house in '76, the municipality says - we asked for a gravel road and they said, it's not gravelled, therefore we won't do it, it was never done under a by-law. We proved in 1947 it was done under a by-law and they never gravelled it. They changed the rules. Okay, they changed the rules, now they're saying you have to pay \$944 a year. Now they're paid for, I finished last year. Now it looks like I'm going to get a nice present again.

Now you can't keep going at these rates. You get it assessed so high and what happens next year if the bloody bloom breaks. If you guys or anybody else think you're taking the land off me, I've got a clear title but

I'll tell you I would not move out of there. I'm not going to be like some of the others saying they're going to sell. I'll tell you, you'll have to get me out with force. Farm land is farm land. You're going to say I agree with this gentleman here. We're not talking speculation. For 22 years now, Mayor Juba, they put in a freeze on our land. I tried to subdivide it when my mother passed away 22 years ago, I was turned down.

Now it's still going to be. I don't think I'll ever see it in my lifetime, I'd like to stay there, you know. I had a house in St. Vital. In 1970, I had about a \$500 tax bill, a well and so on. Two years ago, his taxes were over \$5,000.00. I had to sell five years ago because of the taxes.

So it's bodies like you fellows sitting here. You can't keep putting it to the taxpayer and that's basically what I have to say.

MR. CHAIRMAN: Are there are questions for Mr. Madden?

Thank you for your presentation again.

That completes the list of those wishing to make submissions to the committee. I'd like to thank the members of the public for their patience over the last two committee hearings.

How shall we proceed, Bill 8 first?

We'll deal with Bill 8.

What is the will of the committee, page-by-page? Bill as a whole?

MR. J. ERNST: If I may suggest, deal with the bill as a whole. It's a simple bill.

MR. CHAIRMAN: Bill 8, bill be reported—pass.

BILL NO. 13 - THE ASSESSMENT ACT

MR. CHAIRMAN: Bill No. 13, Mr. Ernst.

MR. J. ERNST: Deal with this bill page-by-page.

MR. CHAIRMAN: Page-by-page for Bill 13, first and only page.

MR. J. ERNST: Mr. Chairman, I thought we should perhaps analyze each page separately.

MR. CHAIRMAN: Page No. 1, the one and only page.

MR. J. ERNST: Mr. Chairman, we have sat this evening, we have sat last evening and listened to, by and large, pleas from people with large lots to have a classification system set up that will meet their unique situation; that will meet their difference between the ordinary residential categories of properties in the City of Winnipeg and their unique situation. We have heard pleas from people to suggest that some of them are going to lose their property or be forced to sell their property as a result of reassessment, as a result of differential mill rates that will lump them in the same category as other serviced urban residential lots.

Mr. Chairman, to date, the government has refused to deal with the question of a separate classification

for these properties. I have on a number of occasions raised that question in the House. I have asked the Minister if he will address that issue and he has refused. I have spoken on this bill and others in the House, as well, indicating the same kind of concern and the continued concern that I have for my constituents and the constituents of the Member for Niakwa and others where they are in this position that they are going to be faced with the possibility of losing their property or forced to sell their property because of a situation that can be corrected by a relatively simple act of an Order-in-Council.

To date, the Ministers and the government have refused to do that. I, sitting here for the last two evenings, have heard those pleas and I, Mr. Chairman, think that something ought to be done about it.

Accordingly, I am going to move, seconded by the Member for Niakwa, that the following amendment be proposed to the bill. Mr. Clerk, I have copies of that amendment. I have in fact discussed that amendment with Legislative Counsel this afternoon and they have in fact drafted the amendment in the appropriate language. Therefore, Mr. Chairman, I propose

THAT Bill 13, an Act to amend The Municipal Assessment Act, be amended by renumbering section 2 as section 3 and by adding after section 1 the following section:

Sec. 31.3 added.

2 The Act is further amended by adding immediately after section 31.2 the following section:

Large lots.

31.3(1) Notwithstanding section 31.2, large lot residential properties within the City of Winnipeg shall be in an assessment class separate from any class of property created under section 31.2.

Definition.

31.3(2) For the purposes of subsection (1), "large lot residential properties" means lands more than one-half acre and less than four acres in size used for residential purposes that are not serviced by the normal pumped water distribution and sewage collection system of the City of Winnipeg and that cannot reasonably be so serviced.

While, Mr. Chairman, that's relatively technical in nature, it's relatively simple in intent. A simple intent of that matter is to say to the people on large lot properties that they shall, regardless of whatever other classifications are created by Order-in-Council pursuant to section 31(2), that there will be a category for large lot residential properties. There will be that category created and those people will have that opportunity to make their case with the city for a differential mill rate.

Now, it's been stated, Mr. Chairman, in the past, the City of Winnipeg has not requested it and I got a mixed answer from the Mayor last night and from Councillor Macdonald, the Chairman of the Finance Committee.

I have a letter dated December 18, 1986, addressed to the Honourable John Bucklaschuk, Minister of Municipal Affairs, where in clause (b) of that it says, "We are aware of difficulties experienced by ratepayers in large lot urban development areas who own small acreages of a semi-agricultural nature and whose

property values are inflated by speculation. Thinking, for example, people living along McCreary Road and other semi-rural areas in Charleswood, we need a vehicle for addressing the unfairness that is experienced by those people who do not, by the way, fall into a farm category." That was in a letter addressed to the Honourable John Bucklaschuk dated December 18 from the chairman of the Standing Committee on Finance and Administration of the City of Winnipeg.

Mr. Chairman, I presume that the chairman of the Finance Committee in writing to the Minister is expressing at least the opinion of some officials at the City of Winnipeg. The Mayor indicated that in fact there was no position on golf courses. There was no position on condominiums, per se, that were approved by council. It was either by the Mayor and the Deputy Mayor, or the Mayor and the Finance Committee Chairman, or the Mayor and some other group of officials, but not an official position of the City of Winnipeg.

If you wish, I'll table that letter, Mr. Chairman, for the benefit of other members of the committee - the letter from Mr. Macdonald that I quoted from.

So, Mr. Chairman, I think that we must, as legislators, recognize that there is an anomaly, a serious anomaly, for a great number of people. It's been said that there are 1,500 or 1,700 or 2,000 of those people out there. There were 18 golf courses. There are 3,000 or 4,000 condominiums, I suppose. We have addressed those issues, and I see no reason why we should not address this issue and hence the amendment that I've submitted this evening.

Thank you, Mr. Chairman.

HON. J. BUCKLASCHUK: Let me just respond briefly to some of the comments from the Member for Charleswood. I want to respond to the concerns that have been raised by those presenters who had expressed concerns about potential tax increases on farm land as a result of reassessment. Although I can't recall any specific assessments that would provide as examples, the information that's been provided to us thus far has been that the mill rate for the agricultural property will be roughly about 13 mills or so. So despite the fact that the assessment has increased significantly, the increases may not be as large as some fear.

I should also add, and I'm thinking with respect to the comments made by Mr. Taillieu about what appeared to be a preferential mill rate for agricultural land that was provided in the first couple of years that the Headingley area was annexed to the City of Winnipeg, in fact, that provision is still in The City of Winnipeg Act, section 152(6).

It's a recognition that where there is an absence of services to agricultural land that the city does have the flexibility, by by-law, to provide for a reduction in the tax rate. I don't think that has to be addressed by any bill that the province would introduce.

What the province has been attempting to do over the last number of years is to bring about a fairer and more equitable form of taxation; and as all members appreciate, it is a complex task. The province has over the past number of years been moving towards implementation of a number of recommendations from the Weir Committee; and in time we would hope that

there would be a fairer system than what exists at the present time.

The amendment to the bill, in a sense asking for a further class which would define large lot residential properties, if implemented would provide no guarantee whatsoever that there would be lower taxes, because we're all aware that the city has the flexibility to vary the mill rate as it so wishes. The addition of five more classes wouldn't do anything for those property owners in those new classes because the flexibility has been provided to the city to determine whatever the mill rate is, if they wish, and that is not necessarily a resolution.

Now, it's true that in dealing with the various reliefs that were being requested by the city, we did receive a formal representation from the City of Winnipeg as such. But when we meet with the Mayor, the Deputy Mayor and the Chairman of the Finance Committee, I think it's reasonable to expect that they speak for the city.

When we meet with the Executive Committee, as we did I believe January 22, then one assumes that that is the voice of the body of elected officials for the City of Winnipeg.

I don't recall, and I know my colleague will confirm, that we had received an official request from the City of Winnipeg to provide for an additional class to deal with the situation being faced by large lot residential property owners. It's not that I'm unsympathetic to their plight; I've listened very carefully to each of the presentations that have been made. I believe them to be made in good faith, but I don't believe that the addition of this amendment to Bill 13 is the resolution to the problem.

Furthermore, there is no recommendation in the Weir Committee Report that there be such consideration provided. I am advised by my department that the Union of Manitoba Municipalities, or at least the president speaking for the Union of Manitoba Municipalities advises that this sort of an amendment to be implemented province-wide would not be acceptable. And keep in mind when we're talking about assessment reform, the classes that we are determining at the present time will be applicable province-wide. While it may appear that this is going to solve the City of Winnipeg's problem, or the problem existing in the City of Winnipeg, it would create not as many but probably considerably more problems in rural Manitoba. So for that reason I don't see this amendment as being acceptable.

I do believe there must be some way of resolving this dilemma. I'm prepared to meet with any number of individuals or delegations over the forthcoming years - as I'm sure my colleague is - to see if there is some way that relief can be provided if there is as major a problem as some foresee. Though we must keep in mind that the assessments that are being determined by the present time and from some of the examples that have been provided, I think there are very good grounds for the assessments to be appealed to the Court of Revision, or Board of Revision, and if that is unsuccessful, certainly there is another appeal to the Municipal Board. I'm aware of one or two presenters that have already gone through this process in previous years and that has been successful.

After these alternatives or appeals have been carried out, if there is still a problem, as I indicated, we are

prepared to sit down and work very hard to providing some resolution to this problem. But at this point, I would suggest that the amendment is not acceptable to me.

MR. CHAIRMAN: Mr. Downey.

MR. J. DOWNEY: Mr. Chairman, I have a brief comment to make and I want to say that the cases that have been made here tonight by the taxpayers who have demonstrated, I think, beyond any doubt that the position that they have moved from over the last few years with their becoming a part of the City of Winnipeg and the benefits that they have given up only to participate in excessive assessments and tax increases is one which I think has to be addressed and addressed immediately by the government, because we have just seen Bill 8 pass by the government that is providing a phase-in process, and there was all the compassion in the world for it.

Now we're seeing the government reluctantly opposing an amendment that may help and it may not. I want to just clarify a point that the Minister is referring to as to the concern that the Union of Municipalities have with the implementation of an additional class for rural municipalities. It's the reverse of what has happened with the smaller holdings in the areas that we've heard about tonight dealing with the holdings here; that the implementation of additional classes or an additional class for smaller holdings in a rural municipality has, in a lot of cases because of the sparse populations and the fact that there had to be additional services provided by municipalities has imposed, in a lot of cases, a substantial increase in taxes on those municipalities, and that's their concern that they have raised with me and it's a legitimate concern.

But it doesn't say, or they didn't say or haven't said in any way to me that they are against resolving the difficulties that are on the people who are in the situation of increased taxes and assessment within the area of the City of Winnipeg. I don't think they're opposed to that at all. In fact, I can assure you that most municipal people that I am aware of are quite conscious of the tax burden that is imposed on the people.

I think that is extremely important, Mr. Chairman, to the Minister through you, that he deal with it and deal with it in an aggressive manner. We have heard a very good case made by many people, and when people start saying that they are forced or possibly will be forced to sell their land, to leave their homes because of unfair taxation policies, then you can't blame the City of Winnipeg. It is then the senior government's level to take the kind of action that is necessary to do it, because you are the last court of appeal to deal with those kinds of inequities. I said you dealt with Bill 8 to help, what was it, 9,000-and-some taxpayers. That was moved aggressively to phase it in.

Now I think you have to take the same aggressive action to give relief to those people who are being unfairly treated because of the assessment that is being imposed upon them and I really have to sympathize with them. There is no question that these people aren't getting the services, but are getting to pay the tax increases that are imposed upon them, which is totally beyond their control. You may reject this amendment,

Mr. Minister, but I can assure you, members of the Conservative caucus are not going to let you rest until you resolve the difficulties and the problems faced by these people.

Thank you.

MR. A. KOVNATS: Right up until the last minute, I thought that the Minister was going to have a change of heart and he was going to agree with the amendment proposed by my colleague, and I would have been more than just a little pleased. I think what he is saying is that he is going to look for more meetings with the people who've made presentations.

You know we've been getting that time after time after time, where the New Democratic Party Government of the Province of Manitoba is going to look into a certain situation, is monitoring, reviewing situations. When are you going to stop looking into and monitoring and reviewing situations and do something about it? These people have a problem. I think what you have to do is to agree with this amendment, indicate the intent - not just give lip service - indicate your intent to be of support to the submissions that have been made.

I know that I am going to be supporting the submissions - the stories that I've heard here this evening. I believe them. I know them to be true in all cases because I have no reason not to believe them, and I think that, as members of the New Democratic Party Government, your motto of "Stand up for Manitoba," is all Manitobans and I want you to stand up for these people and listen to the citizens of the Province of Manitoba. It's not a threat, but if either of you two Ministers plan on running for the leadership, I will not be supporting you.

A MEMBER: We'll support you, Abe.

MR. A. KOVNATS: I don't think that we can just keep procrastinating. The amendment is a good amendment. It gives the people who made presentations somewhat of something that they ask for, and I'm prepared to support the amendment and I hope that the government is prepared to support the amendment.

Thank you.

MR. CHAIRMAN: Mr. Santos.

MR. C. SANTOS: Thank you, Mr. Chairman, for the opportunity to make some comments. I have listened carefully to all the presentations and I learned a lot about large lots and small lots.

I seem to sense that there is a presumption that taxes are payments for services we get from government. In other words, it is particular payment if they put in the gravel road, then I pay my taxes; if they don't, then I don't pay my taxes. I do not accept this assumption in principle, Mr. Chairman, because if that were the case, if I own a piece of land and I don't want to pay taxes, all I need to do is refuse all kinds of services, then they have no means of taxing me.

If that were the case, then there are lots of people who will oppose services from government. I believe that taxes are the undistinguishable cost of civilization. It cannot be distinguished as to person or as to particular localities.

The second comment I'd like to make, Mr. Chairman, is the principle I've already stated, which is I think a very basic principle, and I'd like to state it in Latin. Cujus est commodum, ejus est onus; he who has the benefit must also share the burden.

MR. CHAIRMAN: Mr. Evans.

HON. L. EVANS: Thank you.

Just briefly, Mr. Chairman, I think everybody on the committee is sympathetic to people who may be taxed excessively. Nobody wants to see inequities, nobody wants to see unfairness, nobody wants to see unreasonable tax increases for any citizen, wherever they may live. But as I heard the Mayor last night, and also Councillor Macdonald, who apparently did a very detailed study of it; they told us, if I heard them properly, and I'd stand to be corrected if I'm wrong, that categorically, particularly Councillor Macdonald who spent a lot of studying it, the classification is not the solution to the problem.

MR. J. ERNST: He put it in writing. I tabled the letter with the committee, for heaven's sakes.

HON. L. EVANS: So the Member for Charleswood is agreeing with my assertion.

MR. J. ERNST: No, I'm not. Macdonald put it in writing
. . .

MR. CHAIRMAN: Order please.

I will recognize members of the committee wishing to speak in due turn. Mr. Evans has the floor. Mr. Evans.

HON. L. EVANS: At any rate, the fact is, Mr. Chairman, I also heard the Minister discuss the question of classification as not necessarily the method of resolving the problem, if I heard him correctly. So what I'm suggesting then is if classification is the solution that is something to be considered, but my understanding is classification is not necessarily a solution.

The other point I would make is that the amendment is really redundant because the bill already says if the government wishes to do so, it may make regulations defining classes of property on the basis of size, ownership, types and uses of land and buildings. So that power is already in the bill, as I understand it. So the amendment being proposed is purely redundant. It doesn't add anything to the power that is already exercised in the bill.

MR. J. ERNST: Mr. Chairman, first let me apologize for interjecting earlier. That was uncalled for and I appreciate we have rules and must follow them, so I apologize for that.

However, the Minister has just indicated that classification isn't necessarily the answer, and he's likely right, however doing nothing is certainly not an answer, doing nothing is certainly not going to help these people, and doing nothing, as the Minister of Urban Affairs has indicated he's prepared to do with respect to classification, whether the power is in the bill or not, if it's not exercised, nothing happens and the Minister has indicated it's not going to happen. He's refused,

on a number of occasions publicly, to exercise that power, so if he's going to refuse and doing nothing is not an answer for these people here, then we have to be faced with an amendment to deal with that particular issue and bring it forward for consideration by the committee and report back to the House for a Third Reading of the bill.

The Minister indicated in his address - the Minister for Municipal Affairs - that the existing flexibility in The City of Winnipeg Act in their mill rate deals with agricultural land. But it's agricultural land. These people are not on agricultural land.

These people are on large lot residential land and they aren't able to be addressed by that particular situation and they are lumped into the same category as people with single family homes. They're on urban lots and are faced with that other situation comparing their assessment because of their large acreage attached to an urban mill rate. So that flexibility is not there for those people and that's why the amendment was brought forward.

There is no guarantee. I agree that the legislation does not guarantee these people that they're going to get a differential mill rate, but for sure they're not going to get one unless that category is put into place. At least this gives them the opportunity of going to the City of Winnipeg and saying look, there is a classification, there is an opportunity for you to give us a differential mill rate. But it won't happen, it can't happen, unless that category is put into place. It's not in the Weir Report.

So it's not in the Weir Report. Maybe Mr. Weir at the time of his committee hearings didn't anticipate this kind of a situation; but there were 68 people registered to appear before this committee to talk about that situation, and they represented a great many more people out there, some 1,500-1,600-1,700 of them, and they have a very real fear and a very real need to have something happen.

The question about the UMM would approve of this kind of a situation in rural Manitoba, and Mr. Donahue has adequately explained that situation, but I think the time has come for the government to realize you can't keep stuffing square pegs in round holes, that the City of Winnipeg and rural Manitoba are different, and it's time perhaps that the whole question of the equalized school levy across the whole province be changed, that the government ought to take it off of property altogether and fund it in some other manner within existing resources. Adjust that or something, but you can't keep stuffing square pegs in round holes trying to make urban and rural situations fit together. They're different, extremely different.

It's causing agitation amongst rural Manitoba; it's causing agitation in the City of Winnipeg. For heaven's sake, it's time we recognized that and time that we say, as I said before, quit stuffing those square pegs into round holes and do away with that equalized situation. Then it won't matter what municipalities do internally. It won't matter what the R.M. in Northern Manitoba does or the R.M. in Southwestern Manitoba or the City of Winnipeg. It won't matter because you don't have to compare them one to another then. They can deal with those situations on their own. But for heaven's sake, don't throw out the baby with the dishwater - bathwater - sorry. I got carried away, Mr. Chairman.

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A MEMBER: When's the last time you did dishes?

MR. J. ERNST: We used to wash our babies in the sink.

But, Mr. Chairman, the situation has to be addressed; you can't leave these people hanging. Whether they want us in Headingley to secede from the City of Winnipeg and whether we want to let them secede is immaterial at this point. I think they've got an immediate problem. They have a problem come 15-30 days from now when they get their City of Winnipeg tax bill. They're going to have a real problem. They have to pay it by the 1st of July.

We have to address that situation immediately. They have to have some kind of relief, some kind of assurance that they're not going to be taxed out of their homes, that they're not going to be forced to sell their land and that they aren't going to be forced to hang on by their fingernails until such time as some other kind of action takes place. The time for meetings is over. The time for action is now.

Thank you.

MR. CHAIRMAN: Okay, there being no further speakers, I'll put the question on the amendment.

QUESTION put on the amendment, MOTION defeated.

MR. J. ERNST: I would seek your direction, Mr. Chairman. Is there a provision for yeas and nays in a committee meeting?

MR. CHAIRMAN: There is a provision for a count-out vote. I sense there's the required two members requesting a count-out vote.

A COUNTED VOTE was taken, the result being as follows:

Yeas, 4; Nays, 6.

MR. CHAIRMAN: The amendment is defeated.


Returning to the main portion of the bill, page 1, is there any further discussion on page 1?

Page 1—pass.

Bill be Reported.

That being the last item before the committee, the committee is adjourned.

COMMITTEE ROSE AT: 11:13 p.m.

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