

**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**THE STANDING COMMITTEE ON MUNICIPAL AFFAIRS**

Tuesday, January 9, 1990.

**TIME — 3 p.m.**

**LOCATION — Winnipeg, Manitoba**

**CHAIRMAN — Mr. Edward Helwer (Gimli)**

**ATTENDANCE - 11 — QUORUM - 6**

*Members of the Committee present:*

Hon. Messrs. Cummings, Manness, Penner  
Mrs. Charles, Messrs. Harper, Helwer,  
Pankratz, Patterson, Plohman, Roch, Taylor

**WITNESSES:**

Mr. Elijah Harper, MLA for Rupertsland  
Mr. Bob Brown, Provincial Municipal Assessor  
Ms. Dianne Flood, Crown Counsel (Civil Legal Services)  
Mr. Gordon Carnegie, Crown Counsel (Legislation)  
Mr. Gerald D. Forrest, Deputy Minister of Rural Development  
Mr. Rob Walsh, Crown Counsel (Legislation)  
Ms. Shirley Strutt, Legislative Counsel

**MATTERS UNDER DISCUSSION:**

Bill No. 79—The Municipal Assessment and Consequential Amendments Act

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\* (1505)

**Mr. Chairman:** I guess we are on Part 5 on assessments, on Clause 17(1). Is it the will of the committee that we leave those amendments until such time as they are ready, and so we could leave Clause 17(1) until later, would that be okay? Mr. Pankratz.

**Mr. Helmut Pankratz (La Verendrye):** Mr. Chairman, yes, I definitely would agree with leaving that until the amendment comes down and then we could review it and study it. But one question that I would have is: what is the time frame? Are we adjourning for Private Members' Bill?

**Mr. Chairman:** What is the will of the committee, shall we adjourn for the Private Members' hour or continue till six and then break for supper and start again after, or what is the will of the committee? Mr. Taylor. Turn your mike up there a little, please.

**Mr. Harold Taylor (Wolseley):** I would like to comment that—thank you, is that better—thank you. I would first like to comment that although the decor in this room is a little more beautiful than that in the other committee

room, I do not see that the Ministers are any more beautiful.

In all seriousness, I would suggest though that the comment made yesterday when the same issue came up, the comment made by the NDP was that there should be respect for the Private Members' hour. I can tell you that we had problems yesterday in that there were committee Members who were supposed to be in the House for debate; I may be in the situation that my own resolution will be coming up. I would move that we go from three to five o'clock, Mr. Chairperson, and also, then we should either now, or at five o'clock, deal with the issue of an evening sitting.

**Mr. Chairman:** Okay, I would prefer if we could do it now, we will go from three to five and what time shall we start, seven, eight? Eight o'clock. Is it the will of the committee that we come back at eight o'clock after supper? Mr. Pankratz.

**Mr. Pankratz:** Mr. Chairman, I go along with it from three to five, but I would wish that we would get back at seven, if we could. Because then we could possibly adjourn a little earlier in the evening.

**Mr. Chairman:** What is the will of the committee? Mr. Patterson.

**Mr. Allan Patterson (Radisson):** Those who have to be in the Chamber for Private Members' hour, that cuts them down to an hour for their dinner break.

**Mr. Chairman:** Eight o'clock. Is that the will of the committee? Mr. Plohman.

**Mr. John Plohman (Dauphin):** Yes, I think, Mr. Chairman, that we want to keep with the spirit of the agreement that we had. I think that we want to do that, but I do not think that we have to fall on the exact hour that we said in the agreement. If it takes a little bit longer to do it right in terms of the amendments and so on that are being drafted, then so be it. Not that there would be any inordinate delays, but I was just reacting to what the Minister told me privately. That he says, that we have to finish by midnight tonight, according to the agreement, I said, no.

It says the 10th, and we should endeavour to do it by the 10th as far as the committee is concerned, but it may mean that we cannot quite do it. We should try.

\* (1510)

**Mr. Chairman:** Okay. Mr. Roch, did you have something to add? Okay, it is the will of the committee that we go from three to five and come back again at eight o'clock. Is that okay, Mr. Minister?

**Hon. Jack Penner (Minister of Rural Development):** I would just, Mr. Chairman, like to remind all committee

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members again, before we enter into debate on any of the clauses, that we should try and achieve the completion of this Bill as quickly as possible. There are school divisions that are going to be waiting. There are deadlines that our Department of Education is going to be required to meet. The sooner we get at it and finish and put it to Royal Assent, the better off all Manitobans are going to be.

**Mr. Gilles Roch (Springfield):** Mr. Chairman, I certainly have every intention to, as much as possible, live up to the agreement, but as I said in my opening remarks, the Government has a certain responsibility in all of this too. Both Opposition Parties have substantial amendments that they have and need to present, and we have tried to co-operate as much as possible. I am not adverse to go in late tonight if it means we can finish up tonight or if need be reconvene tomorrow morning, but if we get into a philosophical debate or we get into diatribes, as we are prone to at times, it could delay the process. I am just saying that I am in agreement to reconvening at eight o'clock and doing our best possible even if it means going late tonight to finish up this Bill and bring it back because the agreement said to bring the report stage and third reading on the 10th, I believe. Of course, that has to be physically possible too.

**Mr. Chairman:** Right. Okay. Thank you. We will try to continue then. I just want to mention that tonight at eight o'clock, we will resume sitting in Room 255 again.

Okay. We will start with Clause No. 17(2), Reference year for 1990—Mr. Roch.

**Mr. Roch:** Thank you, Mr. Chairman, I would like to move that Subsection 17(2) be amended by striking out 1985 and substituting 1989. The reason for that is that—

**Mr. Chairman:** Have you got a copy of your amendment? We have to have copies before—we will have to wait for copies then. Perhaps we want to carry on and revert back to that clause. Would that be—

**Mr. Penner:** Maybe just to help this along without even seeing the clause, it would be an imposition on the department that the department simply would not be able to meet.

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**Mr. Chairman:** Okay. On a point of order, Mr. Roch.

**Mr. Roch:** I am just wondering, are there no earphones available in this committee room?

\* (1515)

**Mr. Chairman:** No. I think if we each try to speak clearly and individually so we do not have too many people talking at once, everybody will be able to hear. Okay, Mr. Minister.

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**Mr. Penner:** Thank you, Mr. Chairman, as I indicated maybe we could again help the process along, expediting some time. I simply do not believe that if we do make the changes to the dates required, we would be forcing the department into a position that they would simply not be able to meet, and we would be back to where we were a number of years ago whereby the department was simply not able to meet the reassessment process. The computer system, the Mac system, has been programmed to a value date of 1985, and therefore that must be for this time around the valuation base that is going to be used. There is absolutely nothing that the department would be able to do to bring the values up to 1990 levels at this time. It would be simply an impossibility. Just so that committee knows that before we even enter into that thing.

**Mr. Pankratz:** Mr. Minister, if I may comment on this point. I think this was brought out already a year and a half ago that we would be using the 1985 dates as an assessment for the year as a base, and so with that I think it is appropriate that we concur with this the way it is.

**Mr. Roch:** By not being willing, the Minister says it is impossible. I do not know why impossible. Can the computers not be reprogrammed for 1989 values?

**Mr. Penner:** First of all, I know very little about computer programming or the writing of computer programs. I do have some friends that are quite good at it. I know how much time they spend even just to write a program for a farmer to do his accounting and the massiveness of the task that would be involved in completely rewriting the computer program to take an account the assessed values and then to re-enter.

First of all, to reassess the province at 1989 levels, and then re-enter all that data at this time to reflect 1989 values, would be a task that would be fairly monumental even in one whole year. So therefore it would delay the process at least a year, in my view, and would become impossible to implement the assessment to form legislation this year.

**Mr. Roch:** There is a fundamental principle at stake here. The purpose of this Bill has been to have the most updated possible market value. Why then was 1985 picked which already is five years old. It just makes a current value, market value, almost a joke. Yes, it is better than 17, 18 years or whatever the case may be, but why was 1985 picked as opposed to even '88?

**Mr. Penner:** Maybe, Mr. Chairman, what I should do is ask our chief municipal assessor to explain to you what is involved in the total assessment of a province, and then why the base level year of '85 was chosen. Bob, would you want to answer that?

\* (1520)

**Mr. Bob Brown (Provincial Municipal Assessor):** The difficulty in moving to subsequent 1985 year has to do

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with the data that has to be put in the computer. The programming has been developed to value all property based on the information that is put into the system. The information that had to be put in the system for year one was total information, if you will. It was taking the field information which was in paper format, copying it over into a keypunch sort of format so that keypunch persons could key into a computer system. That process was massive.

We were talking, in our jurisdiction, 370,000 properties that had to, by hand, be copied over and then, by hand, keypunched into the data bank that had been built. That took upwards of a year and a half worth of 100 percent assessor time devoted to that task. The direction we were given was to get a new piece of legislation and a capacity in place as soon as possible. So, if we were to get it in place for this time frame, we had to start entering data the minute the system was built enough to hold that data. That availability of the system was beginning to shape up in '86-'87, so that is when we started entering the data into the system.

A year and a half or so later, brings us to now. The system is now fully loaded and capable, for the first time, of producing an assessment on all property. But the most current information that was available at the time we started that was '85. I suppose it can be argued that we could go to '88 if we had wanted to delay implementation of anything until a later date, but the earliest implementation we could have as of this date was to use '85 data and amendment.

**Mr. Roch:** What is going to happen in future years when reassessments are going to be done.

**Mr. Brown:** I could expand on that if you wish. The big task is getting the data in the system in the first place for all 370,000 properties. Keeping it up-to-date is a far, far smaller task, because your information is in there right now. You have the ability to access the information by the computer terminal rather than by hand. In any given year, not all 370,000 properties change characteristics; only those that have new construction, or demolition, or that sort of thing change. Once this first massive load-up, if you will, has been completed, from now on—and that is why in subsequent years you see the reference year is only a year and a half behind the reassessment date.

**Mr. Roch:** So therefore you are saying, Mr. Brown, that in future years you will take the information which is essentially in place right now, based on 1985, and just update it accordingly. So why can this not be done right now for 1989? You have the information stored up; just update it the same as you would as if you were doing a reassessment next year. Does the City of Winnipeg not have to be reassessed in any case?

**Mr. Brown:** The first point, the means by which we value property is to take the characteristics of the given property, multiply it by what we would call rate tables, which is the value of that property based on its soil type, or the house type, or that sort of thing, based on sales of the area in question. All of the sales

information loaded into the equipment, if you will, is the same as the information on data. It is 1984-1985 sales information. If we were to update all of that to '88 or '89, we would be back into the same boat of in effect reloading the entire system saleswise again. It would be a duplication of what we just went through, another year-and-a-half sort of task.

**Mr. Roch:** But you are going to have to do it when you reassess anyway; you will be updating. I do not quite understand why it cannot be done for 1989 when it is going to be possible for future reassessments, or for updating of assessments.

**Mr. Chairman:** Mr. Brown, would you like to answer the question?

\* (1525)

**Mr. Brown:** We will be updating the system for the 1993, the next triannual reassessment. It will take the updates to be put in place. We collect the sales information; we obtain it from LTO. It arrives at the end of the year for the immediately preceding year. We look at it; from those sales, we have to derive the rates. It is not sort of an instant thing. You have to compare each of the sales with the sort of soil type it is on if it is farm sale, or a building type if it is a building.

You spend upwards of a year deriving your rates for the next reassessment. You still have to do the analysis of the sales information you get. It is not as if every sale, every property in the province sold, that you can make an automatic transfer of that sale to that given property.

**Mr. Roch:** Then can you explain to me why this does not seem to pose a problem in other jurisdictions, notably British Columbia, where they can have it as recent as six months?

**Mr. Brown:** British Columbia has gone back and forth several times in their cycle. British Columbia has the most sophisticated computer system. It came on stream in '74, so it is far more refined than ours is at the moment. We are 12 years in the making, I might add, for that computer system, whereas this one has been produced in approximately three and a half. We would have the capacity in terms of technologywise, staffwise, to move to a shorter system in the future than triannual. There are other aspects the committee would have to consider on it, but we can certainly move to a two-year in future reassessments.

**Mr. Roch:** I am still not quite comfortable with it, because if it can be done in the future and it cannot be done now despite the fact that you have said you have the technology, you have the staff necessary, it cannot be done. Yet one of the fundamental reasons for introducing this Bill is to give the most updated assessments possible. It seems to be a contradiction in terms. It may be a lot of extra work, and I realize there have been reasons, change of Government, so on and so forth, between the time this Bill got under way and to now, and that is probably the main reason why we are at 1985 as opposed to '88 or '89.

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It no doubt took a lot of work and effort to get in that first load for the 1985 figures, and I do not think that the same amount of work would be required to update information to 1989 than to keep on updating it after, if the staff and technology are in place now, as you say. I think that what is going to happen is that by the time 1990 rolls around, we will be dealing with 1985 property values; we are going to be back to where we started almost.

**Mr. Penner:** First of all, I suppose the first time I took a look at this I was of a similar opinion, that you could virtually, at the touch of a button, update the assessments once the computer had been loaded and you just revalued at given percentages of increase, or decrease, of sales value. But as the Chief Assessor has indicated, it is quite a monumental task to gather all the data, first of all, in a given year of sales, and then calculate all the properties against those various values that are being used to establish the base. It simply becomes a task for staff, and the capacity of the system, that would take the better part of a year, or probably even beyond a year to establish the new data year.

That is one of the basic reasons why other jurisdictions, even though they have tried, have not been able to successfully accomplish the establishment of a lesser than a two-year time period in the base year spread, because you need to, first of all, establish the date year and then use the next year to compile the data and enter and use the process. So it becomes virtually impossible to accommodate the suggested amendment that you are proposing.

**Mr. Roch:** Assuming this Bill passes with this reference here remaining at 1985, and we get into 1983, what year will be used as a reference year, will it be—

**Mr. Penner:** 1993, '91.

**Mr. Roch:** What did I say?

**Mr. Penner:** 1991 would be used as a reference year.

**Mr. Roch:** So what you are saying then is that by 1993 we will be going back two years. I will let Mr. Brown expand that.

\* (1530)

**Mr. Brown:** Without meaning to get overly technical, but Mr. Taylor, for instance, referring to the B.C. system, very, very true, and I should maybe make the committee aware that the computer system that has been built now has the capacity to value land only. Phase 2 of the computer system development is to get under way immediately and be available in 1993. It has two components to it, the ability to value buildings, but more importantly, and this is the connection with B.C., the sales analysis program that had to be done manually for this present pending reassessment will be able to be derived automatically by the system for the 1993 reassessment, as per the B.C. situation.

Now we had to take the 12,000 sales we get from LTO each year, analyze them by soil type, by building

type, and derive rates to then be applied against all properties. By 1993, with the sales analysis computerized, as the sales come in and are entered individually into the system as they arrive, the system itself will be able to do the analysis and derive the rate, so it will be an automatic process for subsequent reassessments. That is one of the reasons that the updating can be far more frequent in the future. But sales analysis for the present reassessment was a manual exercise.

**Mr. Chairman:** Mr. Taylor was next.

**Mr. Taylor:** Thank you, Mr. Chairperson. Possibly to clarify how we have arrived at this point, in 1990, dealing with a piece of legislation that has a 1985 benchmark here, maybe Mr. Brown could explain to us. I think I caught it, but I would like a clarification that he got his marching orders in 1986. Is that correct?

**Mr. Brown:** I am not sure I understand. Marching orders for what, sir?

**Mr. Taylor:** Well, what you are dealing with is a new Municipal Assessment Act. When were you given instructions to start preparing the piece of legislation we have before us?

**Mr. Brown:** It commenced in the past administration, I believe. We have been working on deriving both legislation and computer systems since the report of the Standing Committee on Municipal Affairs in '83. I mean, the process has been ongoing since approximately a year after the Weir Commission submitted its report.

**Mr. Taylor:** Thank you, Mr. Acting Chairperson, that refers to the start of implementing a system of computerization for assessment in Manitoba. The specific question, though, I am looking for an answer on—and I hope Mr. Brown can give it—is, when did he and his staff start preparing the piece of legislation before us?

**Mr. Penner:** I suppose I could answer from the point where our administration took on the task of continuing the development of the legislation, and I know that staff had been preparing for legislation before we took office. There had been some work done. I think we escalated the process substantially since we took office, recognizing the need to implement legislation of this nature to ensure that Manitobans would, once and for all, be assessed in a given year in a manner that would provide the equity and fairness that we have been talking about in this Bill for quite some time.

I can only answer from the point of May of 1988 in dealing with the legislation, and I know the tremendous strides that staff has made and the tremendous efforts staff has put into the development of this legislation during that time.

I know that they have many, many days spent well past the hour of midnight working on my behalf and my colleagues' behalf, and giving us the information that we have required in committee meetings and other

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considerations of various clauses of this Bill. So it has been quite a monumental task, and it is only due to the credit of what I call excellent staff that we are today sitting in committee and are able to consider clause-by-clause consideration of this Bill.

**Mr. Taylor:** The comment made earlier by Mr. Brown is that when they got started on this, as he recalled, it was '86, '87 and the best data they had was 1985. So what I am trying to determine is, was that then not the time that the Municipal Assessment Act before us really got its start? It was still under the former administration, and that is why the '85 year is so important. I am trying to determine how it ended up as being the year that was finally selected when we are here in 1990.

If Mr. Brown can confirm that staff started working on the Act in the years that he made reference, and possibly be a little more precise, I would very much appreciate it.

**Mr. Penner:** It was a technical consideration to establish a base year to use for the consideration of an assessment and really, when one considers whether it is '85 or '89 or any other given year in-between, really becomes somewhat irrelevant when you recognize that all properties in the province will use that same base year as the value year, and all assessments will be done relevant to that base year. There will be no variations. That is the prime consideration of this Act, to establish the given base value in a given year and do the assessment on that basis.

Therefore it really does not matter whether it is '88, '89 or '85 that we use to determine those values. To move them up to current level in any given area as long as it is done province-wide, the base, the equity that is retained within that system, is useful and will serve well to Manitobans to make sure that this equity is there.

**Mr. Taylor:** Mr. Chairperson, can Mr. Brown indicate to us that he and his staff were working on material that is contained in this Act in 1986?

**Mr. Chairman:** Mr. Brown. Mr. Minister?

**Mr. Penner:** I am sorry, I did not hear the question.

**Mr. Taylor:** I said, and I will repeat, can Mr. Brown confirm whether he and his staff were working on material that is contained in this Act before us in 1986?

**Mr. Penner:** I think to be fair to staff, it is unfair to ask them to respond to that line of questioning. I can indicate very clearly to you that the answer, as far as my information is concerned, is no.

**Mr. Taylor:** Yes, I first of all fail to understand what is unfair to the question in saying what is the genesis of a particular piece of legislation and how long was needed in reality, in practical terms, to develop a fairly complex piece of legislation. I think there is nothing at all unfair in that. I would like to understand the comment made by Mr. Brown earlier when he made reference

to when they started work in '86 and '87 and that the only data base available at that time, and that seems reasonable, was 1985 assessment and sales data. That is what the question is. I think that is a reasonable question and I would hope to get a reasonable answer.

**Mr. Penner:** The decision, Mr. Chairman, to build a computer system that would allow for the development of the capacity that we have in place now started back in 1986, and I think the reference that Mr. Brown used before in responding to your question was exactly that. They had started the development of the computer system in 1986, and therefore the reference year, in order to be able to accommodate the completion of a computer program, or even at the start of the development of a computer program in the system, you had to develop a base year to work from. The base year of 1985 was used. The previous year was used as a base year to start developing data on.

\* (1540)

**Mr. Taylor:** That helps somewhat, Mr. Chairperson. The reference that was made earlier by Mr. Brown of '86-'87 referred to the start of the development of a system of computerized assessment and sales records in Manitoba. I appreciate that. All right, the question I would like to follow on then is that is it true, or did I understand correctly, Mr. Brown said it took about a year and a half to properly refine the program, calibrate it and load it? Is that what I heard?

**Mr. Penner:** It took about a year and a half to develop, to refine, and develop all the data and gather the data base, all the numbers, and do the calculations manually, and then develop them into a keypunch system and enter them into the computer system. That was what he referred to, what would take, even now today, about a year and a half to accomplish.

**Mr. Taylor:** Mr. Chairperson, it is a year and a half now to do a full reloading, is that correct?

**Mr. Penner:** If you start from scratch, that is correct.

**Mr. Taylor:** When I start from scratch with new assessment data and new sales data, it would take a year and a half to gather that manually and put it in whatever format necessary and enter it into the computer. If we understand that, in the period of '86 on they were doing this task. I gather they already had a program, maybe they bought the program from somebody else and that. Therefore I would expect that by '88 they would have had—and I think that is being generous—data ready based on '85. Is that correct?

**Mr. Penner:** First of all, I know the Honourable Member knows that when Governments change, many of the records are put in the archives. Much of what has gone on in previous Governments is entered in archives. Some of the information is not always available, and some of the line of questioning is referring to that. I would just want to say, Mr. Chairman, that I had offered personally to brief Opposition Members on all aspects of the development of the system as well as the

legislation we were working on months ago. We would have been very glad to provide the information that is now being requested at committee simply for information sake. This information that you are requesting now from staff could have been made available to you many months ago. It is no secret.

**Mr. Taylor:** Thank you, Mr. Chairperson, and thank you, Mr. Minister, for the lecture. We do not always know which Members are going to be on committees to work on a specific piece of legislation. We certainly do not even know when it is going to be presented or when it will finally appear at committee for debate.

I did not get an answer on that matter as to the timing. I guess I will ask an additional question. When the new administration took over, I believe, if I have the date correctly, May 10 or 11, '88, what state was the data gathering, the loading of the computer, and the drafting of the legislation with the turnover of the administration?

**Mr. Penner:** When we took over Government, what we saw initially was a bare start to the gathering of the data and the entering of the data in the computer system. There had been some purchase of equipment when we took over Government, and contracts let for the further purchase of equipment. That of course was proceeded with. As that equipment was put in place, it was put to use and as soon as the data was obtained and calculated, they started entering that data into the system.

**Mr. Taylor:** Mr. Chairperson, there was a change of administration almost two years ago. On the turnover of the administration, and the acceptance of responsibility of the then Municipal Affairs Department, now the Rural Development Department, and in that this was hardly a dead issue, but an issue that had been very much before Manitobans, and particularly municipal officials, year after year after year, did the Conservatives know that they were looking at developing a piece of legislation that would be proposing an '85 reference year?

**Mr. Penner:** Did we know? We had indicated on numerous occasions that we were committed to assessment reform, and assessment reform implies to me and most Manitobans that we were going to devise a new Bill that would comply with the requests that many Manitobans had for a long, long time. It would allow for the implementation of new legislation that would assess lands and properties in this province in a different manner than what had been done before. That was one of our commitments that we came into Government with. Therefore, yes, we knew when we entered Government that we were going to proceed in this manner.

You ask whether we would be using the 1985 reference year as the base year for this kind of legislation. No, we did not.

**Mr. Taylor:** Mr. Chairperson, it is obvious to anybody who studies legislation, or looks at this type of legislation in particular, that reform and in particular assessment

reform can take many forms and have many different structures to it, and many different things, included or excluded. I think it is on the record that we are quite concerned with and in fact quite disappointed with some aspects of this Act. It has the guise of reform and, yes, it may be a little better than what is, but it is hardly an innovative Act. I think that has been made quite clear at the committee. I think a lot of people who felt, across the province, they were really getting a piece of reform legislation realize that they are getting a piece of legislation that, more often than not, tinkers with and makes small improvements to the existing old legislation.

What the Minister goes on to say is, no, they did not know that they were going to be ending up with a 1985 base year. I guess my question would be to the Minister, and we have the previous Minister with us at the table, if you did not know, why did you not know? Why would you not have asked the question so that you would know that one of the very base points that would be included in the new piece of legislation that your new administration was presenting would have a 1985 base year? That is quite beyond me.

**Mr. Penner:** I suppose, Mr. Chairman, that in recognizing the complexity of developing, No. 1 new legislation, devising or reassessing in virtually its totality the entire province, including the City of Winnipeg, to try and attempt at establishing, as close as you can at the time of start, at the time of the start of a process, as close as you can to reality, a base year which you can work from, 1985 was as close a year as you could come at the time of the start of the process. Therefore, it became quite apparent that there was no other year that you could use back at the end of 1987.

**Mr. Taylor:** Mr. Chairperson, three years ago the City of Winnipeg finally conducted a proper reassessment after some 23 years of being outside of the law. That reassessment had as its base year 1975 and that 1975 benchmark year caused innumerable problems, many, many questions, to a point there were some 14,000 appeals within the city itself on that one reassessment.

Now we have reached 1990, the City of Winnipeg is supposed to, in my understanding, do another reassessment, except this time they are supposed to be more up-to-date.

At the time of the announced 1987 reassessment, at which there were many attempts by members of council, particularly those affiliated with this Government in power, to restrict that update. I mentioned I think earlier in this committee at the time of delegations, that I tried to bring it forward and move the motion to that effect and lost the motion. However, I will have to say, the intervention of the previous administration ensured that we did have a 1987 reassessment.

\* (1550)

At the time that assessment was redone, there were statements made to the effect that when the next reassessment came, in 1990, they would be using nothing less out of date than 1988. Now that was what

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was told to the public. That was what was discussed in committee. That was what was talked about on the council floor.

I would like the Minister, or the Deputy Minister, or Mr. Brown to make comment to the effect of, if the City of Winnipeg felt that for its next reassessment, which is this impending one, they would have been able to do a 1988, it would appear they are going to be doing 1985. Can those officials make comment as to why the city will be shackled with an older reassessment than they feel they are capable of doing?

**Mr. Penner:** Mr. Chairman, I find this line of questioning somewhat interesting to say the least. It appears to me that we are reviewing old debates that went on in somebody's term during city council and we are questioning the process that was used to establish base years in City of Winnipeg assessment. I simply have no knowledge of why things were done at city council some five or six years ago to set—

**An Honourable Member:** It was done by this Assessment Department, that is why.

**Mr. Chairman:** Order.

**Mr. Penner:** —values at that time. I had hoped that we would be able to enter into discussion on a clause by clause basis in consideration of this Bill that is before us. I see the line of questioning leading us way beyond the clause by clause consideration and debating old issues as—

**An Honourable Member:** I wish the Minister would be able to clarify that question for you.

**Mr. Chairman:** Order. Mr. Taylor.

**Mr. Taylor:** Mr. Chairperson, the issue before us is the fact that the City of Winnipeg comes under this same Act. The city assessor must operate within the bounds of this piece of legislation. The fact of the matter is the city was contemplating an '88 benchmark year. The fact of the matter is, under this legislation, 60 percent of the people of this province will have to abide by an '85 benchmark year. That is the point of my questioning and it is germane to this piece of legislation. What I want is a confirmation from senior officials to the effect that the city will have to follow the same '85 benchmark year, notwithstanding they were contemplating moving ahead three years. That is my question.

**Mr. Penner:** Yes, they will.

**Mr. Taylor:** Thank you, Mr. Chairperson. That indicates to me that, while one body, having been so tardy and so far behind and outside of the law for some two decades, finally was trying to catch up, it would appear from the facts on the table they will be held back in their catchup so as to make them consistent with the rest of the province.

It is germane, Mr. Chairman, to my next question which is: the new Government did not know what its

benchmark year was when it took over and did not ask the questions. Because the other 40 percent of the province is the more difficult part of the province because it is rural and northern, et cetera, to assess and reassess; therefore, they are being shackled with and have to keep behind in 1985, and so it would seem they are holding back the city as well. Is that a fair analysis of the situation? If not, maybe the Minister and the senior staff can clarify that, because that is what it appears to be.

**Mr. Penner:** Mr. Chairman, if Mr. Taylor is suggesting that we, the province, is finally for the first time in its history going to move to an assessment system which will allow the values of a given year to be applied all over the province in one year, the answer is yes.

**Mr. Taylor:** Notwithstanding that will not be possible in this legislation, can I take from what the Minister has just said now and what was said a few moments earlier that it is policy, policy of his administration, the Filmon administration, that we will move to a one-year reassessment context no later than 1993.

**Mr. Penner:** It is correct to say that it is this Government's policy to bring the assessment base year as close to reality as possible.

**An Honourable Member:** Go ahead.

**Mr. Chairman:** Just a minute, we have to go in order here and Mr. Patterson was next.

**Mr. Patterson:** I would like to try to simplify some of the discussions. We have a computer program that has to be developed and debugged. At what stage or at what time was this program fully developed and all the data loaded into it complete and ready to go?

**Mr. Penner:** April of 1989. That is only Phase 1, that is only the land base. We are now into the process of developing the base for the buildings, entering all the buildings, all the building properties in this province into this system. That will be achieved roughly by the end of 1991, the beginning of 1992.

**Mr. Patterson:** Mr. Chairman, given the program is up and running, how long does it take to feed new and updated data?

**Mr. Penner:** It took to develop the initial stage, Phase 1, of this program 5,700 man-days of system design only. It took 15,000 man-days of assessing time and rate calculations and loading of the system. There were 20,700 man-days used to develop the first phase of this system. It is not unreasonable to expect the same time to be used to develop the next phase of the system before the total system will be complete.

\* (1600)

**Mr. Patterson:** I was not thinking so much about the realm of the system, but given—and realizing that the building phase is yet to be developed—that the land system is in place, the '85 data are reloaded, it is all ready

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to go and we want it to go now for this taxation year. If 1989 data were desired to be used for 1991 assessment, that is, for next year and that I assume could be done, like the new data could be loaded during this year and ready to apply to assessments for 1991.

**Mr. Penner:** I suppose technically you are correct. I think we have the capacity to update the land base to that value, but we certainly would not have the computer capability to do the buildings. It would take us till at least 1992 to be able to achieve that same capacity for our buildings. In other words—in reality you need that next year-and-a-half, two-year time frame to be able to bring the whole system into being so that by 1993 you can crank it over and bring everything into a given value year.

That is the time frame that has been set by this administration by policy, to allow us to do that and from there on bring it to as current a position as possible. If it is possible to bring it to within a year turnover time or reassessment, then we will do it.

If it is, as B.C. has demonstrated, impossible to do that, then we will have to roll back. It is certainly our intention to bring it as close to the current level of value possible.

**Mr. Roch:** In answer awhile ago to Mr. Taylor's questions, he said the same thing to us, as close as possible. When we were talking awhile ago with Mr. Brown, he was saying that now that the information is there, it can be updated.

Can the Minister give us a commitment that by 1993 there will be a given year that can be used and will be updated on a regular basis?

**Mr. Penner:** Yes, I can give you that right now.

**Mr. Roch:** Please give it to us.

**Mr. Penner:** It is right in this Bill. 1991 will be the basis year for 1993, and from there on we will try to upgrade it as close to the current as possible.

**Mr. Roch:** You just said you will try to.

**Mr. Penner:** No. 1991, as indicated by legislation—

**Mr. Roch:** In the following years it will be—it is always going to be what—within two years?

**Mr. Penner:** Within two years.

**An Honourable Member:** Two years or better.

**Mr. Roch:** Two years or better?

**Mr. Penner:** Or better.

**Hon. Clayton Manness (Minister of Finance):** Mr. Chairman, I would like to make a few remarks at this time. I could not sit here idly by when I listened to Mr. Taylor indicate that we were tinkering, that it is basically all we have done in bringing forward this legislation.

Mr. Chairman, I can indicate to Members of the committee that we asked the question, why 1985, several times. The former Minister asked it, the Members of the Government asked it, and certainly the new Minister asked it.

Mr. Chairman, I think it is wise to put a few facts on the record. It takes literally months, and it took literally months, and indeed it may have taken over a year to input this data. I can indicate, as a member of the treasury branch, coming into Government, that we pushed the issue, that we allocated funds to the MACS program, not only that the programming be written but that the data be input as quickly as possible.

We in Government undertook to underwrite a larger portion of the MACS programming this year because we sensed how important it was to bring forward this legislation as expeditiously as possible. Yet, recognizing there are politics involved when you are bringing forward tax reform—I do not care where you are in a democratic world, there are politics involved when you are bringing forward tax reform. There is no Government on the face of the earth that would bring major tax reform without knowing its impacts.

Mr. Chairman, you cannot know impacts without studying shifts. You cannot study shifts until you have something to study. The basis of those shifts, of course, are the input of data. The input of the data has to have some commonality to it, and the commonality has to be a single year.

When we started to input data, there was basically only one year we could choose. Taking into account the various assessments that have been done in the city, that have been done in the municipalities throughout the province, there was only one year that we could input as a base to the MACS model. That was 1985. Yes, we have studied basic shifts. If we had had some assessment information in somewhat sooner, that we are not responsible for collecting as the Government of the Province of Manitoba, we probably would have had some conclusions a little bit sooner, therefore, we could have drawn the legislation a little bit sooner.

Mr. Chairman, and Members of the committee, there was no way we were going to draw legislation until we fully understood the shifts that were in place. We could have possibly put some '86 data in, but then we would have had '85 data in, so we had no alternative but to put '85 data in and not modify it, and making it a modified '86.

Now what Mr. Taylor seems to be suggesting is that we should have waited one more year and that we should have modified the '85 base data and made it maybe '86, or '87 data. Well, if that then is the stance of the Liberal Party, that we should have waited one more year before we brought the legislation in, I would say that would be contrary to the wishes of elected officials throughout this province. Indeed contrary to the wishes of anybody who has been a full participant in this process over the last 10 years, so we had no choice.

We brought the legislation in now, and I can say there are a lot of political reasons why it probably would have

been better to bring it in a year later, but we brought it in now because it was the right thing to do, not politically, but just the right thing to do. The basis of that was the '85 data base that was put in even though naturally we would have loved to have had '86 or '87 but the time did not allow for it.

Mr. Chairman, I think it is irresponsible for anybody to attack the fact that we have modelled first of all the whole shift basis on the basis of an '85 base year. When the Minister says that we will do everything humanly possible as long as we are in Government over the proceeding years, and we expect to be, to make sure that the assessment reform happens not on the basis of a three-year lag but comes as close as possible to the future.

I say that Members of this committee should receive that information in all sincerity because it is certainly the will and the desire of this Government to do so. I think this Government should be applauded and held in high esteem for pushing forward as it has. Thank you, Mr. Chairman.

**Mr. Plozman:** Yes, just a few comments on the statements and questions that were being made because I do want to move along to a number of other amendments and a discussion of clause by clause.

I think it is important that it be put on the record that, for precisely the same reasons that were outlined by the Minister and by the Minister of Finance (Mr. Manness) with regard to the need to know the impacts, our Government was in the process of undertaking to have that data developed first of all through a reassessment throughout the province during the '80s, and then to have it inputted so that the impacts could indeed be judged and known.

I reject arguments that are made both by the Government and by the Liberal Opposition that the Government of the Day was dragging its feet on this issue because it was—and these have been made at times, clearly we were targeting in 1988 for this legislation. We have had discussions in Estimates where this was alleged, and so on, targeting 1988. Obviously the staff were not able to, because of the various requirements for the computer hardware and software that were required, meet that deadline and with the change of Government obviously they were not able to do for probably a couple of reasons. So 1989 became their earliest opportunity to bring it forward. We were looking to 1988 based on the data for 1985, I believe at that time as well.

\* (1610)

I want to say though, I do not think we are holding back the City of Winnipeg at all. From what we have seen, we have tried to get information. I have asked the Minister for information about the City of Winnipeg. He said it is difficult to get, notwithstanding what the mayor said when he came before the committee and said, oh, all this information is there and we share all our information with the provincial assessor and his staff.

The fact is that people like Mercury, Chappell, Nugent—I do not know exactly which ones—certainly

Michael Mercury indicated to this committee that the reassessment that was done was not this all-encompassing major reform, major update of assessment in the City of Winnipeg that was based on market value in any way, shape or form or actually on-site inspections of all the properties. They did not have the staff to do it. What they did was apply a formula which distorted the inequities even worse. When you apply a formula to 1985 from 1975 you distort it even further. You apply that again to 1986 or 1987 from 1985 and you again distort those inequities until you do a proper reassessment.

It was even mentioned by, I believe, Mr. Chappell just the other day that there is no way that they have that kind of equity now because they do not have the staff resources. Let us not say in any way the City of Winnipeg has been held back in this. I really do not think they have an equitable system there yet. I find it extremely surprising that Mr. Taylor would suggest that in any way this is holding back the City of Winnipeg because I do not think they are in a position to put in place a realistic market value assessment in the City of Winnipeg any more than the province has been able to put that in place for the rest of the province. I would like to see us move forward on this.

We discussed the three-year assessment lag this morning. It was defeated at the committee and now this issue is coming forward again in a different section. As much as we would like to have that, and we certainly would in the New Democratic Party like to see the most up-to-date assessment as possible, we have to accept 1985 as the base year for this particular time and then move toward a two-year lag and less in the next couple of years. I would like to see us move forward.

**Mr. Taylor:** Mr. Chairperson, I would like to put some comments on the record because there were some rather large distortions of the facts by the Minister of Finance (Mr. Manness) but maybe that is not surprising in that he is coming to the defence of his colleague. The fact of the matter is that there was no suggestion at delay in order to gain a better benchmark year. The questions were raised, why not a better benchmark year?

Reference was made by the Member for Dauphin (Mr. Plozman) as to our criticism of the NDP on foot-dragging, but the foot-dragging was related to the move off the mark in the first case of bringing in reform legislation based upon the Weir Commission report. When they did start moving which was why I was asking the questions of Mr. Brown, which the Minister always chose to answer instead of allowing Mr. Brown to do so, was when did Mr. Brown get his instructions to start working on the legislation. When he did and it would appear it was in the computerization—and also the start of the legislation development was in '86-'87—it was to then be based on a '85 year for implementation in '88.

That would have made some sense to me, but in that that original work was done, we have had a change in administration and now we are two years later and we are still looking at the same base year. That was the reason for the questions. I think the questions were

legitimate and it says that this piece of legislation has some reform aspects to it, but it is hardly an innovative Act and I am not comfortable with the fact of running with five-year-old data for the first year and six-year in the second and seven-year in the third.

I am pleased, however, that the Minister did make comment to the effect that once we get through this three-year freeze, we will be moving toward assessment at least on an annual or bi-annual basis. I think that could be called reform; not what we have here today. I think the Minister of Finance (Mr. Manness) missed most of the earlier questioning and probably did not see where it was coming from. The matter of the City of Winnipeg, as I only recount what was discussed at council, I think that is fair comment.

This Act brings the city again under the Provincial Assessor from a functional viewpoint, maybe more clearly so than under existing legislation. If there were major problems by the Provincial Municipal Assessor, he had the opportunity to make that case to the Minister of Municipal Affairs and the Minister of Municipal Affairs to the Minister of Urban Affairs (Mr. Ducharme) because under the City of Winnipeg Act, the City Assessor is not under the city authority in the same fashion as any other officers of the city. He is a statutory officer as under The Provincial Municipal Act.

That is quite different. That says that his functional marching orders are under a different piece of legislation than The City of Winnipeg Act. If the province, either this administration or the previous administration has any problems with the previous performance, and I would not be at all surprised if they did, then it was incumbent upon them to do something about it because the city could do very little. In reality the province had more powers to correct that situation.

I am very disappointed that we are seeing here a 1985 context. I think it could have been possible to look at a 1987 or maybe even a 1988, and I think that is something reasonable to put on the Table. It is something that I think should have been seriously looked at by the new Ministers under this administration and would appear was not done so in 1988 and not in 1989. Here we are in 1990 with this piece of legislation with the assessment benchmark five years out of date; unfortunate, I think, for all Manitobans.

**Mr. Penner:** Mr. Chairman, the Honourable Member is implying that the Cabinet committee that was established that has dealt with this assessment reform legislation has not taken the approach that we should bring this assessment legislation as close to current value as possible.

I think that is an unfair charge, and had he been in Government and part of the committee that was sitting and reviewing for virtually all the past two years the legislation and the abilities to set a base year, he would recognize very quickly that it was virtually impossible to apply a base year sooner than 1985.

Maybe what I should do, Mr. Chairman, is ask my Deputy Minister, in all due respect, to make some comments that might allow from the departmental perspective to add some clarity to this issue.

**Mr. Gerald Forrest (Deputy Minister of Rural Development):** Mr. Chairman, I sat and listened to the comments that have been made at the Table, and I just think to put information on the record—

**Mr. Chairman:** Order, please. Carry on, Mr. Forrest.

**Mr. Forrest:** Prior to 1985-1986, I think it fair to suggest to you that the only assessments that occurred on the assessment roll in rural Manitoba were those that were taxable items. There was no information on the roll with respect to exempt farm residences and farm outbuildings, granaries, barns, machine sheds and that information.

When we looked at Weir's recommendations, we note that he recommended that we proceed to gather that information and put it in the roll. The first instructions that were given to staff in 1986 was that information had to be collected. All of the staff of the Department of Municipal Affairs at the time did just that. They spent all year collecting, measuring and evaluating all the exempt farm buildings and residences. That was concluded in 1987.

Internally in the department we tried to, as Mr. Plohman alluded to it, start the building of the computer system internally with our existing resources. We soon found out that we could not do that. In 1988 we let a contract for the building of the system, a very large system which cost us a fair amount of money to build the first phase of it. In 1988, after the needs analysis was examined, the system was designed, and we knew the kind of information that we would need in the system. We then entered into a contract to upload, or load in the system, and we did that, and that was completed in April of 1989. Following the completion of that, then we started to run the system to ensure that the system would work, and the system was finally tested. In fact, it had met the objectives that we had set down in 1987 and '88, in October of 1989. Hence that is where we are today.

\* (1620)

**Mr. Roch:** Mr. Chairman, I do not appreciate the fact that we are totally responsible for asking questions. If the purpose of this proposal is for discussion, and it certainly did entail a lot of discussion, but the Minister of Finance (Mr. Manness), and the Minister of Rural Development (Mr. Penner), and others seem to take offence at the fact we ask questions and want to know why. We wanted to have it explained.—(interjection)—Well, certainly, he shakes his head, no, but he was saying a while ago that the Cabinet committee that studied this was wrong, we implied that. Yes, we implied that, we suggested that, and it was explained to us—I am not sure if we are entirely satisfied that it is completely possible—but it seems that, given all the information that has been put on the record and now been told to us, that we can now understand, realize why 1985 came to be used as a benchmark year. I will have to take the Minister at his word that the commitment is to get it as close as possible.

We are prepared to move on based on that point. But again, the Minister says, well, there is an invitation

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to us at any time. The Minister says that the staff has been available at all times. I agree with that, but, as the Minister is well aware, we have many other duties here as elected Members apart from always calling up for meetings with Ministers and staff. Also, as Opposition, we have limited resources, limited ways of finding out, and actually the purpose of these committees is so that we can go clause by clause and ask these very questions and, hopefully, have them answered. If they are, fine.

Having said that, having answered most of our questions, we are prepared to withdraw this amendment and move on and, hopefully, get through this Bill by the time agreed to.

**Mr. Chairman:** We are going to Clause 17(2) Reference year for 1990—pass; 17(3) Easements and rights-of-way—pass.

17(4) Reserve for private roadway—Mr. Pankratz.

**Mr. Pankratz:** I had my hand up by 17(3), by the way, Mr. Chairman.

**Mr. Chairman:** Oh, sorry.

**Mr. Pankratz:** I would just like to ask one question, and that is in regard to an easement on land, agriculture land, which gives easement to telephone or hydro or, for that matter, gas lines or anything of that nature. Is there also a reduction in assessment to easement in that proper in such agricultural properties as well?

**Mr. Chairman:** Who wants to answer that? Mr. Minister.

**Mr. Penner:** Mr. Chairman, if I understood the question correctly, if there is an easement on a given property, and the easement changes the value of the property, then it does affect. But, if the easement does not change the value of the property, then of course it does not affect the value.

**Mr. Pankratz:** Mr. Minister, would you agree that any time you give up any kind of rights, you are depreciating the assessment or the value?

**Mr. Penner:** I would not totally agree because I suppose I have a similar circumstance right on my farm where I am subject to an easement. I really do not think that the market value of that property has declined because of the easement, so I suppose there are times when I would have to say, no, it does not always apply. But there would certainly be instances when I would have to agree that it could decrease the value of a property.

**Mr. Chairman:** So we will carry on then to 17(5) Roadway reserves for several parcels of land. Clause 17(5)—pass.

17(6) Occupier interest value—Mr. Roch.

**Mr. Roch:** Maybe it is not really on 17(6). I will ask the questions here. There were various other items which we were supposed to refer back to. Are we going go back to them after we finish with Part 5?

**Mr. Chairman:** We are going to go back to item 17(1). We did not touch 17(1) because that is the one that is under discussion by the three Legislative Counsels.

**Mr. Roch:** Thank you.

**Mr. Chairman:** So we are on 17(6) now. Shall the item pass—pass; 17(7) Portioned values to be used—pass; 17(8) Business assessment on annual rental value—pass.

17(9) Determination of annual rental value—Mr. Plohman.

**Mr. Plohman:** On this, can the Minister or Mr. Brown explain precisely how this works in determining a fair assessment based on annual rental value? How many different comparable properties are taken into account in doing this, and where are they taken? To use as an example just a downtown property, how would this be determined?

**Mr. Penner:** Let me take a go at it from the perspective of an apartment block for instance. I think it would be fairly easy to determine the annual rental value of a given property based on the amount of revenue derived from that property on an annual basis.

**Mr. Plohman:** And then? Mr. Chairman, I want to know how that relates to the assessment.

**Mr. Penner:** Maybe what I should do is to ask Bob Brown, the Chief Assessor, to explain the process at which the actual assessed value is arrived at.

**Mr. Brown:** I would just, at least for a point of clarification, make sure it is clear that this is business assessment we are preparing, as opposed to real property assessment. We value an apartment block for real property as we would any other form of real property. If rental value came into account in the real property assessment, we would determine the income stream of the apartment, the rate of return that would be required by an investor to justify building such an apartment based on that rental value.

I do not want to put words in your mouth, but I would suspect that is the sort of rental value you are talking about in calculating the value of an apartment block. For purposes of business assessment it is a different exercise that we are talking about, where municipalities can levy a flat business tax against a business assessment roll. Is it the business assessment that you are particularly concerned about, or rental value on apartment blocks for real property assessment?

**Mr. Plohman:** Mr. Chairman, I am not sure that the rental value is used for the real property in all cases. At least it certainly is not in most, as we discussed during the hearings for agricultural land, for example. If it is done in commercial properties, that is one issue we could discuss at some point. I was just wanting to relate how the business tax is derived from annual rental value.

**Mr. Brown:** In rural Manitoba, because rental value—I mean it is not a frequent phenomenon in rural

Manitoba. The assessors generally through experience just take a flat percentage of market value as an estimate of rental value on a business premise for the business assessment rolls. It is a fairly flat arbitrary formula on a percentage of the market. I cannot comment on how the city assessor might calculate business assessment where rental values are a far more frequent occurrence in Winnipeg, I am afraid.

**Mr. Plohman:** It is a percentage of 1, 2, 3, 4, 5 percent, it varies I guess from a high of 10 percent down to as little as nothing.

**Mr. Chairman:** Mr. Plohman.

**Mr. Plohman:** Yes, we can carry on, Mr. Chairman.

**Mr. Chairman:** It has been explained to your satisfaction.

We will go on to 17(9) determination of annual rental value. Does the item pass—pass; Clause 18, presumption of validity of assessment—pass; Clause 19, value of railway, roadway and pipeline—pass.

We will revert back to Clause 17(1) before we move on to Part 6. We had distributed a new motion, although it is not in both languages, it is only for discussion purposes. Is it the will of the Committee that we discuss this now? Mr. Plohman.

**Mr. Plohman:** Mr. Chairman, I think we should have a brief discussion at this point, and any questions that might be asked, answered, before it goes back for final drafting.

**Mr. Chairman:** Okay, because we have three amendments on the record now, but we have not passed any. This one is a new one for discussion.

**Mr. Plohman:** I understand, Mr. Chairman, that this would be amalgamated, integrated into the other amendments that are on the table.

**Mr. Chairman:** Right, yes.

**Mr. Penner:** This basically is the draft of the agreement that was reached this morning when we indicated before we broke, that the three legislative counsels of the various Parties would join forces and try and amalgamate the proposals for amendment that were being proposed for Section 17 of this part of the Act.

With your concurrence maybe what we should do is read the Bill, or maybe I could ask Rob, legal counsel, to give us an overview as to what is contained in the amendment, or what the amendment in essence means. Does that meet with your wishes for explanation?

**Mr. Chairman:** Mr. Walsh will explain this proposed amendment then.

**Mr. Rob Walsh (Crown Counsel, Legislation):** Mr. Chairman, I will endeavour to do that although I was not party to the drafting process of the last couple of hours. Momentarily I expect we shall have someone

here who was involved in the process in drafting this. Basically it is a reframing of the motions earlier presented, and it is designed to bring in the component of farming purposes, subject to there being an agreement between a municipality and the registered owner of the farm property.

The terms of that agreement in Subsection (1.3) are set out insofar as the pay-back period. You will see that at the top of the second page there are effectively three alternatives. Whichever is the least in the number of years, will be the applicable period of time for which the municipality will receive payment of the difference. I think if you read then (d) and (e) in that same provision, the language speaks for itself.

Subsection (1.4) means to deal with a subsequent rezoning situation where, as was discussed earlier by the committee, the use of the property is changed by virtue of a rezoning. Then Clauses (a), (b), and (c) set out the three time frames. The least in the number of years of those three would apply; (1.4) would prevail over (1.3).

The remaining subsections are what were contained in the motion by the Minister this morning, and relate simply to enforcement of the amount payable, enforcement by way of a lien on the subject land and requiring for purposes of notice to third party's endorsement on the tax certificate and the power to make by regulation terms and conditions applicable to the agreement.

Mr. Chairman, I do not know that I need to go into any further detail at this point. I think the motion should be on that.

\* (1630)

**Mr. Plohman:** On this, can the municipality then refuse to enter into an agreement with an individual who wants to in fact initiate the process? It sounds, from reading this, that the municipality and the registered owner of the property may enter into a written agreement. Suppose the municipality does not want to. Then what happens?

**Mr. Penner:** The way this is drafted, it will allow the municipalities to enter into an agreement. It does not force.

**Mr. Plohman:** Does that mean that if there is no agreement, the benefits of this section cannot apply to that individual?

**Mr. Penner:** That is correct. If a municipality would not concur with the legislation, I would not want to implement this portion of the Act in its jurisdiction. That in fact is the way the legislation is drafted.

**Mr. Plohman:** I think that we have to show more leadership than that if we believe this is a valuable kind of concept. So by making it only permissive for municipalities, I do not feel that we are doing the job that we should be doing, or the Minister is not exercising his responsibility in bringing forward—if he does not feel committed to this as a concept, then of course you may take that position.

If he believes this is a valuable concept, one that the case has unconditionally been made for in the committee, which I believe it has by numerous individuals who have made presentations here, then indeed the parameters should be set out. The details, of course, could be left to the municipalities, but the parameters that we believe are the proper ones should be included in a way that requires them to do it.

**Mr. Penner:** Remember that you saw the draft of this part when I did. I did not see this before it was put on the table over here, so I am as knowledgeable about the redrafting of this section as you are. It is, in my view, as we had indicated before by agreement, an amalgamation of the intent of what was there before. I would indicate to you clearly, Mr. Plohman, that the original draft that I put forward this morning clearly stated that the municipalities had to enter into an agreement. It was there. It was clearly stated.

The way this is drafted now appears to me that is not the case and if it is the wish of the committee, and it would certainly be my wish, to make sure that the legislation as we had originally drafted made sure that the municipalities received clear direction via the legislation to encourage that, and again via legislation.

**Mr. Plohman:** It is not my intention to be argumentative at this point, but certainly it would be our view that the committee, recognizing that this is not necessarily what the Minister is advocating, it is simply at this point being put here for discussion as a discussion piece and then the final version would be what the Minister would be advocating.

I think that the wording should be changed to "shall enter into a written agreement" and the other part of it, of course there will be costs obviously associated with such an agreement and that is the difficulty there as to whether it should be a prerequisite to this kind of benefit, a relief from a higher taxation level, being that there has to be this legal agreement now, which is perhaps cumbersome for some people. So that may be something that the Minister wants to reflect on and make a comment on.

The other comment that I have is with regard to the rezoning. The discussion this morning centred around, at least from our point of view, that there should be a greater retroactive payment when rezoning takes place, particularly when it is initiated by an individual. If the municipality decides to rezone, not because the individual wants it but because they decided that is what is needed in the best interests of their community, then should the individual be penalized retroactively in terms of the 10-year tax? That is a question that I throw out, that again should perhaps be reflected upon. I understand that the owner could appeal rezoning.

I have been made aware of some cases where an individual has been told that his property is going to be rezoned into residential. He never asked for it and he does not want it, but for some reason the municipality is doing it and now he would be faced upon resale with paying the 10-year retroactive higher taxes on that property. So I think that there could be some wording in there that would say, if as a result of initiation through

the planning process or by the municipality. I know that there is a possibility that an individual wanting to circumvent this might approach a councillor and say I do not want to ask for a rezoning formally. Would you initiate some rezoning process for me. That is getting pretty far-fetched and would have to be justified through the planning process that this was needed, that the new use was something that was necessary, there were demands for development, and so on. I think there are many ways that kind of a case could be broken down. I feel that, if we did put in a recommendation or a reference here to the municipality initiating it, then this would not apply. I think that would be fairer.

**Mr. Penner:** Mr. Chairman, I certainly have no hesitancy at all to strengthen the part of the Bill that will indicate that municipalities share. I am somewhat concerned about the rezoning concept and how that would be applied and I think you referred to that. I think there are questions on either side of that issue and how you apply that or how in fact an individual would deal with that sort of situation if it would come down to that.

If you in fact left this part of the Bill as is, or reworded it, to imply that it would only apply when municipalities would change the zoning, I have some difficulty with that. I think we should give consideration to that section before and indicate clearly or come to some point of agreement as to what we want that section to specifically say. Make sure that that does not leave open to misuse or abuse, that section.

**Mr. Plohman:** I would leave it at that if the Government is content and satisfied with the revision as it is, is that rezoning initiated by the municipality would not be treated differently than initiated by the owner and give that a try but if others feel that there is some wording such as I suggested that would have a different scenario for situations where the municipalities initiated the rezoning then I would be comfortable with that as well. I think the Government has to decide where it wants to go.

\* (1640)

**Mr. Penner:** I just want to indicate to the committee I think it is important that we recognize what was said by the UMM yesterday before committee. In other words saying that they would like to consult on this legislation before it is implemented and recommended very clearly then that they would like to sit down and discuss aspects of implementation of legislation of this manner. I would want to indicate to committee that it would be my intention to meet with the municipal organization to discuss the implementation of this aspect of the Bill.

**Mr. Plohman:** I would think that there would be many aspects of how this would affect municipalities that the Minister would want to sit down and discuss with the, in terms of implementation, with the municipalities. If I am reading the Minister correctly, that does not mean that he wants to avoid having the decision made on implementing this concept at this time and proclaiming it with the rest of the Act. If that is the case, I have no problem with what the Minister is saying.

**Mr. Roch:** I have several questions here. Does that include (1.3)(b) it says for the five years immediately

preceding the changed news, 17(1.4)(b) there is 10 years. Why is there not a consistency of five years in both sections?

**Mr. Penner:** Mr. Chairman, I think there was some discussion this morning that there should be some reference made in the Bill to allow for those properties or in recognition of those properties that are zoned residential by either by municipalities or zoned other than agriculture by individuals or by municipalities. If that was the case after the implementation of a Bill that there should be an extension of the provision to retroactively collect the taxes owed or the taxes outstanding that would be set aside and this section of the Bill indicates the doubling of the five year provision on those properties that are zoned either commercial, residential, or other, other than agricultural. Specifically, in my view for the intent of adding value or developmental potential to those properties.

**Mr. Roch:** I do not see any kind of protection and therefore the land that was not purchased on the basis of speculation, I am talking about a family farm that has been around for a long, long time well before urban sprawl achieved. Would those properties, based on all of this, be subject to these back taxes as well, even though they remain in the family?

**Mr. Penner:** Not as long, Mr. Chairman, as it would remain agricultural property and would remain zoned agriculture.

**Mr. Roch:** So in other words, if I understand this correctly, if ever the zoning was changed, say the city surrounded the area, by an outside body, and it was not requested by the individuals themselves, what happens in a case like that? They would be liable to the back taxes even though they wanted to keep on farming?

**Mr. Penner:** There are two aspects of the Bill here. If you have, for instance, a family farm within the urban sprawl or within the shadow effect of the urban development potential, and the values of the properties are affected by the developmental potential, this Bill will reduce via application and an agreement between the municipalities and the individual, regardless of whether they are a century farm or a young farm, the amount of taxes solely based on the reassessment.

The second portion of this amendment provides for an extension of five years, another five years added to it if the individual who has owned the farm decides to rezone, or the municipality decides to rezone that property. It would add an additional five years of back taxes owed or a portion of the back taxes owed because of the agreement that the individual signed. Remember that nothing happens if the individual does not ask for a reduction in taxation and is prepared an agreement with the municipality indicating that they want to maintain that land for agriculture production.

That is the whole intent of this whole section; to reduce the assessed value of those properties, to bring them in line with the agriculture potential.

**Mr. Pankratz:** In regard to a person who has been farming his land for basically all his life, who is retiring

and is renting out that land, would that land still qualify? He would be able to sign that if the usage is under farm even though he himself is not farming it?

**Mr. Penner:** Sure.

**Mr. Pankratz:** Would the same thing be able to be applied to any other person purchasing land, just leasing it out and then being able to do the same thing? This would be for basically any land. It could have any kind of usage, zoning on it. Basically you would be able to just sign this form and then defer the taxes up to 10 years and five if it is on agriculture. Am I correct?

**Mr. Penner:** As long as it was clearly indicated that the intention would be to keep it in agricultural production.

**Mr. Pankratz:** Well, to the Minister, that is the form you are filling out if that land is used for agricultural purposes, right? What it could be is that a developer could now sign that that land at the present time is being used for agriculture, and that it could be zoned for housing, it could be zoned for commercial. He does not pay the taxes on it until he builds on it. The use has been changed.

A developer now can go ahead and buy whatever portion of land and rezone it, file a plan of subdivision, sign a paper that he is using it for agriculture use, and until he goes into there with sewer and water, he does not change the usage and he does not pay the taxes. Am I correct? I just want to ask one more question of—

**An Honourable Member:** The way this is drafted, you are correct.

**Mr. Pankratz:** The other point is, when it is being subdivided, it has a lot charge for each lot. How will that come into play in this respect?

**Mr. Penner:** Good question.

\* (1650)

**Mr. Pankratz:** We were just discussing it, and we only have a few more minutes until we go into Private Members, but I would like to ask one more question. If a parcel of land is owned—and I will just use commercial—this person buys this land and he does not want to pay the back taxes on it, and everything of this nature, can he zone it back to agriculture.

**Mr. Penner:** Mr. Chairman, no restriction in my mind that I know of that would prevent anybody from applying for a redesignation of zoning back to agriculture if it was zoned any other way. It think we discussed that this morning. That provision is there, and it would be up to the municipality or the planning district to allow for the redesignation of the zoning.

**Mr. Pankratz:** Mr. Chairman, to the Minister, is then the ten-year freeze on the back taxes taken off and applied only five years?

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**Mr. Penner:** The way the legislation is written here, that would be correct. If it was zoned agriculture, it would carry a back tax provision of five years.

**Mr. Pankratz:** Well, Mr. Chairman, I would just like the Minister or somebody from his staff then to indicate who would then pick up the commercial or the added assessment because of the value that it had. You are reducing it to agriculture. Let us assume four years have transpired. Who would pick up that tax if now it would not be applicable.

**Mr. Penner:** Would one of staff want to answer that?

**Mr. Gordon Carnegie (Crown Counsel, Legislation):** Well, in the endeavour that is made to give effect to the intent of the committee—

**Mr. Chairman:** Mr. Carnegie, would you like to speak into the mike?

**Mr. Carnegie:** The proposal would be to have the agreement cease. The proposals here are being rewritten to provide that where an agreement is cancelled the cancellation would be keyed against just this kind of event. In other words, it is a downzoning. The monies would become payable. We have thought of this possibility; it is just a question of translating this into adequate words, Mr. Chairman.

**Mr. Pankratz:** Mr. Chairman, to the Minister, so you are downgrading the value of a commercial to an agricultural value, and for four years basically—let us just use that as a benchmark—that value is being assessed and has not been made use of. Now it is back at agriculture zoning, and the person that owns the land, or whoever, would have to pay that back tax on something that he has never been able to acquire, or use, or benefit from.

**Mr. Carnegie:** Presumably, having entered into the agreement, there was the understanding that would have been the case. You are not even dealing with this section unless you have voluntarily entered into an agreement.

**Mr. Pankratz:** Mr. Chairman, I am assuming that—I am trying to run through the scenario with you—if the person buys the land from somebody else who has had it zoned commercial, has been commercial for four years, zones it back to agriculture, who pays the four years of commercial assessment on it and who has benefitted the value of it?

**Mr. Penner:** It is only redesignated, not sold.

**Mr. Chairman:** Mr. Plohman, do you want to answer this?

**Mr. Plohman:** I do not know if I can answer it, but it seems to me that when a person sells the land at the commercial value because of the commercial zoning on it, when he collects or she collects that money from the buyer, they have to pay the retroactive tax. Then if sometime later the individual wants to rezone it back

to agriculture, there should be no charge there because the use did not change insofar as his particular circumstances were concerned.

When the sale takes place, that is where the payment is made by the original owner. That is another check imbalance in this whole thing in any event, because Mr. Pankratz is saying there is nothing to stop a developer now from going in and buying up property on a speculative basis, but not having to pay taxes at the high rate. That is true, but the person who is going to have to pay it is the person who sells it. He is going to have to pay those taxes at a higher rate at that particular time, if he had not had it rezoned prior to the sale.

Mr. Chairman there is one exception in the draft that we had put forward for the two-value system, that where the sale price is less than the assessed value at the higher rate, it is the sale price that governs the amount of back taxes they pay as opposed to what it might have been assessed at for that sale. Did the people look at that 17(2.6) exception in the draft that we had made, and why was it discounted as being not necessary or perhaps not unhelpful?

**Mr. Chairman:** Who would like to answer that?

**Ms. Dianne Flood (Crown Counsel, Civil Legal Service):** In a sense that situation should not happen, because generally speaking the sale price will generally never be less than the market value assessment. The rare situation that it might decrease in value, they might still have to pay, but so would of all their neighbours have had to pay that did not enter to agreements.

If you put it in that they do not have to pay because they entered into an agreement, you are really creating an inequity, because what will have happened is there will have been a decrease in the market say between year one and year three. Everyone else that did not enter an agreement has paid year one value on value. Everyone else will pay it on year two value, and then if in year three he terminates his agreement, he has been paying on farming purposes value. If you terminate the agreement, if you allow him to pay on something less than market value, then he has gotten a benefit that all the surrounding farmers that have not entered into agreements have not got.

**Mr. Plohman:** When you say, Mr. Chairman, terminates the agreement, do you mean sells, because this dealt with the sale of that property, basing it on the actual price as opposed to the assessed value?

**Ms. Flood:** From my reading of the drafts, there is not a provision for it to kick in on a sale. It is to kick in on a termination of the agreement or a change in use. So just because there is sale there could be a continuation of the farming use and the agreement continues, and it is between the vendor and the purchaser to work out who is going to absorb what out of the back taxes, if you will.

**Mr. Plohman:** If you read the amendment, the Exception amendment, it says: Notwithstanding

subsections . . . , . . . the Farm Property ceases to be used solely as a Farm Property in conjunction with a sale of that Farm Property in an arm's length transaction; and (b) the sale price of the Farm Property is less than the assessed value of the Farm Property determined in accordance with subsection 1, which is the market value assessment, the person in whose name the Farm Property is assessed is liable to pay the difference between (c) the taxes that would have been payable if the Farm Property had been assessed at the sale price; and (d) the taxes that were payable will reasonably reduce the assessed value.

So it involves sale, but what you are saying is that is not necessary. I think it may be necessary, because the individual that made the agreement is no longer involved. He has to pay retroactively for the period that he was involved based on what, the assessed value or his sale price? I am saying it should be the sale price above the agricultural value, that difference.

**Mr. Chairman:** Mrs. Charles, you had a question?

**Mrs. Gwen Charles (Selkirk):** I have a comment as well. Just for the sake of rezoning, it does not mention any size, and I am not sure that it necessarily should, but I just wanted to clarify that if a farmer wishes to rezone part of his land in order to have his son or daughter remain on the land to farm, would this be any big problem and cost for the agriculture purpose to be maintained and that transfer of ownership is—we are certainly trying to encourage our youth to be in farming and if there is any hindrance there perhaps that might be a problem, certainly of not great magnitude, but one to consider.

I also still have problems with, as I mentioned, the zoning in Selkirk, which is agricultural urban reserve and that how can you tell whether it is rezoned because it allows for both. I am wondering whether you have to withdraw some types of zoning designations that now are in presence.

As well, my last comment would be that as my experience was in the past on council, that asking for rezoning took a long process to go through the Government, and if this should beat some of the processing of zoning requirements into the municipalities there may be some problems there. I would just point out to the Minister and make sure that your backlog of requests for rezoning are dealt with before you initiate the new laws on top of that so Governments are aware.

\* (1700)

**Mr. Penner:** I think, Mr. Chairman, the discussions around this Table over the last hour or half an hour have clearly indicated the difficulty that we are going to be into in implementing a Bill such as this.

Therefore I would suggest again, as I did previously, that it would be my intent, and I am beginning to wonder whether it would be useful to delay the implementation of this section of the Act until we had full consultations with the municipality. I would certainly want to find out what their views are on many of these issues before

I would want to unilaterally impose upon the municipalities or any administration for that matter, this kind of legislation without them realizing fully what the impacts of the legislation would be. If I could get some concurrence of the committee on that matter it would I think help us move this Bill through. It would give us some comfort that all Parties would be agreed to that.

**Mrs. Charles:** I think . . . forward with an implementation time of 1991 or whatever that there would be some agreement to go along with that, because I think as you have mentioned, that the questions we are raising here—I mean I can come up with more where land inside of Selkirk has been grazed, but we want it developed, and you want to encourage it, and this is discouraging it, so that you have proper development inside of town. It is as complicated as you can possibly get and I would agree that there needs to be as much consultation as possible. I would—on my behalf certainly wish to see some more go on.

**Mr. Penner:** I thank you for that. I guess one of the reasons I had some reservations, and that is one of the reasons this part of the Bill was not implemented or brought into being when we drafted the original Bill. I know there has been some question as to whether we in fact did a good job of drafting the Bill. This demonstrates very clearly how difficult it was to come to an agreement on some of these issues.

Having been involved in these discussions in the agricultural community for the last five years, on this issue, I recognized the difficulty not only of implementation, but even coming to an agreement as to how to implement. I think that is demonstrated here again around this table when we come at this section from the various aspects and the difficulty of not only the implementation, but in drafting of the legislation in such a way that it would not impose due difficulty on both individuals and the administration.

In the administration and the implementation of the retroactivity of the Bill, as well as the actual drafting of the agreements between the individual and/or the corporation's companies, as we are heading here now. Because this last Section 17(1.4) implies that it would not only be individuals, but even developers that could enter into agreements such as this if they ensured that we would set aside that property for a given period of time. Then, during that period of time would set aside the tax and if he then decided to, for some reason or another, develop within that period of time, even before the agreement expired, would only have to pay the amount of taxes retroactive due to the set aside. It is a difficult one that I think we should give due consideration before implementation.

**Mr. Chairman:** The hour being five o'clock, before we rise I just want to mention that there was a written submission passed around and this will be added to the written briefs that were heard by the committee hearings.

Committee rise and we will reconvene at 8 p.m. in Room 255.

\* (2000)

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## RECESS

**The Acting Chairman (Mr. Pankratz):** We will call the meeting to order and we will give the Chair over to Mr. Ed Helwer (Gimli).

**Mr. Chairman:** We will bring the committee back to order. Is it the will of the committee to go back to complete Sections 9 and 13 dealing with the conservation of property, conservation and wildlife?

**An Honourable Member:** I am sorry, Gentlemen, which one are we going back to, 9?

**Mr. Chairman:** Section 13.

**An Honourable Member:** It deals with 9 as well, right?

**Mr. Chairman:** Yes, right. The one dealing with wildlife and habitat property. Does someone want to distribute the amendment?

**An Honourable Member:** Oh, it has been distributed.

**Mr. Chairman:** It has been? Okay. We will deal with Section 9.

**Mr. Penner:** Do you want me to move it?

**Mr. Chairman:** Yes.

**Mr. Penner:** I would move

THAT Section 9 be amended by adding the following subsections:

### Conservation property breakdown

9(7) Where applicable, an assessor shall, in a notice of assessment sent under subsection (6), indicate the portion of the assessed value that relates to conservation land.

### “Conservation land”

9(8) For the purposes of subsection (7), “conservation land” means land that

- (a) is Farm Property;
- (b) is not used for an agricultural purpose; and
- (c) is, during the applicable reference year and the two years preceding the applicable reference year, left in an undeveloped and natural state by the registered owner or occupier of the land for the purpose of preserving or restoring the quality of the land as a natural environment or habitat.

### (French version)

Il est proposé que l'article 9 soit amendé par adjonction de ce qui suit:

### Biens affectés à la conservation

9(7) L'évaluateur indique au besoin, dans l'avis envoyé conformément au paragraphe (6), la partie de la valeur

déterminée qui se rapporte aux biens-fonds affectés à la conservation.

### Définition

9(8) Pour l'application du paragraphe (7), “biens-fonds affectés à la conservation” s'entend des biens-fonds qui:

- a) sont des biens agricoles;
- b) ne sont pas utilisés à des fins agricoles;
- c) sont, durant l'année de référence applicable et les deux années précédentes, laissés en friche par le propriétaire inscrit ou l'occupant afin de protéger ou de rétablir la qualité du milieu ou de l'habitat naturel.

\* (2010)

**Mr. Chairman:** Mr. Taylor has a question. Mr. Taylor, do you have a question?

**Mr. Taylor:** Yes.

**Mr. Chairman:** Go ahead.

**Mr. Taylor:** Mr. Chairperson, there is just a little noise going on around here.

To the Minister here, this is the amendment that was pulled together by legal counsel after inputs by all three Parties. The situation appears to be that there would be exemption, if I understand this, if the farm property is not used at all for agricultural purposes. There also seems to be a lead time. They would only be in the third year, if I understand this correctly, that this would start to apply.

The two questions I have to the Minister specifically would be: how to deal with the contexts whereby there is partial agricultural use and at other times of the year the property is left in a wild state. I have talked privately with a number of the Ministers in fact and with the NDP as well on this. The other one is: why the need to wait until a third year before the applicability, because if we bring this in there will be hundreds if not thousands of parcels, I would imagine, in the province that would qualify as having been in this either partial agricultural use or totally natural state for years and I would think that whatever amendment we bring in in final form should try and accept the today context. I wonder if the Minister might respond to those two points.

**Mr. Penner:** First of all, the Honourable Member keeps referring to exemptions under this section. This section does not provide for exemptions as the term would be used. It indicates where applicable an assessor shall, in a notice of assessment sent under Section 6, indicate the portion of the assessed value that relates to conservation land.

Let me for information purposes explain what happens today. For instance, in the R.M. of Siglunes cultivated land is assessed at \$20 an acre and bears a tax in the amount of \$3.74 an acre. Bushland today is assessed on a property on a quarter section in

Siglunes at \$3.60. It is assessed at \$16 an acre less and bears an amount of 67 cents an acre tax instead of \$3.74 for normal farm land.

A slough in that same municipality is assessed at \$1.20 an acre and bears 22 cents an acre tax instead of \$3.74 for normal farm land. What this resolution indicates, that the assessor shall indicate the amount or the portion of land that has been assessed at the lesser value that relates to the designated conservation land. In other words, in reality what we are doing today will be clearly indicated to a farmer as to what the amount of taxation or assessment is on those lands that are either in wet lands or school lands or bush or whatever.

I can give you other examples. For instance, in the R.M. of Stanley cultivated land is assessed at \$66 an acre, bears a tax of \$10.51 an acre. Bush is assessed on that quarter of land at \$5 an acre and bears a tax of 76 cents an acre instead of \$10.51 an acre. The slough on that same quarter is assessed at \$1 an acre and bears 15 cents an acre tax. It is virtually nil compared to the \$10.50 an acre for agricultural land.

I believe for the benefits of clarification to landowners in this province, if we added a portion to the assessment notice or an attachment to the tax notice even, indicating clearly that these 15 acres or 20 acres of this quarter have been set aside and are assessed at that lower value, taxes applied similar to what I have just indicated would clarify the whole situation because in essence, in reality, the assessors now do apply exactly what we are asking for.

**Mr. Taylor:** Mr. Chairperson, now I recognize what the attempt by the Minister was in offering a clearer picture I suppose to the farmer as to how payments are being made, because I think all Parties would agree there has been a decided confusion amongst a certain fairly large group out there, that they were getting maybe charged more for their wetlands and wood lots than was really the case.

I think displaying it in this way is fine. However, I would have thought we would have seen a companion motion along with this one that relates the fact that I think if we are serious about wildlife preservation, and we are serious about drought proofing, that maybe we should go further than the small taxes that were being indicated on a per-acre basis. That is what was contained in the draft resolution that you saw from the Liberals, which, of course, would be an add-on section somewhere around 22(1)(m), something like that, which indicated where it is exclusively non-agricultural that there would be literally an exemption. We were looking for a compromise amongst the three Parties for the situation where there is joint use—some natural context, some agricultural use on the same piece of property. I think that might be allowed for in this.

\* (2020)

I would like to hear a comment on a full exemption, as I just mentioned a moment ago, and if I could get a further explanation about 13(7)(c) and that is the applicability aspect. I am still not clear on that, Mr. Minister.

**Mr. Penner:** If we could, Mr. Chairman, for the purposes of Section 9, deal with Section 9 first before we go to 13. It is my view that if we do not pass Section 9, then of course we would not have to deal with Section 13.

What you asked for was a clarification of what the impact might be to total exemption of some of the marginal lands that are now in fact taxed, although at a very reasonable or low rate, in some of the municipalities. Had I known that this type of an amendment or a motion would come from either one of the Parties that would want to entirely exempt some property taxes in some municipalities, I would have done some calculations on some of those municipalities that have significant areas that are marginal, and what the dollar impact would have been to those municipalities. If I generalize, it would be fairly significant because of the large areas in some of the LGDs and municipalities which would fall under that heading.

I would ask for consideration that we accept the fact that the province already does, through its assessment process, make a significant recognition of the wetlands, wildlands conservation initiative through the present assessment process. Maybe at some point in time we might want to go beyond that, but I would suggest that if we wanted to go beyond this there might have to be a recognition of some sort of compensation by the province to those municipalities to allow them to operate at the current level without imposing a large increase to those property owners who would be outside of those marginal areas.

**Mr. Taylor:** Mr. Chairperson, I think the Minister brings up a point that really does have to be addressed. There are going to be large number of LGDs he said, and possibly some of the RMs as well, that are really almost covered it would seem with scrub brush and marginal pasturage and small areas of good cropland. I would wonder if what we should not be doing is putting in a maximum incentive in the areas quite frankly where there is the better farm land. To me it should be in the rural south, the drier part of the province, the province that in some areas has almost no woodlands left. I think recognition could be given to the context as one moves further north in the province. It could possibly be broken out on the basis of percentages of arable land to percentages of wetlands, to percentages of various types of forests. I do not think that would be too hard to do because probably most of that is already inventoried.

I would imagine, if it is not fully documented in this department, with the help of natural resources it could be easily accomplished. I do not mean to suggest a blanket application when I do talk about exemption. I guess I have a certain thrust in mind, and that thrust is decidedly in the southern part of the province, the more arid area.

We do have to talk about that. The Minister mentions about Section 9, and I am not sure if he was referring to the aspect of Notice of an assessment. Is that what you were talking about, 9(6)? Otherwise I was trying to figure out where it was in 9 you were wanting to relate this. I am still looking for that other point on 13(7)(c). If I could get that from possibly one of the legal counsel and put that into the record too.

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**Mr. Penner:** I am really not quite sure what the Honourable Member is requesting, as far as Section 9 is concerned.

**Mr. Taylor:** You mentioned it in your own text. I am just picking up on it. What did you mean by—you made a reference to 9 at one point.

**Mr. Penner:** Under Section 9.

**Mr. Taylor:** I am picking up on something you said in the previous response.

**Mr. Penner:** Mr. Chairman, I think I was implying that Section 9 and the amendment to Section 9, which we are dealing with, in my view adequately deals with the concerns that were expressed, except for the imposition of exemptions to some of the farm properties that you were referring to. Is that what your question was?

**Mr. Taylor:** I thought the amendment that was before us was the one proposed by Mr. Penner. It was 13(6) and 13(7).

**An Honourable Member:** Do you have a copy of 9?

**Mr. Taylor:** No, that is what I do not have.

**An Honourable Member:** Oh, I am sorry. We will get you a copy, by all means.

**Mr. Taylor:** While we are doing that, Springfield does not have one either. I guess that is where you have half of the information we are trying to get a hold of.

**Mr. Chairman:** These were distributed this morning. While we are waiting for that, Mr. Plohman, you had a question?

**Mr. Plohman:** Yes, under this section, with the decision of the assessor, insofar as the portion of the land that would be assessed relating to conservation land, would that decision be appealable?

**Mr. Brown:** This proposal simply indicates the status quo, Mr. Plohman, that we already would have assessed those parcels. All we would be doing is suggesting it now be reflected on the assessment notice so that the ratepayer will appreciate that on his quarter section, whatever acreage he has in slough or bush, would have carried this sort of assessment to it.

**Mr. Plohman:** The question being, is that appealable?

**Mr. Brown:** Certainly. If he feels he has 80 acres of bush, and our assessment records show he has 70 acres, that would be appealable.

**Mr. Plohman:** Yes, Mr. Chairman, where I disagree with Mr. Taylor's statement is on the portion dealing with land that is partially used for agricultural land. I think when it is partially used or completely used, however intensely we want to talk about it being used, it should not be included as conservation land. It is reflected in lower assessment if it is slough land and so on, so that

already is the current practice. Where it is set aside specifically, as we stated in our amendment to Section 6, that I had put forward the other day, then I think there could be an added incentive or an added reward, if you wish, for people who are wishing to do that, for wildlife habitat or for conservation purposes. I do not care what term is used. The Government had chosen to use conservation land, that is fine.

\* (2030)

I think what we could be doing, and I was discussing this earlier with Mr. Taylor, is that perhaps a regulation under Clause 9(8) could be worded something like this, another section could be added that would state: A regulation under Clause 9(8) shall, for property that is conservation land, prescribe a percentage of assessed value that is no more than one-half of the percentage prescribed for agricultural property in municipalities where bushland or swampland comprise less than 25 percent of the total land mass of that municipality.

I am using 25 percent of the total, it is arbitrary. It could be one-third or whatever, but this would deal with the problems that were raised by the Deputy Minister, where there would be a massive impact on the amount of revenue that a municipality would gain.

It would not affect those where there are massive impacts. In those cases it could be discretionary by the municipality. But in southern and other agricultural municipalities, where it is a scarce resource, where we want to maintain bushland and swampland and so on in some areas for environmental reasons and for protection of wildlife, there would be an added incentive being that it would be only 50 percent. That would be a compromise to the total exemption that the Liberals have been suggesting and, from what the Minister has said, is no incentive, other than the fact that it is assessed lower, as is the current practice.

So I would like the Minister to reflect on that suggestion because I think it could be added to 9(8) very easily, and with the mapping that we have available and the soil survey information and so on, I think it would be very easy to determine the percentage very closely for municipalities.

**Mr. Penner:** First of all, John, I am not quite sure whether I understood that you were recommending that 50 percent of the reduction of the agricultural assessment?

**Mr. Plohman:** Percentage-wise.

**Mr. Penner:** Of the agricultural portion?

**Mr. Plohman:** Yes.

**Mr. Penner:** I would suggest that if you look at the chart that I indicated before, we are way beyond that.

**Mr. Plohman:** What I meant is 50 percent portioning applied to that assessment, 50 percent, a percentage basis that would be applied to the higher assessed land, the agricultural land. The value has to be a percentage to get the taxes paid. I am saying 50 percent

of that would be the percentage applied on that lower assessment base which reflects the fact that it is not as good quality land, this lower assessment.

**Mr. Penner:** Mr. Chairman, I recognize what the Honourable Member is saying. I would not want to indicate that if that amendment was proposed that we would probably have to rule it out of order, because it might indicate that we in fact would be spending money here. However, I would like to indicate to the committee that we are, at present, involved in a program that goes beyond what you are suggesting, and it is called the Habitat Enhancement Land Use Program which supports, through provincial funds, the retention of wetlands in the pothole area, the Shoal Lake area. That was done, as you know, as a trial area, trial project and is working very well.

We have also increased substantially, this year, our contribution to the federal-provincial soil accord, again, with the intention of enhancing conservation initiatives. The third one is the inclusion, for the first time in the province, a sum of money from lotteries that was designated specifically for conservation purposes and designated toward the retention of wildlife areas and/or the enhancement of water storage areas which would increase the wetlands in the province.

I believe that those kinds of programs can be initiated without reflecting in a monetary way and imposing monetary difficulties on those municipalities that are marginal, at best, and have difficulty generating the revenues to provide the services to their ratepayers.

**Mr. Plohman:** I do not think the Minister listened because I talked about 25 percentage, so he is not talking about the margin—we are not talking about the marginal municipalities here. I would say that what I am proposing is not inconsistent with the efforts and the programs that the Minister just outlined. It is very consistent. It is just another tool to provide that incentive which the Government is indicating quite clearly, and these other programs, some of those begun a number of years ago, some initiated recently, are doing that to conserve land and wildlife and so on.

I just wanted to ask for clarity though, on my suggestion. Maybe it was not clear to me how the assessment process works. Now the assessment on agricultural land, in the examples that the Minister read, were much higher than it is for a slough or swampland or bushland. You gave some examples from the R.M. of Siglunes and the R.M. of Stanley and so on, so there is a great difference there in the assessed value.

Then there is the amount of tax paid, and you gave that figure. Is that percentage of the assessment the same for both? One is, of course, starting from a much smaller base because it has a lower assessment and the other is much higher, but is the percentage applied the same to both to arrive at the tax?

**Mr. Penner:** There is no provision, Mr. Acting Chairman, under the current assessment legislation, nor is there provision under the new assessment legislation that we are proposing for a differentiation of mill rates, so the municipal mill rates that are applied and also the

school division mill rates that will be applied, will not vary from one property to another. It is the intention, I believe, of this legislation to not encourage variable mill rates to be applied in various parts of the province. I would suggest that, if we want to impose the reduction of taxable properties via this legislation, we might consider some other means of assisting the conservation initiative other than through the assessment process and the reduction of taxable income to municipalities. That would go beyond what we are currently doing.

**Mr. Plohman:** What we are talking about here is equivalent to differential mill rates which could be done through a subclassification in agriculture through portioning, and that is where I got the 50 percent. Now that is precisely what we are recommending, and so a differential mill rate is one way of determining it, another is to talk about a subclass with a different portion, 50 percent of that portion applied to agricultural land. That could be done.

I am raising it with the Minister and with the Government as another incentive for conserving wildlife, preserving wetlands and bushlands and, if the Minister will not see fit to recommend that kind of amendment on his legislation, then I would say he is making a mistake, but I would leave it at that.

**Mr. Patterson:** Just a point of clarification. If we have a bush, but cattle wander through it on the way from one pasture to another, is that rated as bushland or agricultural?

**Mr. Penner:** It is rated as bushland under the current assessment, and the assessors would designate it as bushland.

**Mr. Taylor:** The Minister a moment ago made mention of other potential approaches to deal with this. I would like to put on the record that the Liberals would like to hear a little more of what he has in mind before the end of this debate. I do not mean this clause, but before we finish dealing with the Bill, so that we might be assured of his intentions, how concrete that is, what it entails, the time frames, et cetera, because at the moment I have to say we are decidedly partial to the idea of 100 percent exemption of wetlands and forest lands in the southern parts of the province because of their scarcity and because of the impact that scarcity has been on water tables.

**Mr. Penner:** Very briefly, what we are doing currently, as I indicated before, we had, say, Government decided to use some lotteries monies to encourage conservation initiatives. Initiatives such as planting trees to stem erosion on those large areas of farm lands and trap snow and therefore increase, hopefully, over the years the capacity of water storage in areas of the more arid regions in the southern areas of the province. Through the soil accord, again it is our intention to assist conservation districts and conservation associations in their efforts to again enhance the water storage projects identified under the soil and water discussions that we had this winter when we did the hearings.

\* (2040)

There were many, many indications given of the need to assist that. We recognize that need and have therefore added this year a substantial amount of money to the soil accord, provincial dollars to enhance and encourage farmers to plant trees and set aside areas, even to the point of entering into agreements that would encourage the development of woodlots in areas that have not been raising woodlots, that sort of thing. Those are the kinds of things I talk about when I indicate there are other mechanisms that we could use to encourage conservation initiatives, then imposing a reduction of taxation on some municipalities through this method.

**Mr. Taylor:** Mr. Chairperson, would it be the Minister's position that, in the almost totally cropped arid south, the impacts of an exemption would be significant on those municipalities?

**Mr. Penner:** It is interesting when you ask that question because I reside in that totally arid, virtually all-cropped area of southern Manitoba. The impact to the municipalities in some of those areas would be very, very minimal if you exempt it, but I would also say the compliance would also be very, very minimal and would have virtually no impact at all. A far greater impact is the encouragement through the formation of conservation associations and the encouragement of the planting of trees and assisting those farmers to plant trees through some mechanism that will encourage the trapping of snow and stem the erosion of our soils from winds and stuff like that. That is catching on quite well. I will give you an indication that we have in our municipality: alone this year we are going to plant probably some 300 miles of trees. I believe that is a significant achievement and it is largely done by the provision of provincial dollars to encourage that through the conservation association.

**Mr. Taylor:** I appreciate the outline by the Minister on some of those initiatives. Could I though get an explanation of the same clause that I have been trying to get a clarification on. I called it 13(7)(c), but with the other sheet it is also a ditto on 9(8)(c) as the reason for the delay factor in the implementation. I am just not clear on the purpose of that.

**Mr. Penner:** Basically, what section (c) deals with in reference to the applicable two-year reference is an insurance that we will not develop a situation where you could set aside one year an area maybe and designate it as wetlands under this initiative and then next year you might have a bit of a drier year and use it for haying purpose and those kinds of things, ignoring the wildlife impact that you might have in the taking of hay and those kinds of things. That there would not be that fluctuation of whether we should or should not or should or should not. It just ensures that there will be continuation.

**Mr. Taylor:** Mr. Chairperson, I think that clarifies it in the context where there is a new situation. It has not been before, but it is in a farmer setting aside certain lands for the natural purpose. What happens though in the context that you get the Act through here in the

next week, we are going to start implementation of a clause like this, and we are dealing with lands that have been in this state for years and years and are documented, are known. Is there not another way to recognize immediately for those that are already and have been for some time. This precludes it. It delays it until the third year, and that was the problem I was having with it.

**Mr. Penner:** No, there is nothing to preclude the setting aside immediately of areas. If the assessor's worksheets show that there are areas in a given area, they could be designated and will be designated, and the similar rates of assessment and taxation that I have just indicated a little while ago, for instance in Stanley, would be reduced from \$10.50 an acre to 15¢ an acre, virtually at nil, however recognizing that there might be a fence built around these areas and some cattle pastured there and that sort of thing, recognizing that there still is some value to these wildlife lands.

Many of these areas, especially in our part of the country, are treasured very highly for hunting purposes and do bear, in some instances, quite a substantial value because people actually buy these lands and use them as their own private little hunting refuges.

**Mr. Taylor:** For the record, the advice that you have had from Mr. Brown is that once this Act is in place, there will be immediate recognition of those cases where they already are in their third year by virtue of what the practice has been. Is that a fair interpretation?

**Mr. Penner:** Right.

**Mr. Taylor:** Thank you very much.

**Mr. Chairman:** On the proposed motion of Mr. Penner THAT section 9 be amended by adding the following subsections:

**Conservation property breakdown**

9(7) Where applicable, an assessor shall, in a notice of assessment sent under subsection (6), indicate the portion of the assessed value that relates to conservation land:

**(French version)**

**Biens affecté à la conservation**

9(7) L'évaluateur indique au besoin, dans l'avis envoyé conformément au paragraphe (6), la partie de la valeur déterminée qui se rapporte aux biens-fonds affectés à la conservation.

With respect to both the English and French texts, shall the amendment pass—pass.

**"Conservation land"**

9(8) For purposes of subsection (7), "conservation land" means land that

(a) is Farm Property;

(b) is not used for an agricultural purpose; and

(c) is, during the applicable reference year and the two years preceding the applicable reference year, left in an undeveloped and natural state by the registered owner or occupier of the land for the purpose of preserving or restoring the quality of the land as a natural environment or habitat.

**(French version)**

**Définition**

9(8) Pour l'application du paragraphe (7), "biens-fonds affectés à la conservation" s'entend des biens-fonds qui:

- a) sont des biens agricoles;
- b) ne sont pas utilisés à des fins agricoles;
- c) sont durant l'année de référence applicable et les deux années précédentes, laissés en friche par le propriétaire inscrit ou l'occupant afin de protéger ou de rétablir la qualité du milieu ou de l'habitat naturel.

With respect to both the English and French texts. Shall the amendment pass—pass.

We will move now to Section 13(6) and 13(7). These are identical, are they?

**Mr. Penner:** The wording, Mr. Chairman, is identical. It is just to make sure that the Act complies in both areas.

**Mr. Chairman:** On the proposed motion of Mr. Penner THAT section 13 be amended by adding the following subsections:

**Conservation property breakdown**

13(6) Where an amendment under subsection (1) alters the assessed value of property that includes conservation land, the assessor shall, in a notice of the amendment sent under subsection (5), indicate the portion of the assessed value that relates to conservation land.

**(French version)**

Il est proposé que l'article 13 soit amendé par adjonction de ce qui suit:

**Biens affectés à la conservation**

13(6) Lorsqu'une modification visée au paragraphe (1) change la valeur déterminée des biens qui comprennent des biens-fonds affectés à la conservation, l'évaluateur indique, dans l'avis de modification envoyé conformément au paragraphe (5), la partie de la valeur déterminé qui se rapporte aux biens-fonds affectés à la conservation.

With respect to both the English and French texts, shall the clause pass—pass.

**"Conservation land"**

13(7) For purposes of subsection (6), "conservation land" means land that

(a) is Farm Property;

(b) is not used for an agricultural purpose; and

(c) is, during the applicable reference year and the two years preceding the applicable reference year, left in an undeveloped and natural state by the registered owner or occupier of the land for the purpose of preserving or restoring the quality of the land as a natural environment or habitat.

**(French version)**

**Définition**

13(7) Pour l'application du paragraphe (6), "biens-fonds affectés à la conservation" s'entend des biens-fonds qui:

- a) sont des biens agricoles;
- b) ne sont pas utilisés à des fins agricoles;
- c) sont, durant l'année de référence applicable et les deux années précédentes, laissés en friche par le propriétaire inscrit ou l'occupant afin de protéger ou de rétablir la qualité du milieu ou de l'habitat naturel.—pass.

Now we will go back to clause 17(1). What do we want to do with that one? What is the will of the committee? Do we have a new amendment?

**Mr. Roch:** I was asking that, too. Did I hear correctly, is there a new amendment?

**Mr. Penner:** Yes, we have hopefully come to terms as directed before—

**Mr. Roch:** I just want to clarify because I think originally last night you proposed an amendment that was just for discussion purposes.

**Mr. Chairman:** The one this afternoon was proposed for discussion purposes.

**Mr. Roch:** But last night as we adjourned, the Minister circulated an amendment.

**Mr. Chairman:** That was not last night. We dealt with the section this morning, and we dealt with it again this afternoon. We are dealing with it for the final time, I hope now.

**Mr. Roch:** You hope—editorial comment there.

**Mr. Chairman:** Clause 17.

**Mr. Roch:** Well done.

\* (2050)

**Mr. Chairman:** Before we go on to Clause 17, I have a bit of a problem here. We had two other amendments for Clause 6 presented this morning or last night. We would need them. We will need them either withdrawn or whatever.

**An Honourable Member:** Or debated.

**Mr. Chairman:** Right. Whichever.

**Mr. Plohman:** Those are mine, right?

**Mr. Chairman:** That is right. That is Mr. Plohman's.

**Mr. Plohman:** Let me just say that since I presented those on behalf of my caucus, and since we felt strongly and still do that there should be an incentive in terms of the actual portioning percentage applied to conservation lands or habitat lands, I will withdraw those amendments at this point since it was dealt with to some extent, insofar as the amendment in 9 and 13, keeping in mind that I do not believe the Government's amendments go far enough to highlight this important issue for Manitobans.

**Mr. Chairman:** Thank you, Mr. Plohman. Also Mr. Roch's proposal on Subsection 22 regarding undeveloped farm property. Mr. Roch, would you—

**Mr. Roch:** We have not got to 22 yet.

**Mr. Chairman:** No, I realize that. Okay, we will just hold that one then. Okay. Then we will go back to Clause 17(1). Was the new amendment distributed?

**Mr. Penner:** Yes, we have distributed it. It is only printed in one language. We will get you a copy, Mr. Chairman. It is only printed in the English language until now. We are doing the translations on it at the present time. I would ask whether we could in fact discuss the motion and, if agreeable, could finish the translation on the amendment and pass it in that manner.

**Mr. Chairman:** Has everyone had an opportunity to look at it?

**Mr. Penner:** I can read the amendment to the committee if you so desire.

THAT section 17 be amended by adding the following subsections after subsection (1):

**Farm Property:** agricultural purposes

17(1.1) A registered owner of Farm Property may request an assessor to determine the Farm Property assessed value of the property on the basis of its use for farming purposes and where so requested, the assessor shall thereafter, and for so long as the property is used for purposes that are prescribed as farming purposes, determine the Farm Property assessed value of the property, in relation to the applicable reference year, solely on the basis of use for farming purposes as prescribed under subsection (1.7).

**Applicable reference year**

17(1.2) For purposes of subsection (1.1), the applicable reference year is the reference year of the current general assessment under subsection 9(1).

**Farm Property assessed value**

17(1.3) A Farm Property assessed value determined under subsection (1.1) applies in respect of taxation for the year following the year in which the request is

made under the subsection and may be the subject of an application under subsection 42(1).

**Change in use tax payback**

17(1.4) Where the registered owner or occupier of Farm Property to which a Farm Property assessed value under subsection (1.1) applies changes the use of the property from a prescribed farming purpose to a purpose that is not a prescribed farming purpose, the registered owner shall,

- (a) in respect of each year for which taxes are levied against the property on the basis of a Farm Property assessed value under subsection (1.1); or
- (b) in respect of the five years that immediately precede the year in which the change of use occurs;

whichever is the lesser period, pay to the municipality an amount of taxes that represents the difference between the taxes that were levied in respect of the property on the basis of the Farm Property assessed value under subsection (1.1) and the taxes that would have been levied in respect of the property had a Farm Property assessed value under subsection (1.1) not applied.

**Endorsement on tax certificate**

17(1.5) Where the registered owner of Farm Property requests determination of a Farm Property assessed value under subsection (1.1), the subject municipality shall not issue a tax certificate in respect of the property without stating on the certificate that the property is subject to subsection (1.4).

**Lien on land and collection**

17(1.6) Where a registered owner of Farm Property, in respect of which taxes are levied on the basis of a Farm Property assessed value determined under subsection (1.1), becomes liable under subsection (1.4) for payment of an amount of taxes in respect of the Farm Property,

- (a) the amount of taxes is a lien upon the land that forms part of the Farm Property and
  - (i) the lien has preference and priority over other claims, liens, privileges or encumbrances in respect of the land, other than a claim, lien, privilege or encumbrance of the Crown,
  - (ii) the lien does not require registration against the land to preserve it, and
  - (iii) a change in the ownership of the Farm Property or a seizure by a sheriff, bailiff or landlord does not defeat the lien;
- (b) the municipal administrator of the subject municipality shall add the amount of taxes to the taxes shown on the tax roll to be charged and levied against the Farm Property; and
- (c) the municipality may collect the amount of taxes in the same manner in which taxes upon

the Farm Property are collectible under The Municipal Act or, in respect of the City of Winnipeg, under The City of Winnipeg Act, and with the like remedies.

**Farm Property assessment regulations**

17(1.7) The Lieutenant Governor in Council may make regulations

- (a) defining farming purposes for purposes of subsection (1.1); and
- (b) respecting any matter that the Lieutenant Governor in Council considers necessary or advisable for the purpose of carrying out the intent and purpose of subsections (1.1) to (1.6).

**Mr. Roch:** It seems to be quite a complicated amendment, but when we circulated ours for discussion purposes, the intent was, and the Minister can clarify here, to have two assessments done at the same time: one, on the premise that it could be developed, one, on its agricultural value; and that if its use changed, whoever applied for the change in use would then be taxed back, five years back, on that value. Can the Minister tell me if this is what this Bill does?

**Mr. Penner:** Yes.

**Mr. Roch:** And the applicable reference here, I did not look back on line one, but I take it that it is 1990?

**Mr. Penner:** The reference year, in the current general assessment, under Subsection 9(1), that is what you are referring to—17(1.2)?

**Mr. Roch:** Right.

**Mr. Penner:** —implies that the current reference year, which would mean that the assessment is done in 1990, applicable to 1991, would be the first year that this could be applied. In reality there is no other way that you could apply it any sooner than that.

**Mr. Roch:** So it would be 1991?

**Mr. Penner:** Yes.

**Mr. Roch:** So then, I will just restate it again for the record to make sure, that if this amendment is passed, as written out I guess it comprises some of the three proposed and tabled amendments from this afternoon, not last night, and it will have the effect that if there is a change in use, whoever applies for it, regardless of who it is, it will be taxed back for five years. Am I correct?

\* (2100)

**Mr. Penner:** Yes. For the purposes of clarification, under 17(1.2), I do not want to mislead. The reference here, that is implied there, is the base year for the purposes of calculation of the differentiation. In other words, for the first year of the application of this Bill, 1985 would be the reference year that is implied here. Just so that

is very clear that this concurs with the current assessment legislation referencing 1985 as a base year.

**Mr. Chairman:** Who was next here? Mr. Taylor.—(interjection)— Well, I think he was first, and then your turn.

**Mr. Taylor:** Just one question to the Minister. The bottom of the second page, the very last subclause, (a)(ii) "the lien does not require registration against the land to preserve it". I just wanted to know why it would be that the department would choose not to register the lien against the property. I am just trying to understand the rationale for it.

**Mr. Penner:** I should let legal counsel explain that. They explained it to me before, but I am not sure whether I am competently aware of what the legalese would be to indicate that. I will ask counsel to indicate that.

**Mr. Walsh:** I do not mean to be entirely facetious in saying this, but it sort of represents the traditional strong-arm of the tax man in the sense that if attaching statutes to enforce tax liabilities require the registration of liens in every instance, I think it is probably thought traditionally to be a cumbersome requirement. It is not uncommon to find in taxing statutes that the statute creates a statutory lien, and that lien exists notwithstanding the fact that it has not been registered against property, keeping in mind that all persons are deemed to have notice of the law of the land. This is a statute. You are all deemed to have noticed that lien is available in favour of the Crown against land against which there are taxes payable. That is not a response to the question on a policy basis, that is simply an explanation as to why it is not uncommon to find a provision of this kind in a taxing statute.

**An Honourable Member:** It sounds like a cold and common practice; that is what it is down to.

**Mr. Chairman:** Mr. Plohman—oh, Mr. Walsh.

**Mr. Walsh:** If I could just add, that provision is in The Municipal Act presently.

**Mr. Plohman:** I think this section is an improvement over what was here before. However, it does not deal with the issue of rezoned land, and I think that is one weakness of it. I know it is difficult to go back 10 years to recover the differential in taxes over that period of time. However, that is one weakness of this amendment. I believe it is taking a step in the right direction, and I am pleased that we can implement it immediately, based on the 1985 reference year for 1990. I would take it from the Section 17(1.2), referencing Subsection 9(1). It is not clear to me though that it would come into effect immediately following the request, if the request was made in 1990. Would that mean then it would take effect in 1991 based on the assessed value of 1985 values?

**Mr. Penner:** Yes.

**Mr. Plohman:** On that basis, unless there is a comment that the Minister can make about why the zoning was

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left out of this particular amendment, I would think this is acceptable.

**Mr. Penner:** First of all, as you indicated, it is a fairly complicated process to basically implement a two-value set-aside system: one, five years; one, 10 years. It led us to believe that to impose that upon municipalities at this time without consultation would probably not be acceptable to the municipalities. Therefore I am somewhat pleased that you are indicating your willingness to support this.

I would also indicate to you that it gives us the opportunity to consult properly with the municipalities in respect of this matter. If it is deemed possible and advisable by the municipalities it could certainly be implemented at a later time by an amendment. It is my view that we should make all efforts to consult the various municipalities and municipal organizations on this matter before a full implementation.

**Mr. Plohma:** Mr. Chairman, I am a little confused by the Minister's comments. Is he saying that perhaps under 17(1.7), dealing with broad regulatory powers of the Lieutenant Governor in Council, that in fact this could be postponed in terms of implementation? Because if it is going to take effect immediately—

**Mr. Penner:** No, that is not what I am saying.

**Mr. Plohma:** I just want to clarify it because the Minister is saying now that he wants to consult before implementing, and yet this says that implementation should take place immediately, effective 1991, but applications would be received as soon as this Act is passed, effective January 1, 1990.

**Mr. Penner:** The Act as written, Mr. Chairman, can in my view be implemented immediately. There are, however, the areas that we were discussing before that we had difficulty here coming to terms with, such as the implementation of an extended period of time of rebate on lands that were designated other than agriculture through zoning or other means. I would like to discuss with the municipalities first. If it is then deemed that it is acceptable to the municipality, there would be nothing stopping us from amending the legislation and implementing it beyond what we are doing now.

Further to your question, Section 17(1.3) indicates clearly that the implementation of the Bill is immediate, in other words, 1990. The first year would be then 1991 that it in fact could be brought into practice.

**Mr. Plohma:** Yes, one other question: does Section 17(1.7)(b) Provisions for Regulations—is this a given opportunity for the Government to deal with this issue of agreements with municipalities and interest on back taxes and so on? Is that the kind of thing that the Minister would envisage taking place, prescribing the kind of agreements? Or are agreements now discarded completely with this amendment, as opposed as to what was proposed earlier this afternoon?

**Mr. Penner:** Written agreements under the terms of the Bill as drafted now are not required. It is, however,

the application of the individual to the assessor to assess the value at a different level is still required. The agreement is not there; it is not required under the terms of this Bill.

**Mr. Plohma:** Would interest issues, for example, be something that could be covered under 17(1.7)?

**Mr. Penner:** Yes, it could.

**Mr. Plohma:** Is there any other major area that the Minister envisages coming under the 1.7 affecting the way this would be implemented?

**Mr. Penner:** Not other than the definition of farming purposes, which, I think, is one that is dealt with under this section, but other than that I do not see any.

**Mr. Pankratz:** I am also happy to hear that the Minister indicated that some amendments possibly would be able to be made in future years and possibly correct some of the inequities that possibly I foresee. I just want to put this on the record. I would have liked to see that this could have come into place then immediately with the rebate for agricultural land, but the Minister indicates that 1991 would be about the first that it could be implemented. I suppose that has to be adequate.

I was hoping that he would be able to come forward then with a rebate on the 1990 year, but he also indicates that has some difficulty. I must say that there were quite a few presenters before the committee who did indicate that this should only apply to agriculturally zoned land.

\* (2110)

I just want to put on the record that this can in fact exempt land from school tax which is commercially zoned. If that is the intent of the committee, and if that is the intent of the Minister, then it is, I guess, the right way to go, but for myself, I have always thought that this should basically not be such that it would in any way be able to be used for anything other than actually the agricultural purposes. But when the Minister feels that he wants to introduce it this way and possibly make some changes in time, that is fine at the present time. I guess we will have to live with it.

**Mr. Chairman:** Good. The new Bill is being printed in both languages, so when it comes, we will pass it. In the meantime, we will just hold it until it is printed in both languages. We will carry on then to Part 6, which is Clause 20, Liability to taxation—pass; Clause 21, Real Property, General Exemptions. Shall the clause pass—Mr. Plohma.

**Mr. Plohma:** Mr. Chairman, I would like to propose an amendment to Section 21(e) and Section also 21(1). There are two separate amendments, but they go hand in hand. Therefore, I will move the first one and also read the second one and table it on for the committee to deal with. The first one deals with, and I move

THAT section 21 be amended by adding the following after clause (d):

(e) is held in trust for any tribe or body of Indians.

I, along with that, will move another motion that would say:

THAT the following be added after section 21:

**Purpose of Exemption,** under clause 21(e),  
21.1 The purpose of clause 21(e) is to allow the Minister to undertake discussions with native people and the government of Canada—there is a spelling error there, in my version here—with a view to resolving the issue of property tax exemption for native people; and clause 21(e) ceases to have effect on January 1, 1991.

What that does, Mr. Chairman, is recognize that we believe the Minister has made a serious error in not undertaking major consultations on this issue and discussions with the federal Government and Native people as was outlined in the presentations we heard here at the committee. We recognize that what is being done in this Act is removing a provision that has existed in the statutes of Manitoba since 1873—117 years.

In 1873, a section of the Act stated that real estate shall be exempt from taxation under this Act. (3) Real estate vested in or held in trust for any tribe or body of Indians. In 1891, it was changed to read lands held in trust for any tribe or body of Indians. That has existed in this province for 117 years. Therefore we think that if it is going to be removed, there should be some discussion and negotiation. Clearly, we do not feel that municipalities should be out of any revenue.

As was stated the other day in the presentation by Mr. Jack London, there were comments that he made. He said clearly there is no empirical evidence, data, to show that municipalities are losing a great deal of revenue. There is the case in Thompson where there are three properties. There are no other cases in the province where municipalities have had sacrificed revenue up to this point.

So therefore, one additional year will not cause undue hardship on municipalities, but it will give the Minister and the Government an opportunity to undertake discussions with the federal Government, with Native people, as clearly outlined in the second amendment that I have here, to ensure this matter is addressed during that intervening year. We would hope the Government would pursue that in good faith, but there is of course nothing binding there. It simply says it gives it one more year before it is removed. I think that is fair under the circumstances. It gives the Minister and the Government an opportunity to do what we believe they should have done over the past year and which they neglected to do. That was undertake major discussions on this issue before removing it from the Bill. That is why we are moving this.

We think it is fair from that point of view to ensure that discussions and negotiations take place and at the same time it recognizes the historical fact, a fact that we should never deal with lightly here around this table, that in legislation this exemption has existed for 117 years in statute. Thank you, Mr. Chairman.

**Mr. Chairman:** Thank you, Mr. Plohman.

**Mr. Penner:** In my view, this amendment that is being proposed by the Honourable Member for Dauphin (Mr. Plohman) is out of order as it imposes a financial implication by way of exempting through the reduction of the ESL to the province on properties that are going to be exempted from taxation. Therefore, it would be my view that this section would be out of order.

**Mr. Chairman:** Thank you, Mr. Minister.

**Mr. Elijah Harper (Rupert's Land):** Maybe the Minister could clarify the original intent of the legislation. I wanted to ask the Minister what is the purpose of excluding that provision that was contained for exemptions for the body of Indians or tribes of Indians as worded in the old Act. Why do you exclude that in this piece of legislation? What is the purpose or the intent?

**Mr. Penner:** Mr. Chairman, this has been probably one of the most difficult parts of this Bill. I recognize full well the concern that the Native community has in respect to the removal of Section 2(2)(b) from The Assessment Act in this manner. I also respect that, in order for communities to be able to provide services to all members of the community in an equitable manner, there must be an ability for the community to be able to extract funds to provide those services from properties.

Therefore, it is my view that we must allow our communities in Manitoba, in all parts of Manitoba, an equitable way of deriving revenues from properties for the provision of services to all members of the community. I believe that the removal of 2(2)(b) does provide all members of communities with the services that are required in those given communities.

**Mr. Harper:** Yes, is the Minister saying that there was no aboriginal right contained in the previous legislation at all? Is the Minister saying that the aboriginal right that is contained there now is being withdrawn by the provincial Government? Is that what you are saying?

\* (2120)

**Mr. Penner:** What I am saying, it is my view that the Section 2(2)(b) was not intended to exempt properties in communities from taxation; therefore, it is our view that the removal of this portion of the Bill does in fact not impose upon the Native community an exemption or a perceived exemption that was indicated by the community. Maybe what I should do, Mr. Harper, is ask legal counsel to give you their view of a legal interpretation of that Bill if it is what you wish. Counsel.

**Mr. Harper:** I guess I will wait for the amendment.

**Mr. Chairman:** I am sorry, the—

**Ms. Flood:** As I understand the question being put is whether by not including the provision in the new Bill whether that is an indication whether the exemption under the current Municipal Assessment Act existed. Just so that I understand—I am not sure if I have the issue exactly straight.

**Mr. Harper:** Maybe I might clarify the issue. The issue is that the Indian people have always felt that a result of the special status they have enjoyed, not necessarily being treated differently, but rather the unique relationship that the Indian people have with the rest of the country. In 1982 when the Constitution of Canada was passed Indian people got the recognition for existing aboriginal and treaty rights which by treaties or through other means that they have acquired through that period of time or recognized. So as a result of legislation that we passed for recognition of those rights at that time in 1873 certainly exemptions for Indian people, lands or real estate vested in, or lands held in trust for Indians were certainly the rights aboriginal people recognized. Since then they have been contained in a Constitution, recognized as "distinct." What I am asking is that by removing that process does this Government feel that they do have a Constitutional right to remove that section?

**Ms. Flood:** Mr. Chairman, my understanding is, and I am not a constitutional law expert, with respect to the 1982 Act, as pointed out by the counsel to the First Nations yesterday that it did preserve, if you will, aboriginal rights and treaty rights. My understanding is not that by that Constitutional Act that any statutory provision which granted rights to Indians, or First Nations people, were preserved. I do not think there are any decided interpretations on that provision, that by virtue of having been a statutory benefit, or statutory provision affecting Native peoples specifically, that that is in fact an aboriginal or treaty right under the 1982 Act.

**Mr. Harper:** I was wondering whether—I sort of, not being a lawyer—

**Mr. Chairman:** Excuse me, Mr. Harper. Can you pull your mike up a little closer there. Thank you.

**Mr. Harper:** Not being a lawyer I think maybe we should seek more advice on this and try to establish it. I do not believe the Province of Manitoba has that right to withdraw any kind of aboriginal rights that the aboriginal people have acquired. Certainly, if the Minister would have met with the aboriginal people, there would have been a lot of clarification made in respect to that. I am sure that the aboriginal organizations would pay their share of taxes for the services that they receive.

I have had discussions with a number of these people and they have indicated that they are willing to pay their fair share of taxes. We have presently in the City of Thompson 40 residential units, Keewatin Housing. None of those people have claimed exemptions. The only exemptions they have claimed for is for the student buildings that are being utilized by the aboriginal people. In a sense they are not asking for a blanket cover for every property that they have. They realize that they have to pay for their fair share of property taxation.

I am sure that the Minister could come to an agreement with the aboriginal organizations to cover those costs, and I am just wondering too why there has not been any overture made by the Minister to the Native organization so that this thing could have been

resolved prior to being introduced in the manner that it is being presented.

**Mr. Penner:** First of all, I respect what the Honourable Member is saying. However, I would like to make it very clear to the committee that I have indicated publicly many times that I would meet with any organization, whether Native or otherwise, to discuss any aspect of this Bill. I have never indicated to any of the Indian Bands or organizations that I would not. The Dakota-Ojibway Tribal Council came in to meet with me on this matter and I appreciated that. We had an excellent discussion on this matter. I have indicated, through your leader, sir, to try and establish a meeting with the tribal chiefs on three different occasions, and your leader indicated that he would attempt to do so.

It is my information that that approach has not been made to the tribal chiefs. I have sat very quietly listening to the abuse by various people on this matter. I will not sit by quietly any longer, because I had made numerous approaches to attempt to establish and set up a meeting with the Keewatin Tribal Council.

**Mr. Harper:** Yes, I have met with a lot of the Indian organizations myself, and there has been, as indicated in this committee, a letter that has been forwarded to the Minister, and there has been not a response from this Minister, according to the presentation by the Assembly of Manitoba Chiefs. Certainly, if a letter has been written on their behalf to make some overtures to the Minister, and if there has not been a reply to that, I would assume that this Minister is not interested in meeting with the people who were mentioned. I hope that the Minister would see fit to have further discussions on this issue, because I feel at this time that this committee, or this Government, does not have the right to remove the legislation provisions there that recognize the rights of the aboriginal people.

Now I would attempt to maybe get more information on it as to what the legal status might be, but, according to the presentations made, you are certainly treading on—this Government proceeding the actions as being unconstitutional.

**Mr. Chairman:** Thank you, Mr. Harper. Mr. Roch, did you have a question?

**Mr. Roch:** Just a few comments, Mr. Chairman. I certainly do not disagree with the remarks that were made by Mr. Plohman and Mr. Harper, and I certainly do not agree with the Minister's comments that expressing views on this matter is abuse. Whether there is a lack of communication or not, that is why we are all elected here is to state our views, state what has, and has not, happened. There may be misinterpretation at times, but I certainly do not view that as abuse.

I would like to point out here that I think the real struggle here is a constitutional one. Who is responsible for those monies to local governments? I believe that the struggle here is with the federal Government. I believe that if these lands are indeed held in trust by the Crown, if these lands are indeed a federal responsibility, then the federal Government—despite

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the fact that the Minister has sent on to me, sometime back, a copy of a letter from the federal Minister of Indian and Northern Affairs, essentially what that letter said was that, to use layman's language, they wash themselves of it.

But I still maintain that these local organizations which are entitled to remuneration for the services they provide have to have it from somewhere. If, indeed, it is deemed by the courts that the Indian Bands or Tribal Councils are not liable for these taxes, then the federal Government has a constitutional obligation to compensate local governments for this loss of revenues, if that should happen. I believe that the provincial Government has not made a case for this, and I believe it is incumbent upon this Minister to see to it that this does happen to prevent a potential long legal battle over this matter. Thank you, Mr. Chairman.

**Mr. Chairman:** Thank you, Mr. Roch. Okay, it is my opinion—Mr. Plohman, yes.

**Mr. Plohman:** Mr. Chairman, I would like the Minister, before you make a ruling on the Minister's statement that he believes this is out of order, to explain - (interjection)- Well, just before he does, I would like to ask the Minister, since he made the statement that this is out of order, this affects revenue of the province, to explain how this affects the consolidated revenue of the province—consolidated fund.

\* (2130)

**Mr. Penner:** It is my view that, through the Public Schools Finance Board, the province would incur a loss of revenue by the amount that would be applied through the Education Support Levy. Those revenues would be lost to the province by the exemption of the properties from taxation or from assessment as requested by the amendment that is being proposed here.

**Mr. Plohman:** Yes, which is a perpetuation of the status quo for the one-year existing situation. It certainly does not impact on the consolidated revenue to any greater degree than the current situation. Is that right?

**Mr. Chairman:** Mr. Manness, did you have a comment?

**Mr. Manness:** Mr. Chairman, Mr. Plohman is partially right, but given the fact that the exemptions have not been used to the utmost potential, there still is potential for a greater loss to the Public Schools Finance Board over the next year.

**Mr. Chairman:** Under Beauséjour 698, clause (7), an amendment is out of order if it imposes a charge upon the Public Treasury, if it extends the objects and purposes, or relaxes the conditions, and on the basis of the Minister's representation that the effect of the amendment is to increase the charge in the consolidated fund, so it is the view of the Legislative Counsel that the amendment is out of order and requiring Royal Recommendation. I have no other alternative but to rule that the amendment is out of order at this time.

**An Honourable Member:** Challenge the Chair's—

**Mr. Chairman:** The ruling of the Chair has been challenged. Shall the ruling of the Chair be sustained? All those in favour please say "yea". Ready for the question?

**An Honourable Member:** Mr. Roch was not able to hear your statement, Mr. Chairman.

**Mr. Chairman:** The ruling of the Chair has been challenged. Shall the ruling of the Chair be sustained? All those in favour - (interjection)- Mr. Plohman.

**Mr. Plohman:** I think at this point that I will just withdraw the challenge and leave it at the ruling of the Chair.

**Mr. Chairman:** No more discussion. Do you want to withdraw the amendments, Mr. Plohman?

**Mr. Plohman:** No, I do not have to, you ruled them out of order. I have moved them and I believe that these amendments should be put forward.

**Mr. Chairman:** What is the will of the committee? We now have 17(1) here. Is it the will of the committee to deal with 17(1) now, or should we continue and deal with it later? Distribute it and deal with it now? Mr. Penner.

**Mr. Penner:** I would move, Mr. Chairman, that Section 17 be amended by the following clauses as it has been indicated previously in both languages by myself.

**Mr. Chairman:** On the proposed motion of Mr. Penner, That section 17 be amended by adding the following subsections after subsection (1):

**Farm Property:** farming purposes  
17(1.1) A registered owner of Farm Property may request an assessor to determine the Farm Property assessed value of the property on the basis of its use for farming purposes and where so requested, the assessor shall thereafter, and for so long as the property is used for purposes that are prescribed as farming purposes, determine the Farm Property assessed value of the property, in relation to the applicable reference year, solely on the basis of use for farming purposes as prescribed under subsection (1.7).

Il est proposé que l'article 17 soit amendé par adjonction de ce qui suit:

**Biens agricoles - fins agricoles**  
17(1.1) Le propriétaire inscrit de biens agricoles peut demander à un évaluateur de déterminer la valeur d'usage agricole de ses biens agricoles en fonction de leur utilisation à des fins agricoles. Par la suite et tant que les biens sont utilisés à des fins agricoles désignées comme telles par règlement, l'évaluateur fixe la valeur des biens agricoles par rapport à l'année de référence applicable, uniquement en fonction de leur utilisation aux fins agricoles désignées en application du paragraphe (1.7).

Section 17(1.1)—pass; Section 17(1.2)—pass; Section 17(1.3)—pass; Section 17(1.4)—pass; Section

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17(1.5)—pass; Section 17(1.6)—pass; Clause 17(1.7)—pass; All of 17 as amended—pass.

Before we move on, we have three amendments there, one by each Party on Section 17. Because the section that we passed covers all the amendments that we had presented yesterday, could we have these amendments withdrawn by Mr. Penner, Mr. Plohman and Mr. Roch? Mr. Plohman.

**Mr. Plohman:** It seems that several of those amendments were tabled for discussion purposes, and were not formally moved.

**Mr. Chairman:** Yes, they were presented, so they have to be withdrawn according to the Clerk.

**Mr. Plohman:** Well, which ones were made? I do not recall us moving all of those amendments.

**Mr. Chairman:** Do you want me to read it, Mr. Plohman?

**Mr. Plohman:** Well, Mr. Chairman, I do not believe all three were moved at the same time. That would have been totally out of order. We were dealing with one issue. There may have been one moved; others were brought into discussion and tabled, but were not formally moved. Therefore, they do not exist.

**Mr. Chairman:** Okay, the only one, I guess, that was moved was Mr. Penner's, and he withdrew his. Mr. Roch's and Mr. Plohman's are automatically not presented, so you do not have to withdraw them. They are obsolete at this time.

Okay, we will go back to Clause 21 then. Shall the clause pass—Mr. Plohman.

\* (2140)

**Mr. Plohman:** Section 21, I just wanted to ask if there were changes from the existing Act, on "Real property general exemptions."

**Mr. Chairman:** Mr. Minister?

**Mr. Penner:** No.

**Mr. Chairman:** No, apparently not.

**Mr. Plohman:** Well, Mr. Chairman, was there the one dealing with land held in trust for Indians? Was that in this same section?

**Mr. Penner:** The section dealing with lands held in trust has never been part of this Bill. As this is a new Bill, it has never been part of this Bill. Therefore—

**Mr. Plohman:** Let us not play politics here. I asked a clear question as to whether there is anything in "Real property general exemptions," Section 21, from what is currently in The Municipal Assessment Act.

**Mr. Penner:** No, there is none, except for 2(2)(b), as you imply.

**Mr. Plohman:** 2(2)(b) being the one dealing with lands held in trust for Indians?

**An Honourable Member:** That is correct.

**Mr. Chairman:** Shall the clause pass—pass. Clause 22(1), Real property partial exemptions. Shall the clause pass? We have an amendment to 22(1). Can the amendment be distributed? Mr. Roch.

**Mr. Roch:** I move

THAT clause 22(1)(d) be amended by striking out "4.047 hectares" and substituting "four hectares".

**Mr. Chairman:** Just a minute. You want to propose an amendment? Can you just wait? The Minister has one, and I recognized him. His is being distributed.

**Mr. Roch:** I thought you recognized me.

**Mr. Chairman:** No, I thought you wanted to comment on something.

**Mr. Roch:** I was going to comment that I would like to make an amendment.

**Mr. Chairman:** I am sorry, but you will have to wait until the Minister presents his. Mr. Penner.

**Mr. Penner:** Mr. Chairman, I would move

THAT section 22(1)(1) be amended by striking out "section 23" and substituting "subsection 23(1)".

**(French version)**

Il est proposé que l'alinéa 22(1)1) soit amendé par remplacement des termes "à l'article 23" par "au paragraphe 23(1)".

**Mr. Chairman:** On the proposed motion of Mr. Penner, that Clause 22(1) be amended by striking out "section 23" and substituting "Subsection 23(1)" with respect to both the English and French texts—pass.

Mr. Roch, you had an amendment. Is it distributed?

**Mr. Roch:** It should be there, yes. I move that clause 22(1)(d)—

**Mr. Chairman:** Can we wait until it is distributed, please?

**Mr. Roch:** I think it is in the process of being distributed.

**Mr. Chairman:** We do not have a copy up here. Okay, Mr. Roch, carry on.

**Mr. Roch:** Thank you once again, Mr. Chairman. We will try one more time. I move

THAT clause 22(1)(d) be amended by striking out "4.047 hectares" and substituting "four hectares".

THAT clause 22(1)(f) be amended by striking out "1.62 hectares" and substituting "two hectares".

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THAT clause 22(1)(g) be amended by striking out "8.09 hectares" and substituting "eight hectares".

THAT clause 22(1)(h) be amended by striking out "0.81 hectare" and substituting "one hectare".

THAT clause 22(1)(i) be amended by striking out "0.81 hectare" and substituting "one hectare".

Mr. Chairman, the purpose of these amendments is, I believe that when this Bill was presented, it was probably literal, not a translation, but it went from conversion from imperial to metric. I believe that it would be more sensible to have them in rounded figures as opposed to having all these odd fractions throughout here and there. I think it would be much more convenient for reference sake.

**Mr. Penner:** Well, although I concur with what the Honourable Member is saying that in fact this should happen, I think we would all like to see it happen, however, the technicalities of our measuring system of the old way of measuring land, and how everything is divided by feet and yards in lots and acres in the province, simply make the suggestion an almost unbearable or untenable situation. If you want to do that you can, but it will lead to some very small pieces of land left over in some instances at some time when we in fact try to comply with in this matter.

\* (2140)

It is probably somewhat interesting, and I am sure the Honourable Member is aware, that in rural Manitoba, for instance, if we would want to do this or indicate that instead of having 160 acres, even hectares, we would find little chunks of land left over all over the place. I am not quite sure how we would deal with those under the metric system. It would appear to me that there would be a portion of a hectare left somewhere to deal with under this Act. We are similarly trying to comply with that matter under this Act, and that is why the reference indicating that it is actually in numbers of acres that you are dealing with.

**Mr. Roch:** Okay. The purpose of this amendment was to simplify things and not make it more complicated. I have a question here. If, indeed, by rounding off this way, it causes for little bits and pieces all over the place, I am just wondering, is the Government legally obligated to introduce this in metric form, or given the fact that some of these acreages are already set out in the old imperial version that they could not have been introduced here in the imperial version? I am not sure if the Minister is absolutely correct on this one.

**An Honourable Member:** No, he is not correct on that. That is not the answer at all.

**Mr. Chairman:** Mr. Minister, did you want to comment on his—

**Mr. Penner:** Well, 4.047 hectares happens to be 10 acres.

**Mr. Chairman:** Mr. Taylor, did you want to have a comment?

**Mr. Penner:** Mr. Chairman, it would seem almost impossible in some areas of the City of Winnipeg, for instance, to comply with the request to have even hectares without having some properties, strips of properties, left over in measurements.

**Mr. Taylor:** Mr. Chairperson, what we have here is an exempted acreage converted in hard conversion to metric. I believe that is what the Act contains. The issue is whether you wish to sustain this nonsense of hard conversion or you wish to put round numbers in the metric system, which is the system of measure of the country. All right.

Now that is not talking about the division of land as it was originally laid out, going back a hundred odd years. What it is is that somebody has taken the number 10 acres and saying 10 acres is what we think is about the right number. So, instead of making a soft conversion into what the measurement system of the country is, which is the international system, they have done this hard conversion. There is no point in it, quite frankly, because there is no absolute to the 10 acres in the first place. All right?

It is something that has been determined as roughly appropriate. I would like an explanation different than that from the assessor himself if that is possible.

**Mr. Penner:** First of all, I suppose if we cannot make the argument that we should comply with the standard measure under this Act in this way, then I would, I suppose, have to propose that the amendment is, in fact, out of order because it does imply the changes in revenue or the additional expenditures of money by the province via the additional exemption on Clause 22(1)(h) by striking out 0.81 hectares and substituting one hectare, which is an additional amount of land that would be added to exemption and, therefore, would cause further additional expenditures to the province.

**Mr. Taylor:** Mr. Chairperson, the Minister can try to do that if he wished, and he may succeed. However, if he wishes to take a rational approach to this, he will then explain to the committee through the aid of his staff why the number that is contained—and we can use the hospital as an example—why 4.047 hectares, i.e. 10 acres, is the absolute right answer that the exemption should be.

It has nothing to do with land measurement. In fact, as it appeared when we heard from the delegations, it has nothing to do with the reality of the hospital lands that should be exempt. Therefore, for the Minister to take a hard line on sustaining the hard conversion of the *Système Internationale*, which was in place in this country for the last 13 years, as opposed to a soft conversion, really makes me wonder.

**Mr. Chairman:** Mr. Cummings, did you want to answer that?

\* (2150)

**Hon. Glen Cummings (Minister of Environment):** I am not going to answer the question directly. I simply

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wish to make a comment on the hard conversions. There might be specific instances where this line of thinking would not apply. I rarely can see that, but when we are looking at exemptions that are historical exemptions, and where they have not been modified, if you do not give them a hard conversion you will probably find somewhere that there will be a school property or a hospital property that would have been deliberately chosen for its size in order to be eligible for the previous exemption and now, if the conversion were not exact, could run into a problem. If they were slightly over it would be a problem because there could be a strip, a small number of feet, that would suddenly not be exempt because the hard conversion was not done.

I submit that it is a small point. I would ask the Opposition Members to—

**Mr. Chairman:** Just one minute, Mr. Cummings. We seem to have two conversations going here at the same time. Mr. Taylor, I wonder if you would listen to your answer here. Mr. Cummings, continue.

**Mr. Cummings:** Mr. Chairman, it is obvious that the Members are not enthralled with my explanation. I would simply suggest that making the hard conversion does make sense in certain instances. If the Member wishes to break down each clause, he could probably make a case that some of them need not be on the hard conversion.

**Mr. Chairman:** Mr. Brown, would you like to—or Mr. Manness, I am sorry.

**Mr. Manness:** Mr. Chairman, I just want to indicate to you, as the Chair of this committee trying to bring it to order, I was giving the same explanation directly to Mr. Taylor.

**Mr. Chairman:** Okay. Thank you, Mr. Manness.

**An Honourable Member:** Is there a problem with this or not? Out of order or not? What is it, Mr. Chairman?

**An Honourable Member:** It is out of order.

**Mr. Chairman:** It is out of order?

**An Honourable Member:** Yes.

**Mr. Taylor:** Mr. Chairperson, I recall when there were delegations from MAST and before that from the Manitoba Health Organization, I think it was probably on our first day of hearings for the latter group, this whole issue of exemptions did come up and there was a lot of nodding of heads around the table about these exemptions. Serious discussion was held right at the time the delegations were here around the table in private conversations, and some through the mike and through the Chair to the effect that potentially exemptions on school properties, educational institutions, and hospitals should be total. I am just a little surprised that is not what we see here.

**Mr. Plohman:** Are we still dealing with Mr. Roch's amendments dealing with conversions from—

**Mr. Chairman:** Yes, we are, but I am going to rule on it right away.

**Mr. Plohman:** I would just ask before you do that, Mr. Chairman, for the staff to indicate why this would cause a problem. If you are going to rule that it is going to cost the province money, however minute it might be, then that is one issue. If it is dealing with something the Minister says is not very easily implemented, then I think we should get an explanation from the staff as to why that will make it difficult to implement, why it would make it difficult to measure those hectares, those sizes.

**Mr. Chairman:** Okay. We are going to get the assessor, Mr. Brown, to explain this.

**Mr. Brown:** The question was the technicalities of the conversion or why it was not a direct conversion. I am sorry.

**Mr. Plohman:** No. We know it was a direct conversion from the English system to imperial or whatever it might be—imperial to English. What we are saying, Mr. Chairman, is that once we have done that, why is it necessary to have that direct conversion as opposed to using the metric measurements in the first place?

**Mr. Brown:** The answer is far less exciting than the debate, I am afraid. The first significant number of drafts of this legislation were done in imperial until we were advised, in one of the latter drafts, that it had to be in hectares. At that point in time, it is not a small consequence to move to rounding off, in that it actually affects the amount of land to be exempted by the structures in question.

At that time, it was deemed that we would stick with the status quo of the land area in question, rather than considering whether an additional acre, or whatever it might be, three-quarters of an acre, something should be granted to an exemption that already existed on a two-acre exemption. That was the reason the changes were as they are here.

\* (2200)

**Mr. Plohman:** Would that mean that, in order to determine where there is a limit to the exemption by these values, these numbers, there would have to be a survey done, another survey to determine precisely how much land is affected or in costs involved in doing that? Or is it just a matter of going through and using the metric system, metric measurements—and yes, it alters because those are arbitrary measurements?

I think it is quite clear to all of us around here that when you move from four acres to 10 acres that is an arbitrary figure. It is just more than it was before. There is nothing wrong with going to a rounded hectares figure, unless there are costs involved and complications in terms of determining how much that is for an individual parcel.

**Mr. Brown:** There are two issues, I suppose. There is the technical issue, in that we would have to go back

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and recode properties to grant them additional amounts of property for exemption. The second issue is the policy issue of whether in fact there is a desire to grant an additional amount of exemption, which is not a staff consideration.

**Mr. Roch:** Just on that last point, is there a policy issue? I think that when the Government decided to go from imperial to metric, I believe that it goes without saying that those policy issues would change. If you are going to go to a different system of measurements, I think the intent over the long haul is to have them as even as possible. Yes, no, maybe?

**Mr. Plohman:** Before you make your ruling, may I ask the Minister why he does not think this is a good thing to round off in the metric measurements?

**Mr. Penner:** As I said at the outset, in order to conform with the properties and the measurements that have been traditionally used by institutions across this province, it is advisable to continue in a uniform manner the measuring of properties via the institutions that are exempted by these properties, and therefore the concurrence with the imperial measurements is implied here.

**Mr. Chairman:** The Minister would like to explain for one more time the rationale, why we have to stick to the—Mr. Minister.

**Mr. Penner:** It is my view that in order for institutions that are exempted by this provision of the certain measurements of properties, it needs to conform with the way they have traditionally measured those properties. If we do not, then we would cause, in some areas I suppose, considerable expenditures to incur by asking for new surveys and measurements of properties and probably the purchase of additional properties, or even to having to rid ourselves of little strips of properties some way by these institutions. Therefore I think it is advisable this Act should try and maintain a standard measurement, and not incur expenditures to these institutions by the additional processes that would have to be embarked upon.

**Mr. Chairman:** Mr. Roch, you had a question? Or are you satisfied with the explanation?

**Mr. Roch:** I am waiting for your ruling.

**Mr. Chairman:** Okay. I will have to rule the amendments out of order on the fundamental because they do in fact affect the consolidated fund and create expenditures by the province or by the properties affected.— (interjection)— Just a minute. Okay. Mr. Plohman.

\* (2210)

**Mr. Plohman:** Just for clarification on your ruling. If the rounding off was down then to a smaller exemption, you would have to rule it in order, would you not, under your reasoning? If it is rounded off larger so that the exemption is greater, then it affects the consolidated

fund to a greater degree, and therefore it is out of order. Is that the basis for your ruling, Mr. Chairman, that it is a greater exemption being asked for here in these amendments than what was printed in the Bill?

**Mr. Chairman:** No, not really. Because the Bill does pertain to certain properties that are already existing, changing the size of those properties would in fact cost an expenditure of money. Mr. Roch.

**Mr. Roch:** What you are saying, Mr. Chairman, is, for example—

**Mr. Chairman:** Just a minute. I would suggest we have a five-minute recess while Legislative Counsel comes up with the proper wording here.

### RECESS

**Mr. Plohman:** Others may have other comments about whether we want to finish tonight. I do not think that we are in any event. I believe that the Chair is having some difficulty in determining whether this is in order or out of order. We should hold this over to the next sitting, have an opportunity for the Minister to determine whether in fact—. Whether this is out of order or not, is not the question here because, if the Minister believes that this is a good thing, he can bring it in himself.

As to whether there is perhaps a different conversion that would not affect the property in question to the same extent that this conversion is—this statement in metric is substantially different than the converted figures. For example, .81 hectares is quite significantly different than one hectare, and therefore there may be implications that are awkward. It may be that the Minister wants to consider whether in fact there is another figure that should be used as opposed to “one” that would be more appropriate after having some discussion with his staff on that. I would suggest that the Minister may want to consider this further.

The Chair may also want to consider further as to whether it is in order or not, and if that question is going to be considered, I would ask that the Constitutional Law Branch and Ms. Shirley Strutt who is here today would provide an opinion to this committee as to the admissibility of any of the amendments dealing with exemptions because it could be argued that every change and exemption that is moved or recommended by Opposition Parties here would be ruled out of order on the basis that it has a direct impact on the Treasury which is the Beauchesne's terminology.

We would like to have it shown clearly by legal counsel how this would directly affect the consolidated fund. If that case is made, then we are clear in all cases here with regard to exemptions, whether this committee has jurisdiction to deal with those, if they are not coming from the Government.

**Mr. Chairman:** Thank you, Mr. Plohman. Just a minute. Okay, we will hear from Shirley Strutt, Legal Counsel. We can use that one, okay, we will use that mike.

**Ms. Shirley Strutt (Legislative Counsel):** Mr. Chairman, I just wanted to indicate that in terms of

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the Chairman's ruling, there is no doubt that if the effect of the amendment is to increase the charge on the consolidated fund the amendment is out of order.

In terms of our deciding whether the effect of the amendment is to increase the charge on the consolidated fund, we have to rely on the Minister to explain to us and his officials precisely how the movement of money works. I wanted to make that point, because I did not want to represent that there would be a legal opinion that would provide that kind of information.

**Mr. Taylor:** I would suggest, Mr. Chairperson, that this motion moved by Mr. Roch be set aside for the moment or reserved until such time as Legislative Counsel supplies a legal opinion on the matter.

**Mr. Chairman:** She just did.

**Mr. Taylor:** No, she said that she could not give a full opinion on it until she had the rest of the information from the officials. I thought that was what Ms. Strutt said.

**Ms. Strutt:** What I was trying to say was that the opinion definitely is if the effect of the amendment is to increase the charge on the consolidated fund, it would be ruled out of order as requiring a Royal Recommendation. In order for the committee to know whether that is the case and the Chair to know whether that is the case, the Minister and his officials will have to explain to us how exactly that money moves, in order that we might all be satisfied that there is a charge on the consolidated fund as the result of the amendment.

**Mr. Chairman:** Mr. Minister, would you like to explain?

\* (2220)

**Mr. Penner:** First of all, if, as the amendments imply, it would cause some of the institutions that are referred to here by the exemptions that they are located on, of the properties—might imply that they would have to acquire additional properties and whether they be a hospital or a school, they might have to meet the demands of the Bill as being proposed, might have to incur expenditures by acquiring properties to conform with measurements as dictated by the Bill in some areas. Therefore it would be my view that it would impose an expenditure through either the Hospital Service Commission, the public schools process, impose an expenditure on Government in providing those funds that they might be able to comply with the amendments being proposed here.

**Mr. Chairman:** Mr. Roch, you had a question?

**Mr. Roch:** I was going to ask the Minister to point out how, I think he just did that—

**Mr. Chairman:** He just did that. Mr. Patterson.

**Mr. Patterson:** I must admit it seems to me at times we are arguing about how many angels can dance on

the head of a pin. At any rate, this legislation is permissive, it is not—hectares or acres—this legislation here is permissive, it is not compulsive.

The Minister just talked about some institution having to go and acquire more land in order to conform. That is not so. This merely says that various institutions are tax exempt up to some maximum as determined arbitrarily many decades ago as has been pointed out before. Very simply, I would suggest, I am not moving an amendment, but if one conversion such as this that are permissive are made, if they are merely rounded consistently up, say, to the next half-hectare so that the 47, instead of being rounded down to four, is rounded up to 4.5. That is merely a maximum that each institution may be exempted if it has that amount of property; it does not have to go out and acquire it. Now, if any new institutions are set up, they might well go to that maximum. However, I will climb out on a limb and assert that there is not .0001 probability of any institution that now has an exemption of, let us say 10 acres, the 4.047 hectares, if that is rounded up to four and a half hectares, of any such institution going out and acquiring more land in order to be tax exempt.

**Mr. Manness:** Mr. Chairman, I hope that I can help the situation. I hope I will not make it worse. The legislation, as it is written, reflects our traditional view as to the measurement system that exists in real life today in Manitoba. Yes, the conversion was hard and there was no magic associated. It was a policy made by Executive Members of Government who sat around a table like this and decided the numbers would be basically 10 acres, for various reasons, 10 acres with respect to hospitals and some of the other corresponding determinations.

What Members are advocating by rounding up, either to the next half, in a hectare sense, or a fraction of a hectare by way of the amendments as put forward by Mr. Roch, is that they are indicating their request to the committee for support of that position. That may very well cause the exemption of some additional properties, institutional properties, from taxation. That has an impact, an impact quantifiable upon the Treasury indirectly, but very much so on the Treasury of the Province of Manitoba.

The numbers that were here have been quantified as to the impact on the Treasury. If Members in the committee are saying, in spite of the fact that they are arguing degree now, that there should be a rounding up or there should be an increase to make it a whole hectare, that we as Executive Members of Government should now accede to the request, Mr. Chairman, I say that in itself is out of order, by degree, if for no other reason, because I can say here, with all certainty, it will have some impact on the Treasury. The impact will not be large, but it will have impact and I say to you, because Government has prepared the Bill in its present form, and its reference to hectares and some portion thereof, that I would hope that Members of the committee would see fit to support the Government's viewpoint as stipulated in the Bill.

**Mr. Chairman:** Thank you, Mr. Manness. Is it the will of the committee that we table this until tomorrow or

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table it until a further session or until later or reserve it, not table it? Mr. Plohman.

**Mr. Plohman:** Well, there are a couple of motions on the table. The motion that was put was the amendment, and if the Chair does not rule that out of order then he has to call the question on that, I would think. If we are going to vote on it, then it is not precedent setting insofar as other amendments on exemptions. I would be prepared to deal with it in that way, but that is not going to make the problem go away, because we have other amendments dealing with exemptions that will have impact on the Treasury according to the argument made by Mr. Manness.

Therefore, we still need that legal opinion as to how the impact will be had on the consolidated fund, otherwise that argument can be used at the discretion of the Minister and the Government on every single exemption amendment proposed by the Opposition. We want to know whether that is going to be the case or not and if it is, then we will only have persuasive powers insofar as indicating to the Minister that we think he should be making some changes and leave it at that, never mind the amendments.

**Mr. Chairman:** Thank you, Mr. Plohman. As Chairman, I will withdraw my ruling that it was out of order, and we will deal with the amendment as presented then. We will deal with the motion before we entertain any more questions. We will deal with the motion first. You will have an opportunity when I read the amendment to speak on it.

On the proposed—

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**An Honourable Member:** On a point of order, Mr. Chairperson.

**Mr. Chairman:** On a point of order, Mr. Taylor.

**Mr. Taylor:** Would a tabling motion not take precedence?

\* (2230)

**Mr. Chairman:** No, your amendment takes precedence over anything else now, your motion, the one by Mr. Roch. We have to deal with this before any other amendments can be made at the present time.

**An Honourable Member:** On a point of order.

**Mr. Chairman:** On a point of order, Mr. Taylor.

**Mr. Taylor:** I am not moving any amendments to this motion. I am moving a motion that would in the interim set aside the motion of Mr. Roch until such time as further opinions can be brought to the table. Then we can go on and deal with other issues. That would be the intent, to get at something else tonight. It is not an amending motion per se. I would have thought that a motion of that nature would take precedence and

would have to be dealt with one way or the other. If it is defeated, then we go back and deal with it as is your wish; if it is not, then we set it aside and we go on and do some other clauses.

**Mr. Chairman:** Is it the will of the committee by unanimous consent to set aside this amendment until a later date? That is what I need. Is it the will of the committee? We need unanimous consent. Agreed. Is it the will of the committee that we set this aside until a future date?

**An Honourable Member:** It was agreed unanimously.

**Mr. Chairman:** It was agreed unanimously? Okay. Agreed. We will carry on.

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**Mr. Chairman:** Before we proceed I would like to get some indication from the committee on what our adjournment time will be for this evening. What is the will of the committee?

**Mr. Plohman:** Mr. Chairman, I would suggest that if we can continue to make, or I should not say continue, but if we can make progress until midnight I think we should sit till 12.

**Mr. Chairman:** Thank you, Mr. Plohman. We will continue. Before we continue we have another problem here. Mr. Roch has a proposed amendment on 22(1) from yesterday. What do you want to do with this, Mr. Roch?

**Mr. Roch:** Yes, if I recall correctly this amendment was taken care of in that compromise, that all-Party resolution or amendment, which came under the Minister's name, which had to do with the land for agricultural purposes. Am I correct?

**Mr. Chairman:** Right, correct.

**Mr. Roch:** Through the Chair, I am asking the Minister if what is contained in this particular amendment is indeed contained and reflected in the more comprehensive amendment brought forward by yourself.

**Mr. Penner:** Yes.

**Mr. Roch:** Thank you.

**Mr. Chairman:** So you withdraw?

**Mr. Roch:** I withdraw the amendment.

**Mr. Chairman:** Thank you. Okay, we will leave Section 22(1) then until further—

**Mr. Plohman:** What we did was leave the amendment, we do not have to leave Section 22(1). Do we?

**Mr. Chairman:** No. We can deal with clause—

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**Mr. Plohman:** I would ask a question on—yes, we are dealing with that clause and I wanted to ask the Minister whether he has considered bringing forward an amendment on hospital property, to expand it to include all existing properties instead of the arbitrary 10 acres that the Government has chosen, expand it from four acres at the present time.

As we found out during the hearings, that would accommodate most hospitals but it will not accommodate all of them. The administrators came before us and said they did not really understand the rationale for 10 acres, that it did not meet their needs in all cases. In rural hospitals perhaps it will cover all situations but in the City of Winnipeg it will not. It does not seem to make sense, to have one situation in rural Manitoba where they are completely exempt, and yet in the City of Winnipeg they are not. I wonder whether the Minister has considered that.

It is kind of up in the air as to whether the Opposition can make amendments, move amendments dealing with changes to exemptions at this particular time, so although I would like to see an exemption for hospitals that would expand it, remove the 4.047 hectares that is there, perhaps remove it and just make it pertain to all property at the present time, hospital property. Has the Minister thought about doing that? I understood that he said that he might be doing something like that in his opening remarks on amendments. Maybe I misread it.

At the same time, Mr. Chairman, while I have the floor, I would also ask whether he has reflected on the Manitoba school trustees' request to have all school board property exempt from property tax. Now, schools are exempt to this maximum. I understand that vacant schools become taxable so that when a school is closed it suddenly becomes taxable. The support facilities like school bus garages and so on are all taxable. They made the assertion, and they put out a news release as well, January 3, saying they are calling for the municipal tax exemptions. Has the Minister attempted to deal with those two issues?

**Mr. Penner:** It is not our intention to expand beyond the amounts of property exemptions indicated in the Bill currently. It is our view that it does provide a reasonable amount of exemption, increases the exemption somewhat compared to what they were before, but does add some uniformity to the exemptions across the province. Those institutions, hospitals, that own properties over and above the 10 acres or 4.047 hectares are supported, and have to pay taxes on those properties—really have those taxes paid for out of general revenue through the health services budget. Therefore, I would concur that the added expenditures incurred by those institutions, by the additional taxation incurred by the non-exempt properties, would in fact be borne by all Manitobans instead of the imposition of those additional costs to the local Governments wherein those facilities might be situated.

\* (2240)

Similarly, as far as the request that was made by the MAST organization to organization to exempt all

properties owned by school divisions, it is not our intention to cause further exemptions, through this assessment legislation, of those properties that are now currently not exempt. In other words, we would propose by this legislation that the status quo there be maintained except for the expansion of the exemptions to school properties as indicated in this Bill. Thank you.

**Mr. Plohman:** Mr. Chairman, if the Minister is going to make that argument, that the cost should be borne by all taxpayers, as they would be under this scenario, as opposed to the local Government, then why would he have any exemptions?

If he wants to provide this funding from the general revenue, to have all taxpayers paying for it, then why have the 10-acre exemption there at all? Why bother with that at all? Just have no exemption and then make sure that there is sufficient monies flowing from the province so that all taxpayers are paying this instead of having the municipal Governments bearing that additional cost.

I do not think the Minister is being consistent if he puts that forward at all. I think it is a cleaner way of doing it. It is ensuring that the hospitals, who said that when they raise revenue from other facilities that they have, whether it be parking lots or other facilities they have which generate revenue, that they use that to supplement the grants from the Government for additional health care, improved services to patients, or the purchase of a piece of equipment, or whatever might be the case. It does save the Government money on the other side; it does not just go for some type of frill that does not find its way into health care. They clearly outlined that to us.

I think there is a rationale to just say, all the hospital property should be exempt. They also indicated—and this is an important point—if the Health Services Commission wanted to undertake some supervision or control over additional purchases, they would not mind that. There could be that control. They would not just purchase property perhaps with the realization they are not going to have to pay tax on it in any event.

I thought they presented a reasonable position. Since the Minister's explanation is not pure in any event because he is violating that principle by having these exemptions in the first place, why then will he not consider making those exemptions cleaner, insofar as dealing with all of the property that hospitals have, as is the case with the 10-acre exemption in effect for all rural hospitals?

**Mr. Penner:** As I indicated to you, Mr. Plohman, it is our view that under the legislation that is before you, it is proposed that all institutions would have an equal amount of land exempt. In other words, 4.047 hectares of property would be exempted to all the institutions, therefore adding a uniform amount of land that would be exempt to the municipality or to the local Government district or to a town or a city.

It is our view that adds a measure of uniformity right through the province in indicating the amount of land that will be exempt to the various institutions. What I

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was saying before is that those properties that are exposed to taxation over and above those 10-acres would—those additional costs to those institutions would be borne by the province and by all Manitobans. Therefore I believe the current proposal before you is a very equitable and reasonable one to apply equally across the province in these institutions.

**Mr. Plohman:** I will not move an amendment at this time to this because of the confusion over whether these amendments are in order or out of order, dealing with exemptions. Now, the Chair withdrew his ruling that the previous one was out of order. If he is indeed stating by that withdrawal that in fact he is not going to attempt to rule any of these out of order, then we can proceed on that basis. Otherwise we have to go back and get some more legal opinions on whether in fact these are out of order or in order.

**Mr. Chairman:** I believe, Mr. Plohman, if the amendment clearly is cut and dried on expenditure of public funds, that is going to increase the fundamental principal or change the amount of the consolidated fund. Then it will be clear cut that it will not be allowed. But if there are some gray areas, I think then we have to get some legal opinions on it. On the former one, they needed some time to give us a proper legal opinion, but in your particular case, where in this particular one, I believe, where there is a larger exemption, I think it is much more clear.

**Mr. Plohman:** Mr. Chairman, it does not specify—my motion would be

THAT clause 22(1)(e) be struck out, and the following substituted:

(e) is used for a hospital or used by a hospital for services to patients, staff or employees.

It does not specify a greater exemption. It simply removes the figure that is included in the existing clause. Now, you can make a ruling on that if you wish, Mr. Chairman, but that is what I would like to put forward and I will await your ruling.

**Mr. Chairman:** By taking the limit off on this—and looking at one particular hospital, in a case that I know of, which would certainly increase the amount of exemption and would change their tax status then—would change their dollar figure.

**An Honourable Member:** What did you really mean?

**Mr. Plohman:** I just want a ruling on it because I believe this is a fair type of approach, and I have indicated in argument I believe the Government should consider this, because what he calls the “uniform size” is not relevant to all institutions. Some institutions require more property to do the same functions and to carry on the same type of activities for the care of their patients as others can do on less property. It makes no sense to have that arbitrary cap. It does not create uniformity at all, it creates inequities. You have some hospitals that do and some that do not require more space than that. So I put it forward, and if the Chairman

wishes to rule it out of order then we can move on to the next one. That has to be his decision.

**Mr. Chairman:** Are you putting this forth, Mr. Plohman, as amended?

**Mr. Plohman:** Yes, I moved it.

**Mr. Chairman:** Okay. Then I will have to rule on it.

\* (2250)

**Mr. Plohman:** I read that motion into the record, and I indicated that I wish to move it. I want to say now that I consider it moved in both the French and English versions.

**Mr. Chairman:** Okay, on the proposed motion of Mr. Plohman, that Clause 22(1)(e) be struck out and the following substituted: (e) is used for a hospital or used by a hospital for services to patients, staff or employees—with respect to both the English and French texts.

According to Beauchesne’s, Citation 698, Clause 7, “An amendment is out of order if it imposes a charge upon the Public Treasury.” But here is where it extends to yours, Mr. Plohman: “if it extends the objects and purposes, or relaxes the conditions and qualifications as expressed in the Royal Recommendation.” Therefore, I would have to rule this Member is out of order.

**Mr. Plohman:** Mr. Chairman, all of these, I think, we should have clarification from the Constitutional Law Branch in writing, as to whether in fact those dealing with exemptions are in order or not. I think this committee should have that, so that we know clearly whether these are out of order. I would like to make another motion, Mr. Chairman. You could make a decision on this.

**Mr. Chairman:** Mr. Plohman, I have made my ruling but we will entertain a motion to get a letter from Legislative Counsel to cover these rulings. You would have to make a—Mr. Plohman.

**Mr. Plohman:** Yes, just to that, I would like to make that motion if it is appropriate to ask Legislative Counsel for that information, and whether that should be coming from the Constitutional Law Branch as opposed to Legislative Counsel.

**Mr. Chairman:** Legislative Counsel, I believe, is the proper place.

**Mr. Plohman:** Okay, if that is the correct place, I would move that we have such an opinion, in writing, be prepared for the committee.

**Mr. Chairman:** Okay, Mr. Plohman. You will be getting a letter from Legal Counsel then as to clarify the rulings? Is that what you want?

**Mr. Plohman:** Yes, I want the committee to receive that.

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**Mr. Chairman:** Have you other amendments, that you would want a ruling based on this?

**Mr. Plohman:** Also, with regard to this question, I expect that the opinion will provide us with more information than simply what was provided verbally, which simply stated, if it affects this consolidated fund it is out of order. We know that. We want to know how this affects the consolidated fund specifically, so that we have it clearly explained to the committee, why these are out of order. It is not enough just to simply say, if it affects the fund, because that is the essence of your rulings. We want support for your opinions on that, or non-support.

**An Honourable Member:** You have to believe us.

**Mr. Plohman:** I do not have to. I have another amendment as well, Mr. Chairman, in the meantime.

**Mr. Chairman:** Okay, Mr. Roch had a question.

**Mr. Roch:** Clarification here is—I also have some amendments I want to propose which deal with exemptions, but I am just wondering if there is any point in continuing until we do get that ruling.

**Mr. Chairman:** We can only rule on the amendments that we have so far. And that—(interjection)—only one we would be ruling on the present time is Mr. Plohman's amendment.

**Mr. Roch:** Is it possible then to somehow incorporate in a previous motion, or maybe it is there by implication, that whatever amendments may come up as of now, which may be ruled out of order by the Chair, would all fall under that same legal opinion?

**Mr. Penner:** I believe, Mr. Chairman, that the process was explained before by Legislative Counsel, that they in fact could rule on the legality of the ruling by the Chair as to the exemption. It would be, however, up to the Minister to indicate to the committee whereby the expenditure would be incurred by the Treasury. I believe the ruling has been stated, that in fact if the Minister can indicate clearly to the committee that there would be an additional expenditure by Government, then in fact the amendment would not be allowed. It could be ruled out of order. That is my understanding as to what was said before. Am I correct?

**Clerk of Committees (Ms. Bonnie Greschuk):** An increased charge as opposed to a new expenditure.

**Mr. Penner:** It would cause an increased charge to the Government because of the amendment. It is my clear view that if we in fact would proceed with Mr. Plohman's amendment in this regard, it in fact would increase the charge to the Treasury by way of making up the additional tax payable to the City of Winnipeg.

**Mr. Plohman:** Mr. Chairman, I understood that it was not a matter of the Minister providing the committee with that statement, but providing the legal people with how the flow of money works in order for them to round

out their opinion. It is not sufficient for the Minister to simply state that is his opinion. It has to be shown in some more detail as to how it would affect the consolidated fund specifically. I think that is what we need to know here.

**Mr. Chairman:** That will be provided then.

**Mr. Roch:** I really do not understand, I do not see how we can continue until those rulings come forward because they can affect a lot of the proceedings from here on in.

**Mr. Chairman:** At the present time we will be ruling on one amendment only, and that is the amendment by Mr. Plohman on 22(1).

**Mr. Plohman:** No, there are two of them. There is one dealing with 21(1)(e) dealing with—

**Mr. Chairman:** 22(1)(e).

**Mr. Plohman:** 22(1)(e) and also 21 dealing with the Native taxation issue exemption. That was also ruled out of order by yourself and it was an exemption.

**Mr. Chairman:** That one is separate though, Mr. Plohman, and that one was definitely out of order. They say there is no problem with that one.

**Mr. Plohman:** Well, there are two of them on the table that you have made a ruling on. I simply want to ask for a legal opinion to support that, from the Legislative Counsel. I am not going to move any more at this time, but I think we should go through this clause by clause and suggest to the Minister where we feel he should be making some changes. If he decides not to, that is his prerogative in the absence of us being able to make amendments. I am not going to waste the committee's time by making more amendments, but I will make arguments as to the rationale for the substance of what we would be bringing forward if we were able to make amendments.

**Mr. Chairman:** Legislative Counsel will give you a ruling on both amendments—a letter, rather. Okay, we will deal with—Mr. Roch.

**Mr. Roch:** You are saying then, if further amendments are proposed and they are found to be in the same vein, they will be ruled on one at a time. Is that what you are saying?

**Mr. Chairman:** If there are further amendments that I have to rule on, that they are out of order—

**Mr. Roch:** Right, in your opinion.

**Mr. Chairman:** In my opinion. We will give you a letter of—

**Mr. Roch:** Recommendation of His Honour.

\* (2300)

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**Mr. Chairman:** Recommendation from Legislative Counsel. Just for clarification here, there is nothing stopping you from seeking advice from Legislative Counsel at any time before you present your amendment.

**Mr. Roch:** I am trying to understand then, you have just ruled right now that this particular amendment on the hospitals is out of order because it may incur some expenses on the part of the provincial Government. Yet on the other one, where we were rounding off on the hectares, you withdrew your ruling.

**Mr. Chairman:** That is right.

**Mr. Roch:** There seems to be some inconsistency here. Why was the ruling withdrawn on the previous rule and this one? I ask because I have a similar amendment I was going to propose on hospitals. I mean, why would it be ruled out of order in this case, and you withdrew your ruling on the previous one?

**Mr. Chairman:** I would suggest, if you have a further amendment on a certain section of the Bill, that you get Legislative Counsel to have a look at it before you present it, possibly, and then you will have an idea as to whether it will be in order or not.

**Mr. Roch:** This amendment was already moved, it was ruled out of order, then you withdrew your ruling, Mr. Taylor made a motion that it be set aside and it came back. The circumstances under this particular amendment on the hospital, 21(1)(e), circumstances are the same, and yet this one has been ruled out of order.

**Mr. Chairman:** I withdrew my ruling on 22(1)(d) because there was some confusion between Legislative Counsel and the Minister's staff whether it was in fact out of order or not. So in order to give us time to clarify, that is why we put that over until the future. Does that answer your question, Mr. Roch?

**Mr. Roch:** If I understand you correctly then, you are saying that you have withdrawn your ruling, to rule on it at a future time. Is that what you are saying?

**Mr. Chairman:** Yes. Can we continue now? We will deal with section—Mr. Plohman.

**Mr. Plohman:** I would like the Minister to consider this section insofar as the two issues that I dealt with earlier. Also I see that in this section, the Minister and the Government have seen fit to bring in a change to the existing Act that provides for an exemption for non-profit day care centres licensed under The Community Child Day Care Standards Act, and we support that move.

However, we think that there are other organizations of a similar nature in many rural communities at the present time that are struggling insofar as their finances and funding. We see this as perhaps an effort to assist them, the day care centres, through this exemption. It is not the purpose, perhaps, of the property taxation system. There should be direct grants, if we want to

follow the arguments and logic that are made in other situations, but the Government is endeavouring, I believe, to provide some assistance to non-profit day care centres through this exemption. Now, the Minister may clarify that.

I believe that the same rationale could be applied to women's crisis centres in rural communities, and I would like the Minister to consider including crisis centres as defined under The Social Allowances Act. Essentially what it says, is, that it is used primarily as a facility approved by the Minister responsible for the administration of The Social Allowances Act for providing shelter and protection to persons who have been abused by other persons. That is the official definition that is used in that Act. I would ask the Minister to consider that particular one as well.

It may be that the Opposition's preoccupation—Mr. Roch, the Member for Springfield, has indicated he has some amendments to this section. I have indicated a number of them, that there is some interest in this section by Members of the Opposition, and the technicalities that we are getting ourselves into here by having to have the Chair make rulings and ask for legal opinions could be overcome if the Government simply chose to show some leadership and provide some co-operation in this particular area, as it has undertaken to do in some other areas where there has not been the argument that this is out of order because of its impact on the consolidated fund.

I would suggest that, if the rationale is there for ruling the other ones out of order in exemptions, this would probably be out of order as well, so I am not going to make the motion at this time, but I would ask the Minister to give us here at the committee his rationale for not including the crisis centres as I have outlined in this exemption list.

**Mr. Penner:** First of all, Mr. Chairman, let me say that it is our intention as a Government to provide for the care of children in the best way possible. It was our view that non-profit day care centres did provide a service to the community, did allow for the facilities to be provided to those families, especially where probably in most cases both parents had to be out working in order to make ends meet.

Therefore we thought it would be beneficial, recognizing full well that we would again be imposing some tax implications and transfer of taxes on a local basis to some people who might not be able to afford it so well.—(interjection)—Exactly, that is what you do, as we would if we exempted, for instance, totally some hospital properties, we would in fact be transferring costs and additional property tax cost to probably some little old lady that only has her pension to depend on.

We are hesitant to expand, as I have indicated previously, the exemptions under this Act and would look toward some other mechanisms for funding of crisis centres and/or other institutions that might be looking toward exemptions of taxation under the assessment Act.

I believe that organizations are in many cases able to raise funds to properly fund facilities such as this.

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I recognize full well that in some areas the crisis centres for women are a real need. I say that from probably more of a personal knowledge than some others might. There is a recognized need in many areas to make sure that women who do have difficulties or encounter difficulties do have a shelter and a place to go to for protection.

I recognize that. However, I think we must be very careful, in consideration of exemptions especially, that we do not impose additional costs, especially to those in society who can least afford it. Therefore we must be very careful in our deliberations and considerations of these very aspects of this Bill, because once exempt it is virtually impossible to turn around and impose.

\* (2310)

I indicate to this committee for consideration, when amendments are brought forward to impose costs upon members of smaller communities instead of the province at large, that we very, very seriously make those considerations, recognizing full well that Weir in his deliberations indicated that the ideal would be to do away with all exemptions. I guess I concur with that indication by Weir, however, also recognizing as Weir did that it would be virtually impossible to move toward total elimination of exemptions. Therefore we spent many hours deliberating which organizations or institutions should be exempted, and to what level. We should allow for the imposition of those additional costs to the various communities or members of the communities and what additional taxes would be imposed to those communities. It was not done blindly.

The exemptions included in this Bill were very, very carefully considered. When we start opening the door too widely to the various organizations that exist, we would have floods of organizations that could make a case for exemptions to be applied to their organizations. Where do we start and where do we stop?

Again I say to the Honourable Member for Dauphin (Mr. Plohman), give very careful consideration before we apply further exemptions to this Bill via the elimination of assessments.

**Mr. Plohman:** Mr. Chairman, I just want to indicate that I would equate the need on crisis centres very closely with the—and it is a growing need. It is apparent that a lot of abuse had gone unreported or had been tolerated because there was no alternative for many years. Now there are some services for women in those situations, and they are demanding those services more. For that reason, I think the case can be made strongly for those organizations which are underfunded by Government because a new service similar to day care centre, a whole new service, a whole new area of responsibility by the provincial Government—there are a lot of growing pains, there is a lot of difficulty in managing to raise the funds that are necessary to operate and to provide 24-hour service to people who need it.

I think I have given it careful consideration. All the arguments the Minister makes about placing additional costs on local taxpayers, are there for each and every

one of these exemptions that have been taken out, that exist. I know that the Minister finds that difficult, to remove exemptions and to provide a corresponding grant or some other system through another department that would ensure that there would be no loss. It could be done, but it is much more complicated.

In any event, I make the case to the Minister for the exemption for shelters, crisis centres, as I defined, and would be content to move on to other areas of this Bill in the absence of making motions at this time regarding exemptions. I ask the Minister to seriously consider even at this time, as he has done on some of the other areas of this Bill, to improve it, this particular case.

**Mrs. Charles:** I have spoken to the Deputy Minister about my concerns about whether shelters and possibly safe houses could be included for a tax exemption. In discussing that, I believe under 22(1)(h) the municipality may have some option of exempting charitable purposes or units used by charitable organizations. In many cases the shelters might be able to come under that.

Furthermore, I would like to add to what the Minister is saying. I do believe he has, as we all do, a growing realization of the need for shelters and safe houses. My own experience in rural Manitoba is that we do not have shelters and safe houses in all municipalities. One greater centre may hold the shelter such as I experienced in the Town of Selkirk, indeed for all the Interlake. Should the residents of the Town of Selkirk hold sole responsibility for waylaying the taxes for that shelter? I do not believe they should. I believe it should be equitably spread across the service area.

In saying that I must point out that I am quite disappointed that it is not included in lands that are, property being held in trust as under 22(1)(a), and basically grants in lieu of taxes, that we can give grants in lieu of taxes for our liquor commissions but not for shelters or safe house.

I would propose to the Government that they consider amending the Act and putting shelters and safe houses either explicitly as exempted by choice by municipalities, but probably more appropriately exempted from taxes but given grants in lieu of taxes, as is allowed under this Act. Surely in this day and age, if you can put your beer vendors and your liquor control people without taxes, you can do the shelters as well.

**Mr. Penner:** I am not quite sure whether I understand the Honourable Member for Selkirk (Mrs. Charles) correctly. It is my view however—as a matter of fact, I know—that municipalities now do have the right as municipalities to place an exemption on properties owned by charitable organizations if they so choose. The suggestion you make is a valid one, but it is already in place. It need not be included as a section under this Bill. Therefore it is my view that unless we are indicating that we should impose via legislation these exemptions to the various communities across the province, then we should not include those additional exemptions under this Bill.

As I indicated before, I have grave concerns about imposing a greater degree of taxation, especially to

those who cannot afford, whether it be the little old lady living by herself and depending on her pension, or whether it is a young family just starting out—both of them have to work to make a living—and imposing those additional costs instead of allowing municipalities to make those decisions on their own.

**Mrs. Charles:** I will be interested to read Hansard, because I believe that is what I said. In talking to the Deputy Minister, I realize that under (h) the municipalities have the option of exempting units for charitable purposes. That would still leave the responsibility for taxation on that one municipality, and not a shared responsibility amongst others.

\* (2320)

If the RM of St. Andrews wishes to exempt this Nova House, which is the shelter for the southern interlake—it happens to be in the Town of Selkirk, so they cannot exempt taxes; they do not put taxes on Nova House. That is why I would say there should be a way of being able to exempt taxes without having the immediate municipality hold the responsibility to raise the taxes through the population in the immediate area. That is why I believe that in order to make them tax exempt, the way of doing that is grant in lieu of taxes.

It is just my opinion to put on the record. The Minister does not need to respond in order to continue on the debate, but I think it should be looked at more fairly. I do totally agree with him, it is as necessary as hospitals. Nowadays, necessary shelters serve the general public, not necessarily the municipality at hand, and should therefore be granted appropriate consideration under this Bill.

**Mr. Chairman:** Thank you, Mrs. Charles. We will continue. Mr. Roch, did you have a question?

**Mr. Roch:** Yes, I did, Mr. Chairman. A while ago I withdrew a motion which had been introduced before. I specifically asked the Minister if the amendment that had been passed, specifically the amendment to Section 9, included the motion that I had moved previously, which was an amendment to Subsection 22; if this was included in that particular amendment. The Minister said, yes. Upon double-checking with Legislative Counsel, I understand that the subject matter is the same; however, the end result is not necessarily the same. I would like to have that clarified because I withdrew this particular motion specifically because the Minister said, yes, that particular proposed amendment was included in Section 9, the one dealing with Conservation property breakdown and "Conservation land".

**Mr. Chairman:** Is this regarding the conservations lands?

**Mr. Roch:** Yes.

**Mr. Penner:** Yes, it was, and I recognize what the Honourable Member is saying. If I have inadvertently misled the Member, then I apologize for that. It was certainly not the intent. It was my view that the

amendment that the Honourable Member had proposed was dealt with by the amendments that we had indicated, and if Legislative Counsel has indicated to him that it does not, then I would like to have Legislative Counsel's view on which area of the proposed amendment that Mr. Roch was indicating was not covered.

**Mr. Chairman:** Is that satisfactory, Mr. Roch? It has been properly dealt with?

**Mr. Roch:** I thought from the Minister that he would get the Legislative Counsel's view as to where it—

You had told me earlier that the proposed amendment that I had moved and withdrawn on the basis that you had said it was included in your amendment vis a vis the conservation lands was included in there. Now you are saying that you were wrong?

**Mr. Penner:** I understand what you are referring to and I certainly am not correct in the assumption that I made that the agreement that we had, or I thought we had before, in fact, might not have been an agreement. It was my view that we had agreed that we did not want to impose a total exemption from assessment some areas, or some large areas, within given municipalities. Therefore, we had agreed to pass the Bill that we had drafted to deal with the conservation lands. If you are now saying that you would like to include in 22(1) this amendment, that would certainly be different than what I thought we had agreed to. This amendment would certainly, if accepted and voted for by the committee, exempt in totality properties that were designated wildlife or are conservation properties.

It would, however, as I indicate to you, impose some severe restrictions and cause some agonies in some of the municipalities in this province which are somewhat dependent or substantially dependent on those lands, although the lands contribute on a per acre basis a minimal amount but would cause a substantial amount of reduction of revenues for some municipalities in this province.

**Mr. Roch:** If I understand correctly, what the Minister referred to was that by taking the proposed amendments from the various Parties that it was all-inclusive in this one, but it is not exactly what it was. This particular amendment was held back just for that very reason, just in case there was a lack of clarity of exactly what it meant.

**Mr. Chairman:** Is everyone satisfied? We can carry on. Mr. Taylor.

**Mr. Taylor:** I thought it was quite clear in my remarks to Mr. Penner that when talking about the amendments that he proposed and which we supported, I voiced our disappointment that the Government amendments did not go further as per our private discussions last night. It certainly was not our intention to let the matter lie, but I would wonder, Mr. Chairperson, given that there could be differing opinions as to the validity of an amendment of this nature, that could be ditto for another amendment that we have on improvements to the land that Mr. Roch would move.

That could be ditto to another amendment that Mrs. Charles (Selkirk) might wish to put forward on heritage buildings. I might suggest, to aid the process in deliberations, that those other motions be put forward and tabled, also for opinion, and that we leave 22(1) for the moment and go on to other matters while opinion from legal counsel is solicited, and we deal with it tomorrow. I offer that suggestion to facilitate progress on the Bill—(interjection)—Minor detail—(interjection)—Sure. Do not lead them astray, Gwen.

**Mr. Chairman:** Okay, we will continue then. I guess everyone has had their say. We will go on to 22(1) Real property partial exemptions. Shall the clause pass—

**An Honourable Member:** Mr. Chairperson, point of order.

**Mr. Chairman:** Point of order.

**Mr. Taylor:** I put a position to you on how we might facilitate the action here. I did not get the courtesy of a response. Might I have that, please?

**Mr. Chairman:** Mr. Minister, do you want to answer the question?

**Mr. Penner:** Did you ask the response from me? I would ask, Mr. Chairman, that we ask Legislative Counsel for a verbal opinion on the question that the Honourable Member raises, if that is the wishes of the committee. Would that satisfy you, that we get a verbal opinion from Legislative Counsel to clarify the question that you have on a point of procedure?

**Mr. Taylor:** Mr. Chairperson, in response to the Minister's query, I am not certain the legal counsel is able to give the response required. I would suggest, in that there are at least three more motions from our side that could have related implications, why not put them on the table in a tabled form with no further debate on them, with no further debate on 22(1) till the morning, and then let us move on to 23 from there? I offer that as a helpful suggestion so we do not have a problem as we did on 22(1)(d), (f), (g), (h) and (i) some hour and a half, two hours ago.

**Mr. Chairman:** We will have to back up here a little bit. We will deal with Clause 22(1) tomorrow, when we have the proper responses to the amendment that was proposed by Mr. Roch.

Okay, going back to—

**An Honourable Member:** That was before Mr. Taylor came back.

**Mr. Chairman:** Right. Mr. Taylor.

**Mr. Taylor:** Then, on that basis, should not the other motions also be tabled to facilitate the discussions by legal counsel?

**Mr. Chairman:** That could be done tomorrow when we give you the proper response to your amendment on 22(1)(d).

\* (2330)

**Mr. Taylor:** Mr. Chairperson, if matters contained in the other amendments are related to, but not identical to, the matter that the Legislative Counsel already has in their hands, then what they will do is, they will come back with an opinion. We will feed them further non-identical information in the morning, and they will start all over again.

We are suggesting, table the things now; there are three or four of them. Let us get them on the Table and over to Legislative Counsel. Let us clear the decks so that we can get on with this.

**Mr. Chairman:** Okay, we will do that, we will set that aside. If that is to go to the committee that can be done. We will go to—

**Mr. Plohan:** Would it be in order for Mr. Taylor to provide all of these amendments to the Legislative Counsel? They do not have to be read into the record here unless they desire them to be read into the record, and provided directly to Legislative Counsel with the opinions for all of them. That would be sufficient and I think we could move on.

**Mr. Chairman:** If Mr. Taylor and Mr. Roch could give to Legislative Counsel the amendments that they are concerned with there, we will deal with them at a later date. Mr. Taylor do you understand that?

**Mr. Taylor:** Yes, I will just hand it to him, that is fine, thank you very much, Mr. Chairperson.

**Mr. Chairman:** Section 22(2) farm improvements exemption—pass.

**Mr. Roch:** This is notwithstanding these—

**Mr. Chairman:** We are dealing with a separate section, we are dealing with the next section.

**Mr. Roch:** Mr. Chairman, I believe Mr. Taylor's intention was to submit these which are coming under section 22.

**Mr. Chairman:** We have nothing submitted here.

**Mr. Plohan:** Mr. Chairman, we need to know what sections are affected by the proposed amendments by the Liberals, and they should make that clear and then provide those to Legislative Counsel. It may not just deal with section 22(1).

**Mr. Chairman:** 22(1) is the one we are holding. We are not passing that one. Mr. Roch or Mr. Taylor would you mind presenting those amendments. Can you bring some copies up here to Legislative Counsel?

**Mr. Taylor:** All right, Mr. Chairperson, the first one we will deal with is 22(1) and it would be a new subclause, 22(1)(m) and it is an exemption related to undeveloped farm property not used for agricultural purposes and used for the preserving and restoring of quality of the natural environment.

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**Mr. Chairman:** That one is withdrawn already.

**Mr. Taylor:** I am tabling it.

**Mr. Chairman:** That one was dealt with and withdrawn before.

**Mr. Taylor:** There was confusion on the matter, Mr. Chairperson as to what the Minister's understanding was, moving the motion in tabling it.

**Mr. Chairman:** Just a minute, Mr. Taylor. Is this the motion that you are concerned with, that you are discussing now, the one that was moved by Mr. Roch, that subsection 22(1) be amended by adding the following clauses, (1)(m) is undeveloped or vacant farm property that (1) is not used for agricultural purposes and (2) is maintained for the purposes of preserving or restoring the quality of natural habitat, is that the one you are discussing.

**Mr. Taylor:** I am, Mr. Chairperson.

**Mr. Chairman:** That one because it was withdrawn, we cannot discuss that one.

**Mr. Taylor:** Mr. Chairperson, that was withdrawn due to the confusing position between Mr. Roch and Mr. Penner.

**Mr. Chairman:** We cannot introduce it, it has been withdrawn.

**Mr. Taylor:** I can introduce it as a new motion. I believe that is quite correct procedure. If the motion was debated and defeated the position of the clerk would be correct, but it was not, it was withdrawn. I am reintroducing it.

**Mr. Chairman:** Okay, just a minute, let us take one thing at a time here. Point of order, Mr. Plohman.

**Mr. Plohman:** We have moved now from the understanding that the Liberals would simply provide their suggested amendments, proposed amendments to the Legislative Counsel for opinions to a formal process of tabling those motions at this committee. I believe that you agreed a few moments ago as the Chair that they should simply pass those over to Legislative Counsel, but now you are allowing them to be moved or read into the record and we are moving from where you ruled before, and I would ask you to take that into consideration in getting this committee back to order.

**Mr. Chairman:** Thank you, you do have a point. To Mr. Taylor and Mr. Roch, if you would present those copies of those amendments to Legislative Counsel here without reading them into the record, they will—Mr. Taylor.

**Mr. Taylor:** They deal with 22(2) and 22(3)—

**Mr. Chairman:** Yes, but we cannot let you read them—

**Mr. Taylor:** I am not intending to read the whole things. They deal with heritage building exemptions and farm building exemptions, in that order.

**Mr. Chairman:** Would you pass them to the Legislative Counsel, please?

**Mr. Roch:** I understand that we are going to continue clause by clause.

**Mr. Chairman:** We are doing clause by clause.

**Mr. Roch:** What will be the situation of these particular potential amendments then? Are you saying that by this ruling we can come back to these by tabling them?

\* (2340)

**Mr. Chairman:** They will be discussed—you will get your recommendation from Legislative Counsel tomorrow or at a later date.

**Mr. Roch:** Which means we are going to come back to these particular clauses.

**Mr. Chairman:** We have not passed Section 22(1).

**Mr. Roch:** I realize that. Once we go on to Section 22, we are just going to leave it until we have the opinions coming back.

**Mr. Chairman:** That is right. We are dealing with Section 22(2) now. Okay, Mr. Minister.

**Mr. Penner:** Just a short statement, Mr. Chairman. In listening to the proceedings and the indication that there might be many amendments brought forward that deal with exemptions, I want to indicate to the committee, without causing undue concern, that if we will change the intent of the Bill significantly from the drafted Bill, it would cause me and my colleagues to have to consider whether we in fact move forward with the proposed legislation or not.

I think we need to indicate clearly that we believe that the Bill that was drafted for consideration is a good one. It allows for the assessments of property in a very fair and equitable manner and causes equity throughout the system. Therefore, I hope that we will not have to deal with sections of this Bill that will cause us real concern, or amendments to this Bill that will cause us real concern.

**Mr. Chairman:** Thank you, Mr. Minister. We will not deal with up to Section 27. Thank you, Mr. Roch, but we just want to get moving here. Did you have a question?

**Mr. Roch:** Yes.

**Mr. Chairman:** Does it pertain to—

**Mr. Roch:** To the Minister's comments. I do not see how the fact that—well, the fact that we come to committee is to allow clause-by-clause consideration

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of the Bill, that it is to allow for any Member to propose amendments. The Minister seems to be saying that because Members are proposing amendments, because you are making it a little uncomfortable for us, a little inconvenient, we are going to consider—it causes me and my colleagues to seriously consider withdrawing the Bill. If he so wishes to do that, that is his privilege, but I would suggest that, given the amount of amendments that the Government themselves have been introducing, it shows that the Bill was far from perfect, indeed a very flawed one, as we have stated all along from the beginning. If that is the Minister's intention and possibly it was his intention all along, why did he bother going through the whole process in the first place?

**Mr. Penner:** Very briefly and very clearly, I hope, that if we propose amendments that will cause significant revenue changes for municipalities, it will cause us to make severe considerations of whether we should in fact proceed or should not proceed, because it is not our intention to render some municipality virtually inoperable via this Bill. That is not the intention of this Bill, and therefore I indicate clearly that we will be very observant as to what the amendments in effect do and what they cause or what kind of financial implications they have for the various municipalities in this province.

**Mr. Chairman:** Okay, we will continue. I think we have had enough discussion on that issue. We are going to leave Section 6.

**Mr. Roch:** I believe we want to discuss it some more. It is all right. I do not think you can just cut off discussion just like that.

I would like to ask the Minister what he considers significant. Would the exemption of a grain bin be significant—give us an idea? You are making all these way-out threats.

**Mr. Penner:** It was not a threat, Mr. Chairman. It is just an indication that we will, with some vigilance, observe the amendments that are being proposed and how they affect the ability of our municipalities to operate as they have without causing undue financial impacts to those municipalities.

**Mr. Chairman:** Just a minute, Mr. Roch. I want to thank all Honourable Members for their comments here. I think it is time we should move on to part 7 and carry on with the business of the day here.

**Mr. Roch:** I will bother the Minister then. So far, there have been various amendments proposed. There were some proposed this afternoon when it was fully explained as to what the implications were, were withdrawn and compromises were made. I do not like the fact that the Minister seems to be saying do not bother us with any more amendments otherwise we are going to withdraw this Bill and possibly blame you people. That is what he seems to be saying.

I say that we will continue to introduce amendments one at a time, and if the Minister and officials can explain why and what impacts can they have, I think

that to date we have been reasonable. If it does put the municipalities in such a situation as they can be in serious trouble, we will indeed withdraw those amendments. It is up to the Minister and his staff to clarify those items for us because we do not have the resources that the Minister has at his disposal. Having said that, I am prepared to continue.

**Mr. Chairman:** Thank you, Mr. Roch. We will continue with part 7. We will leave part 6 until tomorrow.

So we will deal with part 7 which is Clause 28 By-law for business assessments. Shall the item pass—pass.

Clause 29 Levy of business taxes by councils—Mr. Pankratz.

**Mr. Pankratz:** This would be actually basically the same as how it would pertain in the old Act, would it not be? -(interjection)-

**Mr. Chairman:** Clause 29—pass; Clause 30 Business tax exemptions—pass; Clause 31(1) Mandatory personal property assessments—pass; Clause 31(2) By-law for personal property assessments—pass; Clause 31(3) Personal property assessments—pass.

Clause 31(4) Personal property tax exemptions—Mr. Plohman.

\* (2350)

**Mr. Plohman:** Mr. Chairman, I will just ask the Minister, has he lifted this section right out of the existing Act?

**Mr. Penner:** Yes, this portion of the Bill was lifted right out of the old Act.

**Mr. Plohman:** Well, Mr. Chairman, are we saying that this particular section is outdated in some respects. I raised this in my speech on second reading that the Minister should consider updating this section, because it does reference certain products and so on but leaves out others that are certainly prevalent in the agriculture community. For example, in (c) talks about stock, whether alive or dead or grain, cereal, flour or cordwood that is held in storage, but it does not mention anything even about hay or oilseeds or other farm products. I think the later we see a ship or a steamboat in there, maybe they will be coming back. I think the Minister should maybe do a little more justice to this section by having it reviewed with a view to updating it a bit in some respects and he may want to take a look at this over the next day. I would for that reason propose that we allow ourselves the latitude to come back to this section tomorrow or the next sitting if the Minister sees his way fit to agree with some of my comments on this and take a look at it.

**Mr. Penner:** A point well taken.

**Mr. Chairman:** Okay, we will do that. We will leave that section until tomorrow and go on to Section 31(5), Personal property rate of taxation—pass; Business tax on cable television service, Clause 32(1)—pass. "Gross

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revenue", Clause 32(2)—pass; Cable T.V. personal property exemption, Clause 32(3)—pass; Annual report of gross revenues, Clause 32(4)—pass; Subsection 32(1) business tax replaces usual tax, Clause 33(1)—pass; Business premises tax payable, Clause 33(2)—pass; Copy of by-law to Provincial Municipal Assessor, Clause 34(1)—pass; By-law continues in force, Clause 34(2)—pass.

Part 8, Revision and Appeal—Mr. Taylor.

**Mr. Taylor:** Mr. Chairperson, we are getting into a whole new area of concern here and the hour is getting late. We probably have a day or two more of this ahead of us. I think there was some general understanding that around midnight, we would consider the committee rising. I am making that suggestion to you now. This is a good point at which to do that.

**Mr. Chairman:** What is the will of the committee? We have approximately 10 minutes left before 12 a.m. What is the will of the committee?

**Mr. Plohma:** Well, I think with 10 minutes to 12 a.m. that we should agree to adjourn at this point in time. There are some major changes the Liberal Party is putting forward, and it has been a long evening already. So we will adjourn at this time and reconvene tomorrow morning at ten o'clock.

**Mr. Penner:** We have the Cabinet Committee tomorrow morning. It is virtually impossible.

**Mr. Manness:** The House Leader will have to be in contact with the other Parties to arrange the sitting of this committee. Tomorrow morning cannot be facilitated. No, not at all tomorrow.

**Mr. Chairman:** Thank you, Mr. Manness. Committee rise.

**COMMITTEE ROSE AT:** 11:53 p.m.