

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

**Thursday, December 21, 1989.**

**TIME — 8 p.m.**

**LOCATION — Winnipeg, Manitoba**

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

**ATTENDANCE - 11 — QUORUM - 6**

*Members of the Committee present:*

Hon. Messrs. Cummings, Downey and Penner  
Mrs. Charles  
Messrs. Ashton, Cowan, Gilleshammer,  
Helwer, Patterson, Roch, Taylor

**APPEARING:**

Mr. Bill Poole, Ducks Unlimited  
Mr. Taras Lasko, Private Citizen  
Mr. Allan Golden, Private Citizen  
Mr. Don Mitchelson, Ward Councillor

**WITNESSES:**

Hon. James McCrae, Minister of Justice and  
Attorney General  
Hon. Gerald Ducharme, Minister of Urban  
Affairs  
Hon. Glen Findlay, Minister of Agriculture  
Mr. Rob Walsh, Drafter, Crown Counsel  
(Legislation), Legal Counsel  
Mr. Gordon Carnegie, Monitor of  
Amendments, Advisor to Committee, Crown  
Counsel (Legislation), Legal Counsel  
Ms. Ann Bailey, Amendments Drafter, Crown  
Counsel (Legislation)  
Ms. Valerie Perry, Amendments Drafter,  
Crown Counsel (Legislation)  
Mr. Michel Nantel, Director, Translation  
Services, Legal Counsel  
Ms. Anna Fuller, Manager, Administration and  
Financial Services, Rural Development  
Mr. Bob Hamm, Land and Property  
Classification Co-ordinator

**MATTERS UNDER DISCUSSION:**

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

\* \* \* \*

\* (2005)

**Clerk of Committees (Ms. Bonnie Greschuk):** I have before me the resignation of Mr. Pankratz. I will read it for you at this time: "I hereby resign as Chairman of the Municipal Affairs Committee, effective immediately."

As Chairperson of the Standing Committee on Municipal Affairs, the floor is now open for nominations. Mr. Gilleshammer.

**Mr. Harold Gilleshammer (Minnedosa):** I would nominate Mr. Helwer, the Member for Gimli.

**Madam Clerk:** Are there any other nominations? Since there are no other nominations, will Mr. Helwer please take the chair.

**Mr. Chairman:** Will the Committee for Municipal Affairs please come to order.

I have a list of the public presenters before me and I will read them at this time: Councillor Al Golden; Mr. Bill Poole; Mr. William Manchulenko; Mr. Phil Fontaine and Mr. Taras Lasko. Mr. Philip Fontaine may not be here this evening. I think he would like to present at a future meeting. Our first presenter is Councillor Al Golden from the City of Winnipeg.

**Hon. James McCrae (Minister of Justice and Attorney General):** Mr. Chairman, if I may.

**Mr. Chairman:** Yes, Mr. McCrae

**Mr. McCrae:** I understand Mr. Golden's presentation is being photocopied by staff and that he might not mind if we went ahead with someone else in the meantime.

**Mr. Allan Golden (Private Citizen):** That would be fine.

**Mr. McCrae:** That is the holdup anyway.

**Mr. Chairman:** Okay, if Mr. Golden's presentation is being photocopied, perhaps we will go to the next one. Mr. Bill Poole. Is he here? Do we have your presentation?

**Mr. Bill Poole (Ducks Unlimited):** Yes, Mr. Chairman.

**Mr. Chairman:** Mr. Poole, you may proceed.

**Mr. Poole:** Thank you Mr. Chairman. My name is Bill Poole. I am the provincial agrologist with Ducks Unlimited in Manitoba, and I would like to make a presentation on behalf of Ducks Unlimited.

We appreciate this opportunity to express to your committee, on behalf of Ducks Unlimited Canada, some of our thoughts on the farm property aspects of The Municipal Assessment and Consequential Amendments Act. Bill 79 is a significant first step toward the establishment of a modern system of municipal assessment in Manitoba. The use of recent full market value as the basis for assessment, combined with the pledge to update assessed values every three years,

should provide an assessment system that accurately reflects the real value of property used for agricultural production. The new system should also be able to respond more rapidly than does the present one to changes in property values.

The system proposed in Bill 79 represents a more realistic method of assessing land used for agricultural production. However, it seems likely to intensify a problem which has frequently been noted with respect to municipal assessment on idle rural land. Various referred as sloughs, bluffs, wasteland, Native areas, wildlife habitat, natural areas or any number of other names, those idle parcels are a small but ecologically critical part of the Manitoba landscape.

For purposes of clarity in our presentation, we will refer to those areas as "ecological" lands—with that term defined as including all privately owned lands covered with permanent vegetation and not being used for agricultural production by the landowner. The products of ecological lands and the benefits they confer accrue primarily to the environment and as such to all of society, rather than to the individual property owner.

\* (2010)

Permanently vegetated uplands moderate runoff rates and volumes, and reduce or eliminate soil erosion. Wetland areas act as natural storage reservoirs, reducing downstream flooding, trapping sediments and improving the quality of water before it infiltrates into our groundwater reserves. Both upland and wetland ecological lands provide valuable habitat for numerous types of wildlife. In many instances, they also supply the last suitable growth sites for rare or endangered native plant species.

Because the benefits of ecological lands accrue predominantly to society rather than to any one individual, taxation of those lands has been a contentious issue in Manitoba for some time. Over the past decade, a number of conferences and reports have identified municipal taxation of ecological lands, and the method by which property owners are notified of their tax liability, as one of the major institutional constraints to an accelerated adoption of environmentally sustainable land management in this province. Both the Manitoba Land Use Conference in 1981 and the 1988 Western Provinces Conference mentioned the negative effect that present municipal assessment methods have on land management decisions.

Under the present assessment structure, a farm landowner receives a notice which shows property assessment as one lump sum for the land parcel, most often a quarter section. Most landowners, when they receive that notice, mentally average the total assessment over the number of acres in the parcel. It is a natural reaction even though many of them know that differing rates of assessment are applied to different classes of land.

As an example, if the notice shows that a quarter section is assessed at \$4,800, a mental average of \$30 per acre is ascribed to every acre on the parcel. That frequently occurs even though that example quarter

section may include 40 acres of what we have defined as ecological land assessed at \$5 per acre and 120 acres of cultivated crop land assessed at \$38.33 per acre.

Because the notice does not clearly show the differing rates of assessment assigned to each land class, landowners often mentally charge an artificially high cost to each acre of ecological land. That mental connection, enforced by the use of the term "wasteland" in assessment classifications, is often frequently followed by an attempt to develop those ecological acres for some other use which the landowner hopes will provide some economic return. Often those slight returns are much less than the environmental benefits that have been lost.

\* (2015)

If Bill No. 79 is adopted in its present form, there will be an increase in that subtle pressure to improve land that may well be best left in its natural state. Our example quarter section will be assessed at about \$48,000 rather than \$4,800, since 1985 market values for farm lands are about 10 times the values presently being used. If the landowner mentally averages the 1990 assessment notice, he is going to assign a charge of \$300 to each of those 160 acres. Under those circumstances he is likely to feel even more compelled to make his 40 ecological acres try to produce something of economic value. Both a fair way to share the 1982 report of the Manitoba Assessment Review Committee chaired by the Honourable Walter Weir and "Soil at Risk" released by the Honourable H. O. Sparrow, Senate of Canada's Standing Committee on Agriculture, Fisheries, and Forestry in 1984 recognized the problems that result from this lack of information on assessment notices. Most reports suggested that the present system needed to be changed.

The Weir Committee recommended that and I quote, assessment notices should clearly indicate the difference in valuation that exists between arable lands and adjoining wildlife habitat which has been left in its natural state.

Senator Sparrow's committee reached a similar conclusion recommending and I quote again, that land tax assessment notices in all provinces clearly show the basis on which the land is being taxed so that the owner is aware of the worth of the productive capability of various portions of the land.

We concur with the recommendations made by both committees and would urge you to seriously consider adding that feature to Bill No. 79. In addition, we would suggest that this is an opportune time to take a further step, a step that would place Manitoba clearly in the forefront among North American jurisdictions promoting resource conservation and sustainable land use.

The Soil at Risk report, in addition to the recommendation that I just quoted a moment ago, noted that many people who appeared before their committee suggested that wasteland or land not suitable for agricultural production be assessed at zero value and appear as such on tax notices.

A 1989 report by Robert D. Milani, titled "An Investigation of Landowner Attitudes Towards a

Proposed Natural Land Conservation Program," indicates that a majority of Manitoba's farmers would agree with the suggestion that Senator Sparrow's committee noted. Based on an intensive survey of fifty randomly selected landowners in each of Albert and Argyle municipalities, Milani's study looked at the effects of municipal assessment and Wheat Board quota policy on the conversion of ecological acres to cultivation. While we recognize that the Government of Manitoba cannot establish Wheat Board policy, the members of this committee will be interested in the responses he received about municipal taxation. Two quotations from the summary of that report give a clear indication of the effect taxation policy can have on land management decisions.

The first quote, a great deal of the "land improvement"—those quotes are Mr. Milani's—motivation caused by the property tax system appears to be the result of landowners' misconceptions regarding the per acre assessment rate of natural areas. Ninety-six percent of the sample landowners felt they were familiar with the assessment rates of their various acreages, yet 55 percent cited per acre assessments for their natural acreages that were higher than they actually are. Seventy percent of the landowners who cited higher than actual assessment rates had converted natural areas in the past, while just over half of the landowners who were aware of the actual rates had done the same.

\* (2020)

The other quotation from Mr. Milani's report, 43, or 55 percent of the 78 landowners who had converted natural acres in the past indicated that taxes paid out on natural areas had an influence on their decision to convert. Chi-square tests, which is a statistical analysis test, revealed that farmers who had converted the most land were more influenced by the tax payments than those who had converted the least land.

Milani's respondents also provided an interesting insight into landowners' attitudes toward incentives that would encourage more rational land management.

Landowner acceptance of the proposed incentives was very favourable. Seventy-one percent of the sample landowners indicated that they would be in favour of the incentives if the taxes previously paid on exempt natural areas were shifted to cultivated land on a municipality-wide basis. The percentage in favour would increase to 91 percent if the province reimbursed municipalities for lost revenue.

It is of interest to note that those responses were based on the assumption that farm land was continuing to contribute toward the province-wide education support levy from rural land. The degree of acceptance for those incentives is likely to be even higher now as the amount of tax shift from native areas to cultivated land would be lower.

Perhaps the most compelling argument to exempt ecological acres from municipal taxation is contained in the summary of the public input that was received at the land and water strategy workshops held throughout Manitoba in 1989. Released in December

by the province's Sustainable Development Unit, that report contains numerous comments from citizens who support that principle. The value of such action is implicit in one of the suggested policies, No. 2.2, that the province has proposed in that document. Policy 2.2 reads, soil conservation, wetland retention and the application of appropriate land use practices shall be promoted primarily by the provision of incentives, but with regulation where required, not only as essential elements of water conservation and protection, but also as key measures to reduce siltation impacts, downstream flooding, and non-point source pollution.

Manitoba occupies a unique geographic position in the centre of North America. Given our location, we are influenced from all sides by that larger society. Recent surveys have shown that North Americans feel protection of the environment should be our No. 1 priority. People are seeking innovative ways to improve the health and sustainability of our land, water and air.

The signing of the North American Waterfowl Management Plan in 1986 brought the U.S. and Canadian governments together with a host of state and provincial agencies and non-government organizations in a mutual commitment to invest \$1.5 billion in new waterfowl programs over a 15-year period. This year's agreements between individual provinces and the Government of Canada will see another \$150 million of public funds invested in soil conservation programs in this country over the next three years. In our own province, a number of government and private agencies, including Ducks Unlimited, are actively seeking ways to co-ordinate wildlife and agricultural programs to provide benefits to both resource sectors.

\* (2025)

It is an unfortunate fact that a substantial portion of the money spent on wildlife and conservation programs over the next decade must go to restore and rehabilitate what we once had. As individuals, we have all abused some of our resources in the past, sometimes through ignorance, sometimes as a result of greed, sometimes because public policy did not provide us with the proper signals.

The consequences of those missed signals and the objective we should strive for in building a sustainable land base were both aptly summarized by Robert Milani. I would like to quote again from his report.

"It is important to note that property tax policy which provides landowners with incentives to 'improve' marginal and non-arable land is not in the best interests of the taxing authority. Although the additional cultivated acres created by these improvements will in the short-term generate larger tax revenues, the loss of the protective functions that these non-arable lands perform will in the long-term result in a gradual decline in the productivity of adjacent croplands, and in the end will translate into a lower assessment value and reduced tax base. Other environmental disbenefits of natural land conversion such as local or regional flooding, erosion, silting of ditches, clogging of drains, and pollution of domestic water supplies, also translate into taxation problems by increasing the maintenance cost portion of general municipal levies."

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To quote once more briefly from Mr. Milani: "A conservation program that strives to integrate a mosaic of natural and cultivated land into actual farming operations, as opposed to a program that creates isolated reserves of habitat within a sea of cultivated land, makes more sense from both a wildlife and agriculture perspective, since it enhances the ability of the landscape to perform its environmentally protective and wildlife supportive functions."

The Province of Manitoba is face to face with a truly unique opportunity. The people of this province, through our Government, can assume the tax liability for those ecological acres that benefit us all. We can acknowledge our debt to those few rural landowners who have for years paid for the privilege of preserving those ecological acres for the good of us all. We can create in this province a climate that will stimulate more environmentally sensitive land use and multiply the effectiveness of other conservation programs including our own recently implemented Prairie Care initiative by helping to ensure that we retain our remaining ecological land base.

\* (2030)

Bill 79 contains a very worthy provision to excuse permanently abandoned farm buildings more than 60 years old from assessment because of their heritage value. Surely we can do nothing less for ecological lands, a living, vital part of our natural heritage.

Thank you.

**Mr. Chairman:** Thank you very much, Mr. Poole. Are there any questions for Mr. Poole? Any comments? Mr. Penner.

**Hon. Jack Penner (Minister of Rural Development):** Mr. Poole, I believe that if one looks at the values applied to many parcels of land in this province that do contain natural lands, one would find that the values of those quarters, as you have identified in your brief, are in most instances assessed at a lesser rate than their neighbours are. I appreciate very much the suggestion you make that we should somehow try to identify more clearly in our assessment process, or in the assessment identification, to the owner which portions of those quarters either carry a lesser rate of assessment or no assessment due to the wild state of those lands.

I wonder if you would concur that maybe our department in the future will, to a large degree, try to use the public education system to indicate to Manitobans that it is important that our lands in many areas be conserved, and that conservation practices should play a greater role in retaining not only our lands, but also our water qualities as the land and water strategy has indicated. I was very much a part of, as you know, initiating the land and water strategy and also a part of the public process out there.

I wonder if it would satisfy your organization if we somehow were able to include, with the assessment notices, a brochure or even a piece of paper, that would identify the portion of a quarter section as not being assessed or assessed at a lower value without attaching

it to the assessment notice, but as an educational tool to indicate to the farmer that portion really in essence bore very little or no tax in many cases.

**Mr. Poole:** I am not aware of land that is not taxed. Even open, wet land, open water is assessed at \$1 an acre, which is I realize a very small amount. It would certainly be an improvement over the system that we have now, Mr. Penner, if that information could accompany the assessment notice or the tax notice. The information is available on field sheets at regional municipal assessment branch offices, but many landowners do not have occasion to present themselves at the offices to get that information, and when the tax notice comes, it is just \$4,800.00. That is \$30 an acre even though they may know in their heart of hearts that it is not. It is a natural reaction.

**Mr. Chairman:** Thank you, Mr. Poole. Any other questions for Mr. Poole?

**Mr. Poole:** If I might, Mr. Chairman, just indulge the committee's patience for one more moment, that Robert Milani report that I mentioned was part of his Master of Arts program at the Department of Geography at the University of Manitoba. The committee may wish to avail themselves of a copy of that report. He has done a tremendously good job of looking at both the Wheat Board policy and the municipal taxation. It is an excellent report.

**Mr. Chairman:** Thank you very much, Mr. Poole. Is Mr. Golden ready? Have you had your copies made, Mr. Golden?

**Mr. Golden:** Yes, I believe the Clerk has given them to you. Have they?

**Mr. Chairman:** No, we have not yet. They are not ready yet, I guess. We can carry on with the next presenter, with Mr. William Manchulenko. Is he here? How about Mr. Taras Lasko? Do you have a written presentation, Mr. Lasko.

**Mr. Taras Lasko (Private Citizen):** No, I have no written presentation. First time I hear of this Bill 79. I have just heard about it this afternoon; I read my newspaper. I also phoned our secretary treasurer from the municipality. He does not know anything; he could not give me any information on this. I also phoned my councillor. She could not tell me very much. First time I laid hands on this copy of the Bill 79. I did not have a chance to study it, and I was hoping this not be passed too soon so people could study it.

I have talked to other people. They have not heard anything about this either; they do not know what is going on. From what I have heard, people are talking about waste land—I have property that has all wooded area, and I was wondering if it was going to be taxed the same way as they are talking about waste land.

Also, taxing on buildings, I asked my councillor and the secretary treasurer. They also could not explain to me how that was going to work, so I would like to maybe present a brief later on. I could not do one today.

**Mr. Chairman:** Do you want to tell me where you are from, Mr. Lasko?

**Mr. Lasko:** I am from St. Adolphe.

**Mr. Chairman:** What municipality is that in?

**Mr. Lasko:** Richot.

**Mr. Chairman:** Richot?

**Mr. Lasko:** Yes. The thing is I would like to know more on this because where we are situated, we are being artificially flooded to protect the City of Winnipeg. We had problems with Dutch elm disease. Our trees were being destroyed to protect the City of Winnipeg. We have a lot of problems in our municipality and I would like to study this more. I would like to have more information on this, and I believe there are other people who would like to have the same.

So that is about all I can say for today.

**Mr. Steve Ashton (Thompson):** I just wanted to indicate that in the Opposition, we had requested to give it a bit more time. We have asked, and I believe there may be agreement to have hearings in the early part of the new year because what we are hearing from you is not unusual. We, certainly in the New Democratic Party, have been hearing that from a lot of people. There is a lot of concern, a lot of uncertainty, a lot of questions people want answered, and I certainly commend you for coming forward today and indicating that because you are not alone. I know a lot of people would not come to the committee to say that but we are certainly hearing that. I hope the Minister will be able to provide some information on that, but I think it is interesting, even at the municipal council level, that a lot of people are confused. Because it is an important Bill, it deals with some very important topics and I think you are right, I think we need more time to deal with it.

**Mr. Lasko:** I would also like to point out another thing. I do not see why these kind of meetings could not have been held in each municipality and explained to the people.

**Mr. Chairman:** Mr. Penner, do you want to have a question?

**Mr. Penner:** Well, I find it rather interesting, Mr. Lasko, do you say your secretary-treasurer knew nothing about this?

**Mr. Lasko:** No, he could not explain anything to me.

**Mr. Penner:** Well, he received the information on the 8th of November. It was delivered personally by our staff to your municipal office, to your secretary-treasurer, the Bill, as well as a package of material explaining the Bill.

I am rather interested in hearing what you said. I also know that your council was part of the UMM convention and there were continuing seminars going

on at that convention that every councillor at that convention had access to, and they were clearly identified at that UMM convention. We have indicated clearly in the package of material that we sent to the municipalities, if they required further information that there was a toll-free number that they could call and ask our staff, or myself, to come out and meet with your municipality, as well as all ratepayers, if they so chose. We have not heard, and it would I believe serve fairly well.

It is also interesting to note, my provincial assessor just informs me, that the Richot members of council were fully briefed at Brandon on this very issue. So I find it rather interesting that you imply that your council and your secretary-treasurer has no knowledge of this assessment . . .

**Mr. Lasko:** No, they had knowledge of this Bill and everything else, the thing is they said that they did not have knowledge. The specific question I asked was, for instance, I have got say 160 acres of property, 100 acres of that is bush. Now I asked them, how will I be assessed on that? They could not answer me. I also asked them, if you are going to assess the buildings and if you are not going to bring the same revenue from the buildings as you did off the land, off the farm land, where is the rest of the money going to come from? They do not know that.

**Mr. Penner:** But certainly, Mr. Lasko, your municipal secretary-treasurer was able to give you the toll-free number that you could have picked up the telephone and asked for that information.

**Mr. Lasko:** This is why I am saying that we have a municipality that has been not doing anything for us. They did not give us any of this information. We did not know anything about it, this is why I was asking that I would like to say this. There are a lot of people who would like to see what is going on.

**Mr. Penner:** We will, if at your request, set up a meeting in your area if that is what you would desire, a public meeting, to come out and fully explain whatever questions you have on this Bill. That has been the intent all along, and that is still the intent. I am pleased to hear that you are concerned enough to come before this committee and tell us this for it demonstrates that there is a greater need to explain to the people of Manitoba, such as yourself, the contents of the Bill.

However, I want to indicate to you that it is a fairly wide-ranging Bill, and it is not simple to sit down in a one-hour or two-hour period and make people fully knowledgeable of the Bill. I would suggest to you, having a copy of it, that you study it and if then you have questions pick up the phone, there is no charge, and call the toll-free number. Those questions that you have you will receive answers on I am sure and, if you do not, then I would like to know.

**Mr. Lasko:** Okay, thank you.

**Mr. Chairman:** Just a minute Mr. Lasko, Mr. Ashton has a question.

**Mr. Ashton:** Yes, in fact I did have a few other questions and comments from before but I just wanted to make clear. Essentially what you are saying is that there is a lot of confusion out there, not that the information has not been available, that essentially people are confused about what the impact of Bill No. 79 is going to be on individuals such as yourself.

**Mr. Lasko:** Well, like Mr. Penner says there, that our council and our secretary-treasurer have the information, but we do not have it, the taxpayers do not have it, that is where the problem is.

**Mr. Ashton:** I just want to let you know, I do not think I am giving away any secrets. I would say that many Members of the Legislature share the confusion. I think, to a certain extent, probably even the Government because you will see probably quite a few amendments. I think the Government may even be amending the Bill itself, based on some of the concerns that have been expressed, so you are not alone. I think this is a very complicated Bill, that is why we, in the Opposition, have asked for some more time so that people such as yourself can get the information and ask those questions.

So I, once again, thank you for coming to the committee and, as I said, I believe there may be agreement to come back in January. I am sure that all Members of the committee would invite you to come back then. The Minister has offered the auspices of his department and I am sure both Opposition Parties would be more than glad to sit down with you as well if you do have any concerns as well. There may be some things you do not like in there. We already are looking at a number of items that we feel have to be changed. Thank you.

\* (2040)

**Mr. Chairman:** Thank you, Mr. Lasko—just a minute, Mr. Penner, the Minister will have something.

**Mr. Penner:** Well, I am again somewhat almost taken aback by the comments that the Honourable Member of the New Democratic Party makes. We had, as you probably know, Mr. Lasko, and if you do not, you should know that we offered, I offered, my office to be open, and my staff to be open to Opposition Members to be fully briefed on this matter whenever they chose. However, there was only one Member of the New Democratic Party that asked for a briefing, or came to the briefing when we invited them. I am not surprised that Mr. Ashton is admitting now that he has no sufficient knowledge to indicate, and indicating to you that he has not got the knowledge of this Bill because he has not taken advantage of the briefing that we have suggested is available to him.

**Mr. Lasko:** I am not here to delay the Bill or anything. What I am afraid of is as long as we do not pass a Bill and find out later on that we made a lot of mistakes and there are some things that I do not like, I would like a lot of things answered first. Like I have said before, we never get nothing from our council or

secretary-treasurer. So, before this is passed, I would like to have more meetings. I am sure are other municipalities would like that too. Thank you.

**Mr. Chairman:** Thank you. Mr. Ashton.

**Mr. Ashton:** I did not want to let those comments go without a remark. I think the Minister took the generosity of my comment which is to indicate the fact I do not think any Member of the Legislature is an expert on this Bill. The Minister himself who presumably should know the most about this Bill is already talking about bringing in amendments to the Bill. If he was an expert on the Bill, why was the Bill not perfect to begin with? Why are we now looking at amendments?

**Mr. Chairman:** Okay, we are here tonight—

**Mr. Ashton:** I could get into—

**Mr. Chairman:** Just a minute.

**Mr. Ashton:** Mr. Chairman, I am just responding to comments that were made by the Minister. I just want to make it clear to what I thought was an individual citizen in this province who should be congratulated for coming forward and indicating that he is not receiving that information.

All I wanted to indicate was that we have been saying the same thing. If the Minister wants to get into debate, we have plenty of time for debate; but he should not take the comments that I made, distort them, try and make it into a political speech, Mr. Chairman, because I resent that. I have taken the time to go through this Bill.

I was on the Municipal Affairs Committee back in 1983 looking at the Weir Report and went throughout the province. I have spent a lot of time looking at assessment and I will say, and I said it before, that there is no one that is an expert on this. No one that knows the entire implications and, I would note for the record, just so the Minister does not mislead any member of the public coming forth, even when we have asked for information in the Opposition, we have gotten pretty pathetic responses.

The Member for Dauphin (Mr. Plohman), our critic today, had a response that the Minister provided to him, wanted a detailed impact assessment, of three pages—three pages, Mr. Chairperson. Even when we have asked for information, when we have had legitimate questions, and we have asked for background information, we have not received it. We can debate this if the Minister wants. I felt we were here to listen to members of the public. I was indicating that I congratulated the individual, and I would hope the Minister would refrain from the kind of petty, partisan's comments that he made in response to what I intended as a congratulations to the member of the public who just came forward.

**Mr. Chairman:** Thank you. We are here tonight to deal with the presenters, and when we go into the clause by clause, everyone will have an opportunity to speak.

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Our next presenter is Councillor Al Golden from the City of Winnipeg. I believe he is ready. Mr. Golden.

**Mr. Golden:** Thank you, Mr. Chairman. I am here today not representing City Council or the position of City Council. I am representing myself as a private citizen who has had some experience following assessment in the City of Winnipeg, both with properties that I own and groups that I have belonged to who have appealed assessments in the past.

I am not a lawyer, an accountant and I have a very minimal education, and I am somewhat nervous here tonight. So I hope you will bear with me if I make a few mistakes as I try to trundle through this.

I hope that you do not take offence that I am trying to lecture this committee, but there is something that strikes me as I have gone through this Bill that I would like to try and bring to the attention of the committee and all the Parties here too. I hope that you will work together to solve the biggest problem that is confronting the public with their assessments and it is that they cannot understand it. Nobody out there can understand the assessment.

I have been dealing with it long enough to know that our past assessments are based on two-thirds of 1975 value on the structure, 100 percent of current value on land. You tell the average citizen of Winnipeg that and he will say, what? They just cannot relate the taxes they pay to how it is calculated that they should pay it. They do not know whether they are paying their fair share or not.

This is an historic opportunity for you ladies and gentlemen of the Legislature to do something to make it simple, so that everybody understands it, and everybody knows whether they are paying their fair share or not. I hope that you do not let this opportunity slip through your fingers. It has been a long time coming, and it is something that should be cherished. You should be congratulated as a Government for bringing this forward at this time, and if you accomplish what it is that you have set out to do, if the bottom line is that we are able to pick up this Bill, read it and understand it, and it is able to be applied fairly and equitably to all as your literature says it will be, then you are to be congratulated.

I would hope that the Opposition Members support the Government in its effort, work with the Government to achieve that end result. Do not do like we do at City Hall sometimes and let personal differences get in the way of accomplishing that.

I do not know who is going to deserve the credit for the Bill as it finally unfolds. If it is perfect, whether it is the prodding of the Opposition of the Government with the good intentions it brought forward in the first place, I do not care who gets the credit, as long as we get a good Bill that is workable, understandable and is fair to all.

I ask you to remember for whom you are designing this Act, for whom was this Bill written? It was not written for the administration. The administration has brought it forward to you for your consideration, and

you have had your lawyers go over it. In many ways it reads like a document written by and for the administration, and I understand that because of the tremendous inequities that exist out there now, the administration has really got a problem on its hands to unravel all of the sins of the past. They would like to have something that works for them, as well as works for the public, but I say please put them last, put the public first. I am not worried about whether they have great difficulty because they have to work long hours and hire extra staff and so forth. I do not think they should be dealing, for instance, with 1985 values because just looking at documentation that was provided to me with the courtesy of Mr. Brown today, which is going to be distributed, I asked to have it photocopied.

That very literature that was given to me today is fraught with misleading information. There is information there that in my view is based on reproduction cost values, though Mr. Brown assures me that it is market values. I have gone over it independently, I have studied it, and I have searched some of the titles with the information that I had and have obtained market values. I can tell you that the values that are represented are not indicative of the true values of those properties today, and I do not believe they are indicative of the true values in 1985 that they purport to be indicative of. I do not believe that the homeowners, when they get their bills, are going to believe that the assessments that they are given are going to be indicative of their values of 1985 because I think the Assessment Department is still using reproduction cost methods of achieving their assessments.

I hope I am wrong, but in the short time I have had and in the few hours since I received the information and the time I have had to study it, I do not believe I am wrong. I am hoping that if this committee is still sitting that I will be able to send you—I will not take any more of your time after tonight—but I will send you my written conclusions after I have studied those documents.

My limited comprehension of this Bill—and I am a layman, I am not a lawyer, I have had some legal advice on it. Based on 17 years of experience fighting with the Assessment Department and with the Board of Revision, it has been 17 years of frustration. You get no sympathy from the Assessment Department. They really do their level best to keep you in the dark. They give you no co-operation. You ask for information—at one time when I started out, you were not allowed to look at any information in your file or in anyone else's file. Over a period of years, things have improved and we finally got to look at field sheets last year. We could check the calculations to see if simple calculations were made correctly. Only this year, recently as a result of threats, we were able to actually get copies of the field sheets. There is no reason why these field sheets should not have been made available to the public, except that the Assessment Department had something to hide, in my view.

\* (2050)

In my view, these field sheets were indefensible, and if they ever got into the hands of the homeowners—

talk about mass appeals—you would have had mass riots if people saw how their calculations determined what their fair share was. As a result of this confusion and lack of co-operation, not only from the Assessment Department, but also from the Board of Revision—I want to tell you of an experience that I personally had with the Board of Revision.

I do not want to sound immodest, but I worked long and hard on assessments, and I have a better grasp of it than the average citizen has, though I have no legal training in it. I went to the Board of Revision one time to appeal an assessment on the basis of value, and I brought an appraiser in and discussed the value of the property and the assessment relative to other properties. The chairman of the board said, we are not here to listen to any evidence based on market value. That is not the basis upon which we make our decisions, and I argued that is what the book that the City of Winnipeg sent out, and I held out the little green book that says it was based on market value, and he said, well, the process is indicative of market value, but it is not market value, whatever that was supposed to mean.

I tried to explain to him that the value of a two by four delivered to Jarvis Avenue was not the same as the value of a two by four delivered to Park Boulevard, and reproduction costs can be misleading, and are misleading and you tell me what a fair and equitable assessment would be. His response to me was, if the reproduction cost method is unfair, it is unfair to everybody, and therefore it is equitable. I should accept the unfairness as being equitable because it is unfair equally to everybody who appears.

I know this was not a stupid man, and I know that he understood the fallacy of what he was saying. I am not suggesting he was dumb enough to believe what he was saying, but the point is that is the rudeness with which you are met when you go to the Board of Revision Assessment Department, and those are the kinds of frustrations that I have been experiencing.

When we finally took to the courts to try and achieve equity, and when Mr. Mercury was here the other day—and that is how I met Mr. Mercury—he made a comment, he is not looking for work. If this Act becomes so simple that we do not need lawyers any more, he is not looking for work, he is okay. Darn rights he is okay. He became very wealthy on people like me who have tried to fight to achieve equity, and because I am stubborn and would not give up, you just keep paying and paying and paying and paying and you will never get the money back that you pay the lawyer, because of tricks that the Assessment Department uses on people which I am going to refer to later as we go along, but things that we discovered.

I do not think there is anybody in the City of Winnipeg, certainly nobody in the Assessment Department, and certainly nobody on the Board of Revision who is not well aware of the tremendous discrepancies between the assessments of like properties in the City of Winnipeg. Yet no one would lift a finger to do anything about it. They would discourage you in every way they could. They just fought to maintain the status quo. There was no attempt to achieve equity. They would

deny that of course, and they would point to a lot of things that they did to create equity, but I would argue that was tokenism and there was really no sincerity.

People were forced to go to the courts and forced to go to the Supreme Court to even get the opportunity to go to the lower courts to achieve equity. It is courts that give the greatest measure of equity in this province. It was not the Legislature, unfortunately. I want to remind everyone sitting around this table, it was not the Conservatives that were in power at the time we were in court either, though they share part of the blame, because they have been in Government part of the time. All levels of Government did not lift a finger to help these people struggling in the court system.

We discovered things after we hired a lawyer, and they did broad searches that we never thought to do or knew how to do. We discovered things like the highest assessed piece of land in the City of Winnipeg, and in fact in the Province of Manitoba. Do you know where the most expensive piece of land in the City of Winnipeg was in the view of our Assessment Department, in the view of our Board of Revision? It was the Clarendon Hotel on Donald and Portage. That is the best piece of land in the Province of Manitoba, and it is worth \$39.00 a square foot.

Now you go to some of the less valuable land down the street like underneath the Westin Hotel, and you find that hotel's land is not as valuable. It is only worth \$2.60 a square foot. Then you look at other examples that were brought forward, and we were shown that the land underneath Eaton's was worth far more than the land under the entire of Polo Park.

I point out to you that if you ever valued the land under Polo Park the way you value the land under Eaton's, they could not afford to give away free parking. People would go shopping downtown again, because they have to pay in both places. This assessment system has destroyed our city. They have forced people who are downtown trying to conduct business, trying to pay their overheads, trying to compete for customers, saying what am I fighting this fight for?

I can go to Polo Park and have the same overhead, because I can afford to pay the higher rents because I am paying the lower taxes. I can give free parking to people. They can come in a heated space. I can provide heating and air conditioning to my customers and have a lower overhead than staying downtown. They did, and not only did the businesses leave downtown, the people flocked. You pay more taxes if you live in an old home in the City of Winnipeg, than if you live in a new home, so people deserted the Core Area and ran out to the suburbs.

As I pointed out in an article that I did in the newspaper with a reporter—I took some information to him and asked him to publicize the plight, the average home—and I got this information from the Winnipeg Real Estate Board—and I searched every single sale in June of 1989. I did not do what the Assessment Department did and hand pick the ones that make my case. I did them all, every single one.

I did not accept the information as factual, I went further so I would not be caught up. I went and got



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all the tax bills from the City of Winnipeg so I could make sure that I removed the local improvements and other levies so I was comparing apples and apples, because as you know there are some properties have local improvements and some do not. I wanted to just deal with the base taxes.

I found that the average new home that was selling in the City of Winnipeg less than five years old, the taxes were 1.4 percent of the value of that home. The older homes were paying more than double—homes 20 years and older were paying more than double, and I cited some examples. Then I phoned the Tax Department, because I found two examples. Fortunately, two homes in Winnipeg sold for exactly the same price in June of 1989, and one was on Wordsworth Way, \$86,000 and one was on Nova Vista, \$86,000.00. One had a tax bill of \$1,900 and one had a tax bill of \$1,400.00.

Now I understand that part of the discrepancies between taxes is that school taxes differ in districts, but it does not explain that much of a difference in the taxes between the two areas. I phoned the Assessment Department and I asked them if they could explain why the assessment was higher on this home than the other home. I did not tell them that I had gone through the exercise of finding out they both had the same value in the marketplace.

They looked up and told me—and by the way they would not have told me if I was not a city councillor. You do not get answers from the Assessment Department if you are not a city councillor, unless you go down and wait in line for four hours, and then you get told a story as to why you cannot have it. They answered my question, and they told me that it was obvious why the house had a higher assessment, it had more square footage. Now they did not take into consideration that one house was 30 years old, and one house was three years old. Their criteria was one was larger than the other.

I asked the gentleman why one had a larger assessment when they both have the same value, and I told him about my source of information. His answer was we do not consider market value. Market value is indicative and sometimes it is off, but we use reproduction costs, and we apply depreciation. This home did not qualify for the level of depreciation equal to its true depreciation, because it was not old enough.

\* (2100)

That is one of the experiences that I had, and I can tell you that I have had many. The most difficult part about it is not finding these inequities, because nothing is perfect in this world, and we make mistakes all the time, all of us. The difficult part was when you find these mistakes and you call up people and bring them to their attention and try and do something to straighten out the inequities, they find every excuse under the sun to maintain the status quo and to stonewall you.

What is our only defence? You are our only defence. You can write a Bill that any taxpayer can read and understand, and go down to the Assessment Department and say those are my rights. I want my

rights, and please correct it and give me my rights. Give me equity. If the Assessment Department refuses to listen, you can go to the Board of Revision. If they do not listen you have the Municipal Board, and if they do not listen you have the courts.

But nobody is going down there to make such a comment, because anyone who read that book could not understand it. The only people who have any opportunity to achieve equity in the Province of Manitoba are those who are either stupid enough or rich enough to waste money on lawyers, because you do not win when you do hire a lawyer by the way. Nobody wins when you hire a lawyer. The lawyer takes more than the tax saving.

Let me tell you how that happens. Now Mr. Mercury told me when he sent me the first bill for \$11,000 when I saved my first \$6,000 on the property that I appealed on Portage Avenue, he says yes but I charged you \$11,000 one time. You are going to save \$6,000 for 20 times the next 20 years. You get \$120,000, I get 11. You did fine. Look at this as a long-term investment. I got sick when I got his bill, because he is a good lawyer but I did not think he worked that hard.

What happened was, next year the assessor robbed me of my victory and returned my assessment to the level it was before the Municipal Board gave me my victory. So I appealed again. I went to the Board of Revision and I failed again. I went to the Municipal Board and I won again. The next year, what do you think the assessor did? He put it back again. I went there the second time by myself, and the third time I went by myself as well, and the Municipal Board said to the assessor, what is this, baseball? Three strikes and you're out? It did not have an effect on the assessor. They continue to do this today. I am not talking about me only and once. They do this again and again to ratepayers. One of the things that I am asking you to do in the submission that I have made to City Council that I have written up, and I brought you a copy of today, I think the assessor has got to be penalized when he does that.

I asked Ike Funk, I went down and met with him and I said, how can you do this? You know what Mr. Funk said to me? He said, I have a responsibility, I have an Oath of Office, I have got to sign that assessment and I have got to sign a level of assessment that I believe is fair. I do not believe the Municipal Board was fair and my conscience tells me that I have to sign what I think is fair. I could accept him even doing that one time, if he would think that the Municipal Board made a mistake, but to do it twice?

I think when the Board of Revision has that problem with the Assessing Department, or the Municipal Board has that problem, they should have the power to use at their discretion, as a judge has, to be able to penalize the Assessment Department at least to the level of giving the appellant his costs. I think they should have paid Mr. Mercury's legal bill at least, because had they been forced to do that, I would have continued to use them. They make it perfectly clear to you, do not dare defy us. If you defy us and come and appeal, we are going to take your victory, and if we do not get you on the tax bill, we will get you with the legal bill. We do not want you coming in here attacking our authority.

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Now if I am overreacting, if I am being unfair, they will tell you this side of the story, but that is my honest interpretation of the way I was dealt with by the Assessment Department. I will tell you, that is why I know as much about assessment as I do today, and I am no expert on it. It was stubbornness, it was the bad experience that I have had. Every time I got beat up I got up and went back for more, and then I kept trying, and trying to do something. Fortunately I tricked the good citizens of Winnipeg into electing me, so I have this forum now to try and correct some of the problems.

There are those who have accused me of taking this interest because I have a personal vendetta or something to gain personally from my actions. Yes, I do, but that is not the reason that I am here. I am here to tell you what is going on out there because if you are not aware of it, you should be. If this is happening to me, somebody as stubborn as me and willing to pay the price that I am willing to pay to achieve equity, can you imagine what has happened to the average individual who does not understand this? They are getting raped. There are people out there—the one example that I use in this newspaper article—there is a house at 1865 Elgin Avenue that sold in June of 1989 that is paying 3.9 percent of its market value in taxes. This poor guy is sitting at home and does not even know what is happening to him. I wonder how many more there are out there in the same position.

The only criteria that I believe should be used in setting assessment is market value. There can be no other criteria. Also, using market value is using a system of ability to pay, because people in \$32,000 homes should not be paying \$1,000 tax bills, and people living in \$200,000 homes should not be paying \$1,600 tax bills. They should be paying an average of the two. They should each be carrying their fair share on their ability to own real estate, which in my view reflects their ability to pay taxes.

I am going, if I can, to skip to the presentation that I made and cover a few points, some of which were covered before by your previous presenters. Now I want to talk about cultural centre exemptions, if I may for a moment, on page 219 of my presentation to City Council. I moved a motion on the Executive Policy Committee last week because Executive Policy Committee had a response to my presentation that they were going to use to make their presentation. I understand Councillor Brown did that last night while I was fighting the water rate increases.

One of the things that I asked for was that we ask the Government to consider taking out exemptions under The Centennial Projects Act. Actually what I preferred to see happen was to see all properties be given the same exemption. I moved that motion and I spoke to that motion, saying that we are a city that is proud of the fact that it is a melting pot. We spend hundreds of thousands, if not millions of dollars, promoting Folklorama through our tourism departments and through grants to Folklorama and so forth, telling the world to come to us, we welcome all, we are a place where we not only respect but encourage the differences in people to retain their cultures and heritages.

What have we got? We have an Act of law in the Province of Manitoba that says that if you are French you are special; an Act in the Province that says, if you are Ukrainian you are special; and if you are anyone else you are not quite as special. What kind of example is that for us to set? What kind of hypocrites are we to allow that to happen? I believe that the way this happened, and you gentlemen can correct me if I am wrong, is that at some time somebody in the Government was lobbied and had a special feeling for a particular cultural group, then wanted to help them out in their project and got them an exemption. Then a new Government came in, and he had his favourite group and he got them an exemption.

Well, unfortunately for the Italians, and the Jews, and the Portuguese and many other races in this province, they have not had the same political clout to get themselves tucked in. Other special projects of Ministers are being tucked in. We have tucked in the Prairie Theatre Exchange, we have tucked in Artspace, we have tucked in a number of projects under the pretence of The Centennial Projects Act. I do not know what the Prairie Theatre Exchange has to do with The Centennial Projects Act. I suspect it has nothing to do with Centennial Projects but was a convenient way for the Government to show favouritism to a particular group. I say, do not do that, it is wrong. Let us be better than that. Let us treat everybody equally.

The amazing part is that after I moved the motion that we should exempt all cultural centres, it was defeated eight to two by Executive Policy Committee. I then moved a second motion that we should exempt no cultural centres if that was the way we were going to have to achieve equity. Guess what? That one got defeated eight to two also. They, not unlike many other members of other levels of Government, are more concerned about maintaining the status quo. They do not want to open the floodgates. Because people are not familiar with the Act, they are not riding down there. I tell you, if the average member of the public knew what was going on, knew how unfairly they were being treated, you would be hearing from them.

Your saving grace is that this Act is so convoluted that people do not understand what you are doing to them. But if they ever find out, your phones will be ringing off the wall. You ought to put in a lot more watts lines. I am not going to go over each of these items, and I hope that you will read them at your convenience.

I talk about machinery and equipment, as others have before me. Mr. Mercury spoke about that as well, about how it is in our own best interest that we should be exempting machinery equipment. If we want to be competitive with other provinces, we should not be taxing machinery and equipment because we are telling industry to go to another province.

The meaning of the word value has already been covered. Mr. Penner, I hope you will not take this as a personal affront, but when I got your letter and I got the copy of the Bill, I was thrilled when I read your letter. I could not have been happier. The definition of value that you used in your letter is in my mind a perfect one and one that should be incorporated in the Bill as

you wrote it. The problem was that in going through the Bill, it was not in there. I could not believe that you, who understood so clearly the need of the definition of value, understood it so clearly that you put it in your letter, allowed them to leave it out of the Bill. I trust it was an oversight that will be corrected.

I have talked about the Board of Revision, and I want to remind you again about the process of the Board of Revision. In the Act I would strongly urge that if the three-member panel that is hearing the appellant is not going to make the decision, either right then and there or on their own and then send their decision out, if they are going to go to another tribunal and give them the facts as they interpret them, if they are not going to agree with the appellant, if they are not going to represent the appellant's contention, if they are going to represent some other recommendation other than what the appellant is asking for, the minimum courtesy that should be extended to the appellant is that he should be given written reasons for the panel's decision that they are going to represent to the board. The appellant should have the opportunity to go to the board that has the authority to make the final decision so that he can argue with those presenting his case on his behalf. Because what you have here is in fact a panel of mini lawyers going and representing you to a board that is going to make a decision. They are not telling your best side of the case.

\* (2110)

I hope you will do something to correct the abuses by the assessor. The motion by City Council that if somebody does not show up at the hearing by the Board of Revision, they should not be allowed to appeal to the Municipal Board is so ludicrous. Can you imagine if you did not show up at a small debts court or at a county court, you would not be allowed to go to the Queen's Bench Court or the Court of Appeal? That is what our City Council is suggesting that you consider doing.

I am here to tell you as an individual that I think they are wrong. I would hope that you would not do that to people. There is a reason, by the way, why many people do not go to the Board of Revision, and that is because they do not respect them. They have had problems with them, they think they are wasting their time and they do not want to go. That is our fault. We spoke about that on the floor council and we have passed some very positive motions. We have referred to our finance committee to set criteria, and perhaps that is something that you should not trust to us. Perhaps that is something that you should do yourself.

We appoint members to a Board of Revision without criteria. They do not need any training; they do not even have to read the Act. I suspect many of them never have read the Act. They can just go there and sit there and listen of interest and not listen, whatever, and make decisions. I have heard some comments that I will not repeat because I could not substantiate them. I would not even want to.

The Board of Revision is making decisions that many of them, in my opinion, are not qualified. Not that they

could not be qualified, they are not making the effort to make themselves qualified. They should have to read a book and pass a test before they get to sit in judgment of people's assessments. This Act is so difficult to understand yet they require no qualifications to understand it.

I would hope that you set some criteria that if a person wishes to have his name stand for the Board of Revision, he must attend in front of an administrator and be given a course to study, like you go for a Drivers Handbook, read the book, learn how to drive, pass a test before you let the man on the road. In the Province of Manitoba a man has to pass a test to drive a car but does not have to pass a test to have that much influence on a person's life, dealing with the biggest investment most of them make.

I also wish you would not have given the City of Winnipeg a year to write its own Freedom of Information Act. You would think that when you gave us those instructions, we would take to heart the intent of your instruction. Even after you gave us those instructions, we were refusing to give people their field sheets.

Because of The Freedom of Information Act, for a long period of time people have been able to get their field sheets from the provincial Government. The assessor gives them to them because he must, but our assessment department was still telling people no until they were threatened to be taken to court. You should instruct the department that they must share any and all information they have at their earliest possible convenience at a reasonable cost to reflect their actual out-of-pocket expenses. People should not have information held from them.

One that council does not support—I lost it 13-12 last night—is portioning. To me, portioning and differential mill rates is the same thing. I think that if you choose the levels of categories, the percentages and the categories, based on the information you presently got, you are going to make some mistakes that could force people into bankruptcy. We are the Government closest to the people. Let us determine if there is going to be portioning or differential mill rates. Let us decide what percentage to collect in categories of taxpayers. Let us endure the wrath of the voter if we screw up or do not do equity to people. Let us be the ones responsible because you are too far removed from people. They blame us when their city taxes are wrong, they do not blame you. So if we are going to have the responsibility, give us the authority.

I cannot but wonder if—I am impugning perhaps—you are not responding to the wishes of those who do not like to take the responsibility at City Hall by agreeing to take on this onerous task.

One of the things that I am concerned about in portioning in categories is when you do things like putting condominiums and rental properties in different categories than the homes that people live in, when a condominium owner pays less taxes if he lives in his condominium than if he rents it out, that may be fair from a philosophical point of view. But if you are going to do that, which I hope you will not, at least be consistent. You do not do that to people on single-family homes.

If you own a home and rent it out, you do not pay more taxes. Why do you pay more taxes when a condominium is rented out? There are many, many more homes being rented in this city than there are condominiums being rented. Why are we treating condominium owners like second-class citizens? Everybody should pay a level of taxation based on value.

The City of Winnipeg moved an amendment that I asked for to do with appeal deadlines. Many times—I am embarrassed to admit—not just once, many times, I have missed my opportunity to appeal assessments because I missed the deadline.

The way it works, for those of you who do not know, is that they close the rolls in different parts of the city at different times, and then they advertise in the newspaper that the rolls are closed and there is going to be hearings. You have two weeks from the date of that newspaper ad to file your appeal. If you happen to be out of town or if you happen to not read the newspaper where that is advertised, you have lost your right.

That would be fair if it was a deadline like paying your income tax or renewing your Autopac or paying your property tax, if it was the same day every year, because you make the mistake once and then you learn. You know what day it is and you better remember in the future. But this is a moving target. The date changes every year and if you miss it, you are out of luck. Another problem with it is that they close the rolls at different dates, and I understand that you changed the law to deal with this last year. If you want to appeal your assessment, because it is unequitable compared to like properties in the City of Winnipeg, how can you do that if some rolls have not closed yet? How can you say that yours is unfair? Do you compare it to last year's assessment to determine whether or not your assessment is equitable?

That is the only choice. You cannot compare it to this year's because some of the rolls have not even closed yet. So what we need is one day that all of the rolls close, and we need one day that you have a deadline to appeal to and that day should be the same every single year. Every year, the rolls should close on a given day, and every year, 30 days later, you must appeal by. If you do not, you do not get to appeal. People should not have to deal with that moving target.

In conclusion, I thank you very much for the time that you have allowed me, and I hope that I have not been too rude, but I am very emotionally involved in this issue. I care very much that this Bill be all that it can be and I hope that you will make it all it can be. The bottom line is that the public wants and deserves an equitable tax system. They want a Bill they can understand, they do not want a political tax system. I ask you, please, do not give them one.

**Mr. Chairman:** Thank you very much, Mr. Golden. I believe Mr. Penner here—okay.

**An Honourable Member:** There are a few comments I want to make later.

**Mr. Chairman:** Mr. Roch then first.

**Mr. Gilles Roch (Springfield):** Mr. Chairman, I would ask Mr. Golden a few questions. What would you suggest to be an effective deterrent to the assessors to prevent the abuses of this document? I realize that what has passed has passed, but sometime in the future because—and I agree that compensating their legal cost or their total cost would be one way, but it is still being paid by the taxpayer. Is that an effective deterrent to the assessors who are on the taxpayers' payroll?

\* (2120)

**Mr. Golden:** I believe it should be this. We have a problem. The Board of Revision has an incestuous relationship with City Council and has an incestuous relationship with the Assessment Department. Because we appoint them, they know who their master are, so to speak, and it is difficult having one department penalize another department when they are so close.

I recommend that if a person suffers an abuse by an assessor, he should have another body he can go to, whether it be the Public Utilities Board or some other body, with his complaint, describe what happened, describe what costs he incurred, or what losses he incurred, and ask the tribunal to award him damages. Those damages, in my view, should escalate with every occurrence, or at least, if you do not want to go to that extent, give the Board of Revision the power and the Municipal Board the power.

**Mr. Roch:** The power to order those costs.

**Mr. Golden:** To order costs and/or penalties if they deem that there has been an abuse by the assessor.

**Mr. Roch:** The unfortunate part in all this, of course, is that the taxpayer is still paying for the assessor's abuse, but it might be one way of an incentive at least for the public officials, the elected officials, to prevent these abuses.

In regards to the tax exemptions to cultural centres, if financial help is deemed necessary for some of these organizations, do you feel that possibly the persons or the body granting these exemptions should be giving grants rather than allowing tax exemptions? In effect, what the provincial or federal Government is doing when they do grant these exemptions is saying to the local authority, whether it be the City of Winnipeg or an RM, that this group shall not be taxed. Therefore they are looking like the good guy; in the meantime the local authority is picking up the cost.

**Mr. Golden:** What I believe should happen is this. First of all, I think the taxpayers of the City of Winnipeg would be prepared to subsidize cultural centres and make them tax exempt and bear the cost among themselves of allowing those people to enjoy tax exemption. I say this because we otherwise spend larger sums of money to attract tourism here.

There has been nothing in the history of Winnipeg that has been more successful in providing tourism

attraction than Folklorama. If we had year-round pavilions where they could expand their service and have museums and cultural displays and dances, and so forth, on display on a wider basis, we would get it back in many other ways. I think the taxpayers of Winnipeg would be prepared to subsidize.

If you ask me what is fair, this Government is so unfair to the City of Winnipeg already in your transfer payments that you would be well advised, in my view, to give them all an exemption and give us a grant in lieu of taxes for the amount that they are exempted. If you do not want to be that generous, at least give us the opportunity to subsidize ourselves. I am aware of three cultural centres now in the City of Winnipeg that are not being built. There would be at least \$100 million of construction work in the City of Winnipeg, and they are not building them because they cannot pay the taxes.

They do not want to open them and lose them to tax foreclosure, such as happened with the Fort Garry Hotel and almost happened with the Y before. These people do not want to take on overheads that may cost them embarrassment or financial loss to their members. I know there would be \$100 million worth of construction and many cultural centres opened if they had that exemption.

**Mr. Roch:** If I heard you correctly, then is it not yes, in effect that the giving out of grants in lieu of taxes would be an effective way of giving the funding to those organizations?

**Mr. Golden:** Yes, primarily I see tourism as a provincial responsibility. I think you should be paying the grant in lieu of taxes.

**Mr. Roch:** One final point, Mr. Chairman, basically to the Minister. I wonder if it would be possible to get a copy of the letter or the definition of value which he mentioned in the letter that Mr. Golden—might be good to have for the committees.

**Mr. Chairman:** Yes, we will get that for you, Mr. Roch. Mr. Cummings.

**Hon. Glen Cummings (Minister of Environment):** I was interested in your comment about turning over portioning to the city. You make some very strong statements about the fact that this is just a different form of differential mill rates. There are more jurisdictions in the city, obviously, and across the Province that would have to deal with portioning. Do you not feel that inequities may develop if that power was transferred as well?

**Mr. Golden:** What portioning is, is the legislative power to dismiss equity. What it is, is that somebody is going to make a political decision that somebody should pay more than their fair share, and somebody should pay less than their fair share if you believe that value is the criteria. I say, who is better to do that than the Government which is imposing the tax, than the Government which has to answer to the people upon whom that tax is imposed.

I can tell you that my city council colleagues, the old guard, do not want that responsibility. I had no trouble convincing my colleagues, the new guys who just got elected, that we should do this. They are for open and honest and fair government, and they are still naive like me. The old guard unanimously voted against this. They do not want that responsibility. Give it to them anyway; it is good for them. Make them accountable.

**Mr. Cummings:** Well, I have a tendency to understand where you are coming from, but are you not concerned that changing one political decision for another still could lead to the inequities that you see in the system today.

**Mr. Golden:** On the short run, but I believe that if we have a simple tax system, where we are accountable, we are responsible, and we can stand up and explain what our colleagues did if they do that to people, that in three years they will throw them out, we can make it equitable. It will be a short-term problem, if we have the authority.

**Mr. Ashton:** I found your comments to be very interesting and very valuable. It was interesting—just on the question of condominiums. I have become aware of the inconsistency, even under the current distinction, because, for example, people living out of town who have children going to university, I have seen different decisions in terms of assessment as to whether they are assessed as being essentially owner-occupied or rented out. So even within that category there is a lot of inconsistency. Once again, it is a decision made by the assessors.

I am currently working with one individual in my own constituency who has been fighting this, and he just does not understand how a friend of his with the same circumstances gets one decision and he gets another. I think you probably explained that tonight, in terms of your concerns. I just wanted to clarify one thing though specifically, and that is in regards to market value, because I know this has been pointed out by our critic, and that is the fact that the letter and the brochure give a fairly clear idea of what market value is. Yet if you read the Act it is quite, quite different. I know you commented on it. Essentially, as I understand it, you are saying that the Act does not really outline the principle that the letter and the brochure and the public information are supposedly detailing to people. Is that essentially what you are saying?

**Mr. Golden:** Well, first of all, on your comment about people being treated differently by the Assessment Department. The Assessment Department is not always being treated with honesty by the ratepayers either. There are people out there who are purporting to be living in owner-occupied units when another member of the family is renting it, or friends are renting it. There are people who are cheating. These opportunities for abuse should be taken out of the Act as well. What was the second part of your question again?

**Mr. Ashton:** On the market value, the distinction between—

**Mr. Golden:** Oh, yes. The city is at least as guilty as the province was in providing information and then

letting it slip through the cracks that the information they provided was not equal to the end result, except before you become guilty you have an opportunity to correct it. What the City of Winnipeg did, when the reassessment came into 1975 values, we printed a green-covered booklet that said in paragraph 4 that due to shifts in values, there have become tremendous inequities—I am paraphrasing—but they said that every year the Assessment Department tinkers with assessments to try to keep them in line, and that it works district to district, but because of shifts in values as to district to district you require a reassessment based on market value to bring assessments in line one with the other.

This is done periodically, and it is being done now for fairness for all. But in fact, when you go to the Board of Revision and hold up the green book, they just say, no, the reproduction cost method is employed, but that is indicative of market value.

\* (2130)

**Mr. Ashton:** I think that once again re-emphasizes or reinforces the point you made earlier, and that is there are various things we are dealing with here. One of the key things is to make sure that the people of the province know what is happening. Having had the experience in 1983, going around the province on the committee, there is a lot of confusion between assessment issues, taxation issues, even among people who deal with it, whether it be municipal councillors or other individuals who deal with it on a regular basis. I thought your comments were very appropriate in terms of when we are dealing with this Act, making sure, first of all, that what is indicated as being in the Act is in fact in the Act. You do not want a distinction between what people think is in it.

Second of all, trying to improve the clarity of the system, I agree with you 100 percent. I would say that 90 percent of Manitobans just pay their bills, pay their tax bills, they have perhaps a very general idea of what the assessment is, but in a lot of cases probably inaccurate. I think probably most people assume that it is market value right now based in a large part on the information that is there. I know as a committee member it is something we are going to have to wrestle with. I think you could make a very good point, we have to have a system that is not only fair but seen to be fair and is understood by people because if you do not have all those characteristics you end up with anarchy in the system and that is currently what is taking place.

**Mr. Golden:** If I may, one of the other things as well. We asked the question earlier about portioning and that is fine to suggest for the City of Winnipeg. What about the outlying areas?

In outlying areas, in smaller towns, people are much more familiar with values than we are in the big city where there are shifting values all the time. It is much easier for a town council to make a decision on a local level as to whether or not portioning is responsible in their town than it is for the City of Winnipeg to make

that decision. Some towns only have two or three commercial properties in very small communities, and that can be left to the discretion of the town council. There, like anywhere else, they can throw out the town council if they do not like the decision they make, or the basis upon which they make it.

I want to bring your attention to the most recent piece of information that was given by the assessor, and I do not know who drew this up, the provincial assessor or the city assessor. It is called City of Winnipeg Sample Properties. This is the kind of thing we have to put an end to. Maybe it is me with my Grade 9 education, and perhaps I do not understand, but the words existing in current mean more or less the same to me, unless you are talking about water. They say Existing Value Levy under one column, and Current Value Levy under the other. We are supposed to understand what that means?

This is the kind of stuff that we have to correct. To me currents are something you eat or swim in.

**Mr. Chairman:** Just a minute, Mr. Cowan. Somebody want to explain that? Mr. Penner.

**Mr. Penner:** I think Mr. Golden is probably as well educated or better educated in the area of assessment and the meaning of words than most of us are at this table. I think he is quite aware of the meanings of existing and current, and I appreciate—I was chuckling when he identified the meaning of current. My assessment of the word current is similar to yours, although I swam probably in a different river. I swam in the Red River when it was still clean enough to swim in—it is clean enough to swim in now again. The Americans have done quite a good job of cleaning it up.

The existing taxation is the current system that is being used, and the current value is what we are going to be using in the future. Does that make sense?

**Mr. Golden:** So existing is current and current is the future?

**Mr. Penner:** Exactly. Now if that makes sense then you are a better man than I am.

**Mr. Golden:** Well, I know now. I just have to tell the other 625,000 Winnipeggers so that they know also.

**Mr. Chairman:** Mr. Cowan, you had a question.

**Mr. Jay Cowan (Churchill):** First of all I want to thank Mr. Golden for his excellent presentation. I want to build upon this dialogue that just went on a moment ago. Mr. Golden, at the beginning you said that we have an opportunity to make this Bill more understandable. Actually I think you implied that we had an obligation to make it more understandable to the general population. That is certainly a goal which we all share and sometimes find difficult to implement. Having you here before us today and your experience with assessment process from a layperson's perspective to begin with, and now probably from an expert's

perspective, given your own experiences, how would you suggest this Bill could be made more understandable to the person who is going to be most affected by the Bill itself, but at least familiar with it?

**Mr. Golden:** Seriously, I am not joking, I really do only have a Grade 9 education and there are a lot of words in this Bill that I have to look up in the dictionary. If you could have in the front of this Bill and in all of the Bills, the meanings of the words as to what they mean in the Act, that would be very helpful for a layperson reading it. I have had to call lawyers to get explanations of sections of the Act as to what they mean, so that would be very helpful.

**Mr. Cowan:** There are other methods that are used sometimes when we have Bills that are fairly technical because of the nature of the Bill and the need for it to be technical yet are applied to the general population. For example, with Workplace Safety and Health legislation which sometimes deals with very specific standards and falls into the extensive use of legalese in order to ensure that it is enforceable in the courts, also has attached to it codes which are not enforceable but are explanatory. You get the Bill and you get a code which puts the Bill itself into a layperson's language. Do you feel that something of that nature could be helpful with legislation of this type?

**Mr. Golden:** Well, two things. First of all, yes, but if it means that this Bill will not become an Act before the end of January, I would rather live with an Act that is less than perfect and do it again next year. There are people who are desperate for this thing to finally come to conclusion. I wish you guys would do what I did the last two days and stay up all night doing your homework to get this thing done.

The public deserves the effort it takes to bring this thing to conclusion as quickly as possible. Not so quickly that you do not accomplish what need be done, but as quickly as you can do it so it can be done quickly.

**Mr. Cowan:** I think this Bill will probably, on the basis of discussions during the day, be passed in time to be implemented in an appropriate fashion early in the new year. The code could be something that could be developed alongside it or later on, that might be helpful at a later date, so when people start really getting into the Act itself, that code is available. I just use as an example one option that is available from our perspective. Are there other options from your own perspective—seminars, advertisements, pamphlets?

**Mr. Golden:** I think if you make a Bill that the average person can understand, there are thirty people elected in the City of Winnipeg who have a responsibility to familiarize themselves with this Act, who can do that work for you and meet the community and help people. Anything you can do that would be helpful as well, great. I think what is important is to make this thing so simple it does not require those kind of public forums, but they certainly could not hurt.

I do not know if this is permitted in the Act, it is one of the things I am unclear on. Perhaps as well in the

Act, what you can do is when it becomes so simple that anyone can understand it, when a person picks up their tax bill or their assessment notice and they see that their assessment is a greater percentage of their market value than what they are told the ratio is supposed to be, that they can call up the Assessment Department and say, I think you have made an error here, would you take a second look. The assessor should have the power if he does not, to make the correction without forcing the person to go through the Board of Revision to get it done.

The assessor should want to help the people. I was in court when the Honourable Justice S. E. Schwartz criticized the City of Winnipeg and said, you are acting as obstructionists. You should be helping the citizens of Winnipeg get their cases to the Board of Revision. You should not be standing in the way. This was over a matter of people appealing missing the deadline. They thought they should be entitled to appear though they missed the deadline. Rather than the City of Winnipeg saying, yes, you are right, and standing up for its citizens, we hired a lawyer to go and fight the citizens of Winnipeg to prevent them from getting equity.

\* (2140)

The judge thought that was an horrendous act on our part and said that we should not be doing that. Who are we representing here? This brings me to another problem. It really bothers me to see that the Board of Revision has our lawyers sitting in there appearing to be opposite the appellant. The mayor explains it to me, because he is a lawyer, saying that it is the City of Winnipeg's assessment and we have to defend it against the appellant. As far as I am concerned I am not taking any responsibility for that assessment, that is not the City of Winnipeg's assessment, that is the Assessment Department's assessment. They may have done it for us, let them defend it and let them get their own lawyers. Do not make us responsible for that assessment, and do not let the Assessment Department use our lawyers so it looks like we are the ones responsible. They should have their own lawyers on staff.

**Mr. Chairman:** Thank you, Mr. Golden. Mr. Penner, the Minister of—

**Mr. Penner:** Mr. Chairman, just a few brief comments maybe to help. It is our intention to continue to provide information on the new Assessment Act into the new year once the Bill has been passed, and once we have dealt with it in committee and it has been passed by the Legislature that we can actually know for sure what we can tell people what is in the Bill and how the Bill reads in the final draft. It is our intention to inform the public, as well as we can, through the City of Winnipeg, or through the P.M.A., through the assessors, whatever means we can use, to try and tell the public what this new Act means and what it does for them and how it acts. So there will be an education process.

**Mr. Golden:** I appreciate that.

**Mr. Penner:** The second one is that Bob tells me here that the PMA, Provincial Municipal Assessor, has the

right to correct assessments if the value is not correct and it can be proved without going through the court of revision. If there are errors, the same thing applies without going through the court of revision that those corrections can be made. I believe that power is really also extended to the city assessor, although I am not sure of that.

I also want to indicate to you, and I have indicated to this committee, that we are prepared to introduce an amendment to the legislation to more clearly define market value. I think the letter I wrote to you will be very close, and the market value that I explained to you will be very close, to what you will see in the final draft of the Bill.

I certainly am not in disagreement with you when you talk about market value. There is, however, a reason why it was not included in the original draft of the Bill. There are some dangers in tying too closely, via legislation, the parameters under which an assessor can operate in my view. The looser, the more freedom you give an assessor to establish clearly market values within certain parameters I think the better off we are. However, the amendment that we are going to include will more clearly define what market value is and how you arrive at market value.

So I hope that will help the—

**Mr. Golden:** If I may, before I forget those points. First of all, I think that the definition that you use in your letter is the right one, I do not care what other one exists, because that one any layman can understand. I support that one because I can understand it easily upon reading it and I expect most people could.

Secondly, if putting the word “value” in any other way makes it easier for the Assessment Department, I have no sympathy for them. Make it as hard on them as you want, make it easy for the ratepayer, that is who we should be concerned about in this Bill.

Your second point about the assessor, the provincial assessor, being allowed to make adjustments of errors; I hope the city assessor has the same power and I hope you will give it your attention to see that he has, if he has not. On the first issue that you raised, which I have forgotten already, but I had a response to it.

**Mr. Penner:** The education, that we were going to try and educate as many people as possible as to what the meaning of the Bill is and what the Bill does for them, what the new Bill does for them, as far as assessment. That was the first issue I raised with you.

**Mr. Golden:** I thank you for that.

**Mr. Chairman:** Thank you, Mr. Golden. Mr. Penner.

**Mr. Penner:** There is one other question I have, and that pertains to exemptions, the exemptions, that you raise. I understand that the Franco-Manitobain Society, as well as the Ukrainian Cultural Centre, is exempt from taxation under a special Manitoba Bill. These Bills have been named under this Act to bring in line the meaning of their Act in order to make the changes in

one fell swoop in all of the Bills at the same time. That is why the Consequential Amendments Act—and that is why they are named in this Act.

**Mr. Golden:** Yes.

**Mr. Penner:** This Act, however, does not, does spell out the exemptions to them. They are still retained under those single Acts and it is the City of Winnipeg that has recommended that the three centres that you refer to recommended to the Province of Manitoba that these facilities should be exempted, or they requested the exemption and the legislation to exempt them.

So I would suggest to you that if the City of Winnipeg is serious about exempting all their cultural centres in the City of Winnipeg, they have the right to do so and they have the right to come to the province and ask that the province would draft legislation to exempt them. Whether the province concurs or not is another matter, but they do have that right to make those recommendations as they did with the previous three properties.

**Mr. Golden:** There is a problem with that Mr. Minister, and that is, as well as the exemptions that you cite under The Centennial Corporation Act, and The Municipal Assessment and Consequential Amendments Act, there has been a lot of tucking in going on. As I say, Prairie Theatre Exchange got tucked in, Artspace got tucked in.

**Mr. Penner:** No, those Acts were there before. The Acts exempting them were there before. They were separate Acts. They had been only named in these Acts to make them conform with the current assessment legislation.

**Mr. Golden:** I see.

**Mr. Penner:** But you did not have to amend each one of them separately, run each one of them separately, through the Legislature to make those changes, we include them here, wrote them in so it is really a consequential amendments Act. It amends all the other Bills that are there, pieces of legislation that are there, concurrently without running them all through the Legislature simultaneously.

**Mr. Golden:** Mr. Minister, what I am asking you to do is, if the City of Winnipeg has been influenced by lobby groups that are more powerful than other lobby groups, and they have been able to influence us to recommend exemptions to you, and those same lobby groups have been able to get whichever provincial Government was in power at the time to accept those recommendations does not make it fair, I am asking you to not leave it to the discretion of the City of Winnipeg to be fair. There are some major changes going on at City Hall and there have been 13 new councillors elected, it is not enough to make changes down at City Hall yet, but we are getting close.

In the meantime, while you are drafting this Bill, I ask you to ignore anyone who would lobby you to make it inequitable, under any justification they may have,



and to ignore all that lobbying and to make the Bill equitable whether any city Government, municipal Government or any individual interest group likes it or not, that you have a chance to deliver equity. I hope that you will take that opportunity for the benefit of all Manitobans, treat all Manitobans like first-class citizens.

Under the exemptions, I have one other matter that I forgot to mention earlier. Section 23(1) exempts seniors' homes operated by non-profit organizations from paying school taxes. This is discrimination against senior citizens who try to maintain their independence in their own homes. It is only fair in my view that no senior citizen should pay school taxes on their homes, which by the way they do not operate at a profit. This is non-profit seniors' housing, the same as the ones operated by non-profit corporations, and you are discriminating against individuals in favour of corporations. It is all non-profit housing.

I think that if there is going to be exemption in non-profit housing, which I support, make it for all senior citizen housing. Senior citizens have paid more than their fair share already. They have planted the seeds for the harvest that we all share in. They deserve a share of the harvest, they have paid enough.

If you are going to make any seniors group exempt, do not treat one class differently than any other. That is the opportunity that you have today. Get rid of all those inequities, let all senior citizens enjoy their homes, to stay in them as long as they physically are able to maintain their own homes, and do not force them out of their homes through taxes that they should not be paying.

\* (2150)

However, if you feel that they have to pay taxes on their homes do not give them an incentive to leave their homes, because they can get cheaper rent in a senior citizens apartment block than they can if they stay in their own home. There is a tax incentive to move out of their homes. We should not be giving people tax incentives to move out of their homes. Let them stay there as long as they can maintain their homes, and not force them out under economic persuasion.

Once again, I know that my colleagues on council would not support giving exemptions to all senior citizens on their homes. I am saying that representing myself, not representing City Council. But because you only give 18 percent of our budget to us in transfer payments, here is an opportunity to increase our block funding. Give us our fair share, and tell us that we have to use it to exempt school tax from senior citizens. Whichever Government has the boldness to take that step will be in power as long as they want to be, in my view.

**Mr. Penner:** Just for clarification, so that we understand what this new Bill does. As you indicated before, you thought that residents should have the access to the assessment sheets in the City of Winnipeg.

**Mr. Golden:** Yes.

**Mr. Penner:** Well, my PMA informs me that in the province, in the rural parts of Manitoba, that has been the case for a long time.

**Mr. Golden:** Yes, because you have a Freedom of Information Act.

**Mr. Penner:** That will also now be part under this new Act. Similar actions will be taken in the City of Winnipeg to ensure that.

**Mr. Golden:** It is not spelled out in the Bill now.

**Mr. Penner:** The authority is there to give the PMA the authority to indicate to the city assessors that they must.

**Mr. Golden:** Well, it is not clear to the City of Winnipeg—in fact, when I asked—

**Mr. Penner:** It is, it—

**Mr. Chairman:** Order here.

**Mr. Golden:** When I asked the solicitor for the City of Winnipeg and the assessor for the City of Winnipeg at the Executive Policy Committee last Wednesday if people can get field sheets, they said yes. The assessor said yes. The lawyer for the assessor said, no, that is not correct. We do not give people their field sheets. We give them to their lawyers, if their lawyer asks through our lawyer. I asked specifically if this Bill is going to correct this, and the lawyer said, under the present Bill, no.

Once again I asked EPC to have that amended, and I was told that under The Freedom of Information Act we must give it to them, but we have not written our Act yet. You have given us a year to do so and we are not prepared to do it voluntarily. You have to beat us over the head to give up those papers.

**Mr. Penner:** Under the Act, the provincial municipal assessor has the authority to direct the city assessor to make those changes. That authority is written into the Act. That is part of the Act.

**Mr. Golden:** Does it say that he shall do it or that he may do it?

**Mr. Penner:** The provincial municipal assessor shall.

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

**Mr. Harold Taylor (Wolseley):** I wanted to ask Councillor Golden whether, in his view, the criteria to be used when talking about seniors' homes of any sort, is an age criteria of 55 or 60, or 65 or 70. Where does he come down on that? What would his recommendation be?

**Mr. Golden:** I prefer to use a category, when a person reaches a level of retirement in their income. I would not know exactly how to draft the wording of that but if, for instance, under the legislation our Chief of Police wishes to work until he falls over, he is allowed to continue to earn his salary yearly. I do not think we should be providing a person with an exemption in that category, perhaps, but that is my own personal view.

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There are seniors' blocks in my area where you have to be 50 years old to move in—yes, on Niakwa Place.

I have always believed that seniors are people 65 years and over. Unless otherwise incapacitated, they qualify at a younger age. I think perhaps the federal Government's definition of senior citizen would suffice.

**Mr. Taylor:** We had the discussion last night about exemptions of cultural centres in the city, and you brought it up again this evening. In your view, if the city were to espouse such a thing so that we had not just the exemption of the Franco-Manitobain Cultural Centre and the Ukrainian museum and education centre, as we have today—all cultural and educational centres were in that category, would you think it would be the city's position that they would come back and ask for some form of compensation from the provincial Government?

**Mr. Golden:** They may, in fact, I am sure they probably will. And I say this to you: exempt them, and when the city comes to ask you for grants in lieu of taxes, I ask you to give them those grants in lieu of taxes. If you say no, that is a better answer than saying, no exemptions. So exempt them whether you will give us a grant in lieu of taxes or not. I think you owe it to us to give us a grant in lieu of taxes. If I cannot have both, I at least want the exemptions.

**Mr. Taylor:** Why do you think the province would owe the city a grant in lieu of taxes?

**Mr. Golden:** Because we get 18 percent of our budget from you now. Other cities of a like size and nature in Canada get 41 percent to 45 percent of their budgets from their provincial Governments. Other Governments, in Alberta, where they had the windfall from the oil, paid off all of the debts from the city.

I, as a city councillor, inherited all the sins of past councils. We are dealing with that debt now, and we are burdening the ratepayers with the service costs on those debts and trying to run a city. Frankly, the major reason why we are in debt is, since we lost Steve Juba fighting on behalf of the City of Winnipeg to get our fair share from the province, we have not had anyone fighting for us. We are not getting our fair share.

**Mr. Taylor:** But the concept I think we are talking about, Councillor Golden, is an initiation on the part of the city to exempt all cultural and educational facilities. So that is a city initiative. On the basis of that initiative—not necessarily being the wish of the provincial Government—you are suggesting there should still be a grant in lieu of taxes.

**Mr. Golden:** I am embarrassed to admit this to you. It was very late last night. I have had two hours sleep between our council meeting and the time I met with Honourable Minister Ducharme this morning on a matter of revitalizing Main Street.

There was a vote last night on this matter. If I remember correctly, council supported it 13-12, that there should be exemptions. I was going to say so

earlier, but my brain is a little fuzzy right now, and I was not sure. That being the case, you have the authority, council said so, 13-12. Some of the older members of council must have been out of the room at the time because we lost it at EPC. But we got it through on the floor of council, 13-12. So you do have the city's authority to do it if you want to take advantage of that opportunity.

**Mr. Taylor:** I do not know what the view is going to be about the grants, but in any case, it is an interesting point you bring up. Earlier you made mention of one of the frustrations you hit personally where you, through perseverance, were able to get a reversal of the original position of the assessor on your property. Then, low and behold, the following year it happened again. You, I gather, won the day again. Then the assessor did it a second time, is that correct?

**Mr. Golden:** Yes.

**Mr. Taylor:** I wanted to know—given that sort of experience and other things you have come across dealing with this, both before and since becoming a councillor—if you have any particular remedies that you might think would be effective in dealing with assessment staff that operates in this fashion.

**Mr. Golden:** Perhaps what could happen—and I am certainly not on a witch hunt—is that when the municipal board or the Board of Revision witnesses something like this, if in their opinion what the assessor did was wrong, to the point of flaunting the decisions of the committee—and I say only after he has done it more than once, once he feels conscionable, he must reaffirm his assessment, he just thinks they made a mistake—I would forgive him one time.

\* (2200)

If he does it a second time on the same property at the same level, I think that it should be incumbent upon the Board of Revision or the municipal board to take whatever actions they deem fit by reporting him to his employer. I do not know whether he should be reprimanded or what should happen, but it is despicable to do that to people. I mean, if you did that in private industry, if you ignored the courts in private industry, that could put you in jail.

**Mr. Taylor:** Yes, Councillor Golden, we had a suggestion from one delegation, given a context just like you experienced, and apparently it is not as isolated as one would wish it to be, that quite frankly there be costs laid on the assessor for in effect flaunting the earlier decisions of the board, and that either the assessing group or the assessor personally or jointly, that those costs then would be levied and collected by the board. In fact as I read it, it paid back in effect to the appellant to pay for their costs of coming again and again and again. I was wondering what reaction you might have to that sort of a suggestion.

**Mr. Golden:** Somebody earlier rightfully pointed out that ultimately it is not the assessor who suffers, it is

the other ratepayers, because the money comes out of the city's pocket. It seems unfair to burden other taxpayers with an improper action on the part of a city employer or a statutory officer; however, clearly this is contempt of court. It is not defined as contempt of court, it is contempt of court. As I say, in private industry you go to jail for contempt of court or receive a hefty fine personally. If we do not want to put assessors under that threat, at least what we can do is have him brought to the attention of some tribunal in the Government, be it his union or whatever, and if he has conducted himself in an improper fashion there should be some penalty that is felt personally by the assessor.

After the second time it happened to me personally, when they went back—and they did it when I went to the Municipal Board—they again changed my assessment, but the values changed from 1957 based on '50 values, to 1975 values. They changed it again the year after, but I have no way of knowing if they were equally unfair, because they were using a different level of value. I suspect I was treated the same way again but it was not as clear, the evidence was not as clear, because they were using a different level of value.

**Mr. Taylor:** Councillor Golden, I found it interesting that you were having an exchange with the Minister about this ability of the provincial municipal assessor to correct mistakes made, errors that are in an assessment file. The impression that you had after talking to city assessment people was that they did not have that power.

I am not sure if you are aware of sessions other councillors, including myself, had in quite recent years asking that same question. I can tell you that Mr. Funk said quite frankly they did have those powers. The practice at the city of them going in and correcting a file was not as common as it should have been, given some of the errors that were there, and very, very obvious errors. They did have the power but they rarely used it. I find that interesting that you were bringing to us a very recent comment to the effect that, no, they did not have it.

**Mr. Golden:** Interestingly enough now, you see in the past when you took a complaint to an assessor that says your assessment was wrong, the assessor had all of this gobbledegook in the old Act that he could give you, and you did not understand most of what he said anyway, and he assured you that your assessment was correct. Then you would go home and you would look at your next door neighbour's house that has a value almost equal to yours and a tax bill half as much. You would say I am not sure what he told me, but I am sure he is wrong, so then you would go to the Board of Revision.

If you write this new Bill correctly, and if this Act comes out in a fashion that we all know and understand, and every year the assessor announces publicly a level of value and a percentage that all assessments are of market value in that given year, when a person goes down to the assessor to argue his case, the only question will be what is the value of my home in the market place today? If my assessment is out 5 or 10 percent, and the assessor ignores me, that can be a

difference of opinion. If my assessment is out 50 percent from my neighbour, that is no longer difference of opinion, an assessor will not be able to conscientiously ignore me, he is going to have to say, well, it is obvious that your home is not worth a million dollars, therefore, there probably should be some adjustment here.

When you start to get major differences in values between the assessed value and the market value, the assessor will have to address it without going to the Board of Revision. Right now he can hide behind the Act. Right now he can hide behind the fact that nobody can understand the Act.

**Mr. Chairman:** Mr. Taylor—oh, you are finished.

**Mrs. Gwen Charles (Selkirk):** I appreciate Mr. Golden's remarks tonight, enjoyed many of them, and agree with a good percentage of them, but as a rural Manitoban and listening to what the councillor has put on the record as what assessors have taken the attitude in the City of Winnipeg, I guess I would like to come to the defence of provincial assessors. Having been a municipal councillor and sat on the Board of Revision, and just of late representing a constituent on the other side of the table, provincial assessors I have found more than willing to understand the problems and adjust accordingly and where is appropriate.

I am sure there are exceptions as there are to any rule, but certainly over three or four years, and many assessors, I have found them to be quite co-operative and would suggest to the City of Winnipeg that perhaps they relook at their personnel and the attitude of the assessors of the City of Winnipeg. Perhaps some of the problems lie within the City of Winnipeg, and perhaps you yourself could have council look at the attitude and the responsibilities city assessors have for being fair and equitable to the people not only in perception but in attitude.

I just mostly want to put on the record in support of provincial assessors, because I found them in all cases I have been with them, and that is many times over the last three or four years, they have been more than fair and willing to—and have gone out of their way sometimes to point out additional ways that constituents or residents could approach the assessment problems they have.

If you wish to comment on it, I would be willing to take those comments but feel that, as you are talking about equity, it is only fair to make the differentiation between the provincial assessors and city assessors because there seem to be a lot of differences here.

**Mr. Golden:** The difference is—and I lived in Thompson, Manitoba, in 1966 for a year, and I can tell you that when you live in a small town everybody knows everybody. Everyone knows the mayor and the councillors, and you wave to them on the street. You know each others' personalities and problems, you go to church together, you curl together, you see each other every day, and you all know what each other's house it worth.

You understand intimately what each other's situation is, and no one is going to be discourteous to anyone

else in a small town, because you will pay for it at the next church dance. There is a very different set of criteria there, whereas in the City of Winnipeg we chose our members of our Board of Revision on the basis of them being political plums.

You get to be a member of the Board of Revision not on the respect that you have garnered in the community to get yourself elected to council and inherit with that the right to sit on the Board of Revision, you get it because you worked on somebody's campaign or because you curled on some guy's team at the local club or you became a friend and they passed this out to you, because we pay them \$50 for a two-hour sitting. There is a lineup of people who like to get these, and depending whether you happen to be on the finance committee or whatever that chooses these people will determine whether you get to sit people on this board.

I can tell you there was a lot of fighting on the floor of council last night, that some people got on and others did not, a lot of lobbying, scurrying around the floor trying to get people to change their minds, because those are considered political plums. It becomes a matter of—I do not think it is going on in Winnipeg, I hope it is not, but perhaps if you know somebody on the Board of Revision in Winnipeg you can get the same courtesy that you give people in your small town. The problem comes in, that not everybody in Winnipeg knows people on the Board of Revision, so you are not all treated as courteously as some others may be.

**Mr. Chairman:** Thank you very much, Mr. Golden. Are there any other questions? Just a comment, Mr. Penner.

\* (2210)

**Mr. Penner:** I know the hour is going by, but I found Mr. Golden's comment on exemptions rather interesting. I would ask Mr. Golden whether he knows that in rural Manitoba, for instance, in some communities up to 65 percent or 70 percent of the residents of a community are senior citizens. If you would exempt all senior citizens from taxation because they have paid their dues over the years, and if you would exempt the cultural centres and hospitals and schools as we do now, it would behoove those communities to find a way to raise the dollars to provide the services to those very senior citizens who, in many cases, still run the farms that they operate to make a living. If you would exempt all those farms from taxation, we would have a difficult time, I believe, in some of those communities raising revenue to service those communities.

**Mr. Golden:** I was not aware, Mr. Minister, that there was that large a percentage in some of these towns.

**Mr. Penner:** Very much so.

**Mr. Golden:** I am also not aware of the facts on the other side of the coin. I wonder how much money we are spending subsidizing seniors' housing because we force people out of their homes. I wonder what is cheaper—to build that seniors' housing or to allow people to stay in their own homes.

I use the example this morning on Main Street; we have a task force that I am chairing now to revitalize

Main Street. I believe that the amount of money our Government spends, for instance, on drug treatment programs, on putting people in jail, on letting them sleep off their drunkenness in the Main Street Project, on the police protection, and on the hospitalization for the victims of the criminals out on the streets who are drug induced and alcohol induced, that all the amounts of money the Government spends dealing with the problem that we created, if we spend a little bit of that money allowing people to have a decent quality of life, they would not be encouraged to fall by the wayside.

Perhaps it would be cheaper—an ounce of prevention—and maybe what we are spending keeping senior citizens in hospitals and in the old age homes might offset the cost. I do not know; somebody smarter than I am with access to more information than I have is going to have to make that determination. I do know this: I do not think you would have any complaint from any capable, able-bodied members of our society if a senior citizen was given a tax break no matter how much more they had to pay. I think they would be willing to work a little harder. I think they recognize, as I said earlier, that everything we enjoy today is the harvest of seeds planted by our senior citizens, and nobody would begrudge them a share of the harvest.

**Mr. Chairman:** Thank you very much, Mr. Golden, for your presentation this evening.

**Mr. Golden:** Thank you for having me.

One last thing, if I may. Seeing as how we are dealing with freedom of information, and we now know that under The Freedom of Information Act I am entitled to information on assessments, there was a document that I have to do about four hours' work on tomorrow getting addresses of—I was wondering if the Minister might encourage the assessor to give me that information and save me that work so I can make a further report to this committee.

**Mr. Penner:** Which information would that be?

**Mr. Golden:** The document that I believe you have in front of you entitled the Class and Codes of Addresses that were used as examples of what might happen under portioning. I would like to do some homework myself and provide you with the true market values of these properties in 1985 and 1990 to show you that in many of these properties there has been a 30 percent shift in values since 1985. In others there has been a decrease in value.

If we live with 1985 market values as our level of value, there are some people going to enjoy a 30 percent tax advantage over others. Now I am saying this on the basis of some homework I have done looking at this on my own personal knowledge of values. I would like to go further than that and actually get the evidence for you that what I am claiming as true, to be true. I have to take all these roll numbers and look up the addresses, because the assessor feels it would be improper to give me people's personal information. I say these are public records and that if I want to go to the work I can get it anyway. I would ask that you make it easier for me and just give it to me.

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**Mr. Penner:** I will take it under advisement. I would have to check to see whether I have the authority to say yes to you or not.

**Mr. Golden:** Have a Merry Christmas, and please keep in mind while you are going through this process you are going to change the course of history of Manitoba with this Bill. It is really important that we come up with a good one. Thank you.

**Mr. Chairman:** Thank you, Mr. Golden. Is it the will of the committee to take a five-minute recess?

**An Honourable Member:** How many more delegations?

**Mr. Chairman:** Two more.

**An Honourable Member:** Let us do them right now.

**Mr. Chairman:** Okay. Do we have Mr. William Manchulenko with us?

**An Honourable Member:** He is not here.

**Mr. Chairman:** He is not here. Mr. Philip Fontaine from the Assembly of Manitoba Chiefs is not here. Then we only have the one, that is Don Mitchelson, or is there anyone else out there that would like to make a presentation? We only have the one then. Perhaps we should deal with it. Is that the will of the committee? If you would like to have a recess for five minutes it is fine with me.

Mr. Mitchelson, we will deal with your brief. Do you have a written brief with you?

**Mr. Don Mitchelson (Ward Councillor, City of Winnipeg):** No, I do not. Unfortunately, we do not have the big bucks at City Hall like you have down here; we have no staff to help prepare it, so I just do it on my own.

I am not sure how to address this august body. I have never been here before, and I guess Members of the Manitoba Legislature, ladies and gentlemen, would probably suffice.

I was noticing during the presentation you were saying Mr. Golden was supposed to speak and then he was supposed to wait, so is it okay if I just speak.

**Mr. Penner:** Carry on.

**Mr. Mitchelson:** First of all, I would like to thank you for giving me the opportunity to appear here today. I am here under a strange set of circumstances. I am here at some personal risk to my bodily health, as a distant relative of somebody involved with part of this legislation. But, as all good spouses, I asked permission beforehand, so I am here under the proper guidance.

I am also here after a lot of soul-searching most of the day and long into the night. The previous speaker, Councillor Golden, explained that council dealt with our position on The Municipal Assessment and Consequential Amendments Act last evening about

8:30-9, after a one-o'clock-in-the-afternoon meeting. I am not sure that council gave it, for a lot of reasons, the due attention this very, very important Bill deserved.

I was going to leave council around the time that Councillor Brown did, because I saw some things in here that were a concern to me. I was wrestling with my duty to stay on and finish the council or come, when one of my colleagues said, Mitch, why waste your time? The Government is going to do what they want to do anyway.

I thought about that the rest of the evening and stayed on, not because of that remark necessarily, but because I thought Councillor Brown was coming and I perhaps should stay at council. That remark bothered me all day today. It bothered me this evening to the point where I decided to call and get my name on the list, because if that statement is true, this is a sad state of affairs. I was prepared to accept that statement as perhaps being true and was not going to come.

I do not suspect that Councillor Golden's or my presentation or the other presentations, Mr. Mercury's, or Mr. Nugent's, or others', may or may not have a dramatic change on the legislation that is going to come forward, but I want to be reassured—and that is why I am appearing here—that at least those who have an opinion will have a fair hearing. Hopefully, from the collective opinions of those who appear here, like myself this evening, the Government and the Opposition—because it is a minority Government, the Opposition will have a fair amount to say in what type of legislation comes forward. Those remarks are one of the major reasons I am here. I think it is important.

I start off by saying that I think this is a very important piece of legislation. The tragedy was that the City of Winnipeg's position, which came to EPC a week ago, appeared in council last evening. The leader of our city, His Worship Mayor Norrie, was away on another matter and for whatever reason chose not to come before this body and make the City of Winnipeg Council's position known, other than the document that was sent on or delivered by Councillor Brown last evening which I must say, because of the newness of council and lateness in the hour, was not given a heck of a lot of attention.

\* (2220)

I do not mean that to be a cop-out. I do not think a lot of councillors recognize the significance of this Bill and the impact it is going to have on the City of Winnipeg. Councillor Golden made reference to the old guard, and I guess when he was talking about the old guard and what the old guard may or may not want, he was referring to people like myself who have been there some time. We do have a new guard and I do not know where Councillor Golden is in the guard. He marches to his own drummer as you know, so he fits somewhere in the middle I suppose.

I found that in addressing the document I found a bit of contradiction in Councillor Golden's remarks with respect to wanting the city to maintain some control over the classes of phasing in and portioning. He wants that to remain with the City of Winnipeg, but with respect to the exemption for culture groups, he wants to leave

that with the province. I found that a bit of a contradiction. On the one hand he wants the city to have a say in one part of it but not another.

With respect to the portioning and phasing in—unfortunately when you go to market values, and I suspect that is the way we are going to go, I think we ought to recognize that there is probably going to be a dramatic shift when you go to market values from the tax base where it is now if you do not have class distinction and portioning from probably rental property to a single-family dwelling.

I am not as well versed on assessment as Councillor Golden or probably anybody at this table, but I do recognize that one of the reasons we are going to need portionment and classification—we would be in a situation in the city, if we are going to go to market value, where we would be taxing a significant number of people of the single-family dwelling. I do not think it serves anybody in this community to put single-family dwelling owners in a position, whatever the value of that single family dwelling, where they cannot afford their taxes. We all know that is the reason there is going to have to be, as Councillor Golden says, a method of tinkering or adjusting.

With respect to going to market value, I suspect that everybody has an opinion on what it should be, and it is the position of council that you should go to market value. The problem that I have with market value, and the problem we are all going to have with market value, is that market value penalizes the person who keeps his property up, as opposed to a person who does not. If you let your property run down and do not keep it in a state of repair, obviously the market value goes down. Those who care to invest money, keep their home and property in decent shape, pay a higher value for that.

The market value of a piece of property only has value when you sell it. It has no value while you are living in it when you are talking about household. When you talk about a person who wants to keep his property, in the case of a single-family dwelling, up to a decent standard for the 25 or 30 years that they choose to live in that home, and has a high market value, they pay high taxes on that market value, and the only time they realize that market value is when they sell it or move into rental accommodation.

I am probably not telling you anything new here, but that is one of the problems that I think we have to wrestle with market value. To me there has been oversimplification, but I would just like to see a square footage of living space as a determination of what it is worth. Then if you choose to live in a big home and keep it to a certain standard, you pay for the square footage of your home. If you choose to live in a smaller home, fine, but if you choose to keep your property in a decent condition, which would be good for every municipality, you would not be penalized. I know that is about as much a simplification as Pocklington's talking about a 20 percent tax for everybody. Those are oversimplifications that could not happen. I am prepared to accept the market value position.

I guess, getting to the concerns that others have raised with respect to cultural groups, I am one of the

councillors who, although I might be the old guard, is not afraid at all to have—in fact I would like you to leave the duties of imposing classification on phasing in, which may be necessary again for portioning, with council on the principle that if we are going to be the ones who are going to set the mill rate and collect the taxes from people, then we should be responsible for making whatever adjustments we feel apt in the community.

I am not afraid, and I do not think Councillor Golden was speaking for everyone in City Council when he said there are councillors—that is imputing motives. I think most of council would probably be prepared to keep the portionment and classification within council. However, that is conjecture. My position is that I would like to see it stay there.

With respect to the culture group exemptions, I think clearly that Mr. Penner, the Minister, must have been quoted inaccurately in the media when this first came out. As I read the column, it said the Government was not prepared to change the conditions in which culture groups get exemptions, which indicated to the people that you were not going to allow culture group exemptions, which was a bit misleading. As a subsequent question to the Minister of Culture, Recreation and Minister responsible for Lotteries (Mrs. Mitchelson)—the Minister said that as long as the city wanted to bring forward the proposals, the Government would give it consideration.

Quite clearly, if most of the cultural groups we are talking about do belong or live in Winnipeg, if the cultural groups want the exemptions that they are entitled to, as the Ukrainian culture group and others are, I think clearly the decision has to rest with City Council, as it has in the past. Let them speak to their individual councillors, and let council have the determination.

After all, if we are going to give exemptions to cultural groups, it would be easy for councillors to say yes and have the province do it and come back to you for a grant. I think it clearly should rest—it is our responsibility. We will deal with the cultural groups; we should. If we feel that we want to make exemptions, we can come to the Government as we have in the past, get those exemptions and know what we are doing with the taxes. So I think the opposite to that. Clearly, I think if we want to maintain the ability to deal with phasing in and classification, then we should also be maintaining and accept the responsibility for instigating or initiating exemptions for cultural groups or any other group. I am not afraid of that challenge.

The major reason I am here this evening are some of the concerns I have with respect to the proposed exemptions under 8. in the document that Councillor Brown left, which we dealt with last night. In addition to that, I just want to make a brief comment on the large lot owners, those within the urban limit line and those without.

I have heard that there have been some presentations by some people, large lot owners, and I think most city councillors—I know most people, even at this table—were concerned with the additional tax burden that came on large lot owners, particularly inside your urban

limit line. If they are outside your urban limit line, there is some ability to control at least the market value of those lands by the Minister of Urban Affairs (Mr. Ducharme) by not allowing development outside your urban limit line. I think that has an impact.

Those who own land inside the urban limit line that may be perceived as developable lands, those who choose not to develop, are being heavily penalized. I am not sure what the magic answer is because in some cases you are dealing with homesteaders. I think everybody in this room would like the opportunity for a homesteader to continue to live on his large-lot holding, either in a farming capacity or whatever, without being taxed off it. I think that is something that we can all identify with.

Then you get into the idea, what about his son, the son of the homesteader who after a year or so decides he does not want to be a homesteader any more, and wants to develop the property? What do we do with the person that owns a large tract of land and is purely in it for development purposes, and who has a right to invest, risk his capital venture and take a chance on development? When you are dealing with property assessment, how we are ever going to address those three problems, I do not know. It is a very tough one for everyone.

I hope somehow with the Act that there will be some method—there are ways of putting imposed or self-imposed caveats on people. Say, if you would commit to farming this land for 20 years without developing, we might give you a tax break. I do not know. There must be some way of doing it.

Clearly I hope that in the legislation we can address the situation with large-lot owners close to the city, within the city or on the periphery of the city who, which I think is a shame, have land which cannot sustain the taxes if you put it in production. So it sits there idle. That is something I hope will be addressed and I know you are looking at.

The major issues that are directly related to my concerns as a City Councillor and a ward councillor are what I perceive as a bit of a transfer of responsibility—and you may not agree with this—of health care and day care from the provincial and federal responsibility to municipal responsibility by tax exemptions for these groups. I do not think I will be enlightening anyone. I think you will know pretty quickly where I am coming from, but one of the recommendations is that, with all due respect to the position the hospitals took by Mr. Nugent on their behalf, there is a suggestion we increase the maximum to 10 acres from realty taxation from four acres for hospitals.

\* (2230)

I guess the position I take—hospitals do not really pay taxes anyway. Hospitals are supported by the taxpayers. The Government pays their bills, and part of their budgeting process now includes their taxes. To exempt the hospitals from taxes will place to some degree—and I know that there is a recommendation from council, and our position is that if you want exemptions from taxes, you give us grants on those

taxes. I think it is a dangerous position to put the city in.

I do not think it is the position that Government wants to be in, to continually be negotiating in the future the value of grants in lieu of taxes when you transfer the responsibility or increase the tax exemptions for hospitals, which on the surface sounds like the humanitarian thing to do. Why should hospitals pay taxes? My position is they do not now anyway, because the taxpayers pay their bills through the Government. What you are going to do is switch the cost of health care to a degree from the provincial and federal Government to your municipal taxpayer.

We all know whomever you exempt in a static base of municipal taxes, the shortfall has to be picked up. So you are going to have people in a residential community picking up that shortfall, then various city councils of the day, whether it is in Brandon, Thompson or Winnipeg, pounding at the door of whatever Government of the Day for grants in lieu of taxes.

I really do not understand the reason for the exemption. Now you pay the city when you give the hospitals their budgets, so there will be, I suppose from the hospital's respect, a short-term jump in their budgets because they suspect that they will keep their old budgets and do not have to pay taxes, which may not be accurate. Instead of paying it to the hospitals in their annual budgets which you would have more control over, now you are going to have to give the grants out to municipalities. I think it is a cumbersome way and I do not want to be too critical of it, but my job here is to protect the municipal taxpayer, and Lord knows in Winnipeg—it is the City of Winnipeg Council's fault as much as anyone's, but we are the second highest in Canada in municipal taxes. I am talking about municipal taxes, and although the mayor disputes that, the facts do not.

The other concern I have is—and I know this will be a touchy one because of some Members of the Legislature's position on day-care—there is a recommendation to exempt non-profit day care centres under the licence of The Community Child Day Care Standards Act.

I did not raise it before council last night because we would have got lost in the argument of whether day care should be private or subsidized, and who should fund it. I guess my position is that all day cares, private and public, should pay their taxes. They use the services in the cities where they exist; they use the city, the sewer, the water, the fire department, the police protection, they use all the services that exist. I think that the fees the day cares charge the people who live in the cities for that service should be reflected in the user fee. Now they are subsidized to some degree and there is non-profit, and that is fine, but I do not see it serving any purpose by having a senior citizen or people on fixed income in a single family residence in Winnipeg paying additional taxes so a day care can have a lower rate, okay?

If you feel that it is important, and it probably sounds good politically not to have day cares pay taxes, then I think it is incumbent upon the Legislatures to offer

the same advantage to the so-called private day care centres. After all, the private day care centres came in and provided day care long before the subsidized and non-profit centres existed.

There have been some, I suppose, undesirable results of some private operators in the past, but that does not reflect—there is an awful lot of good private day care operators out there providing a service to people who, because of their geographic location, because of their preference, are utilizing those day cares now. We are going to put the private day care operator in a position where he cannot compete. The people who use those facilities will have to pay more, they will have to be charged a higher fee and ultimately, unfortunately—and I do not think that is the purpose of Government—you may put the private operators out of business and put more pressure on the limited amount of day care space we have. Who does that serve?

I guess what I am saying is that if you feel you want to exempt day care centres and put them in the same category as schools, you should offer it to both groups. My preference would be that you continue to charge the day care centres and if the non-profit—I guess the other problem you have is how to define non-profit when you are getting into any organization that charges a fee for service. Do you pay your staff \$50,000 a year and at the end of the year you say you did not make any profit? Or do you pay your staff \$30,000 a year and you say you have a profit at the end of the year so you have to pay taxes?

You get into all these definitions, but relative to the day care exemptions—and there again my concern is that you are going to transfer. If you exempt day-cares—there is an awful lot of day-care centres in Winnipeg as we know, not enough according to some people but there is an awful lot of them—you take them off the tax rolls. The City of Winnipeg, Brandon, Thompson, they have to make up the difference, passing it on to other home owners or other owners of property in Winnipeg. Again you are having day cares, which I do not think is proper, being subsidized on a municipal tax base.

I am not here to spread the news about it, but I think everybody at this table recognizes that provincial and federal Governments have avenues to raise revenues much broader than municipal Governments do. We have municipal taxes, business taxes and licences. You have the ability to—on any number from alcohol, to beer, to income tax, but I guess I do not think that municipalities ever had the ability to start funding back to health care and day care on a municipal tax base. I think that is what is happening here, and I am concerned about that. I do not think it is necessarily the intention of the amendments. I think the amendments were to recognize what everybody is saying, that maybe day care should not pay and maybe hospitals should not, but my position is that hospitals in particular are not paying taxes anyway, and with respect to day care centres, you should treat them both on an equal plain.

Those were basically the concerns that I had, the transfer of the exemptions and the burden that they

will have on the City of Winnipeg. I recognize what the city's position is—we will know what it is later—that you give us grants back in lieu of it. Well, I would prefer just to allow us to continue tax on the base. Or, should you want to grant exemptions to the hospitals for their additional land, or to the day cares, let us bill you for the taxes. We will charge you taxes in the same way. The institution will send a tax bill to the provincial Government. You can pay the taxes. You will know what you are paying for. We will not have to transfer payments. We will not have the ongoing argument of what is a fair grant in lieu of taxes. The taxes will be there because some way or another you are going to have to repay the municipalities. If you shrink their tax base, some way or another you are going to have return that money back into the municipalities, or you are going to help us get to be No. 1.

The mayor likes to be No. 1 in a lot of things, and I sometimes think he is trying to be No. 1 in taxes too. We are having enough problems in Winnipeg keeping the taxes in line. I do not think we need the additional burden of exempting larger groups and then coming back to you pounding the table for additional funds. Those are my major concerns, and I want to thank you for the opportunity. I wish you a Merry Christmas, and my hat is off to you.

I have to say one thing in conclusion. Perhaps this is the best time for this very important legislation to come forward when there is a minority Government situation. I think that assessment and taxation really cross all political lines because you have to be as responsible with how you collect your taxes as how you spend them, whether you are in Government or Opposition. I think that the reassessment addressing issue is long overdue and I doubt if any majority Government might have had the courage to come forward and deal with it. So, I think you are probably dealing with it under the best set of circumstances. I guess that is one of the good things about having a minority Government.

I commend you all for spending so much time at this time of the year. I have a slight involvement in politics myself. I have a great appreciation for the hours that are spent and I know you would all like to be somewhere other than here at 10:30 at night. Quite frankly, so would I. I do commend you on behalf of all Manitobans and Winnipeggers for the excellent job you are all doing in the Legislature. We are all in the same game in a small province like Manitoba with a million people, and Winnipeg with 575,000. I think we are all really just trying to do what is fair and equitable, to do the best job for our constituency. I hope that is where it is coming from, and I thank you very much.

**Mr. Chairman:** Thank you very much, Mr. Mitchelson. Before you leave, there could be some questions here. I believe Mr. Penner has some comments.

**Mr. Penner:** Just two comments. Number one, Councillor Mitchelson, I am not sure whether you knew, but the mayor did come last night for a short period of time to appear before the committee and voice his views on the Bill and the urgency that he saw of passing the Bill. So I thought you should know this.



**Mr. Mitchelson:** I am sorry, I was told that only Councillor Brown was here.

\* (2240)

**Mr. Penner:** The second one is in regard to the comment that I made in regard to the exemptions of the Bill. I indicated it was not our intention to expand the exemptions that were currently in place in the province, via this Bill, to other organizations, and I stand by that. I do not think it is the intention of this legislation to be exemption legislation. Although I know you can make the argument that we have expanded the exemption to hospitals and a few others, it is not, in the main, the intention of this legislation.

**Mr. Chairman:** Any other questions for Mr. Mitchelson—Mr. Cummings.

**Mr. Cummings:** Mr. Mitchelson, I was just going to ask you to expand a little bit on the profit and non-profit day care issue. I think some of the thinking that needs to be considered is on a profit day care. If in fact it is a profit day care privately run, it seems reasonable that taxes should be part of their overhead. I wonder if you had made that comparison.

**Mr. Mitchelson:** I think so. What I am saying is that if a day care is going to be profitable, if they are operating on a profitable basis, their rates will indicate some type of return on the investment.

I take the position that there is a place in our community for both profit and non-profit day cares. What I am afraid of is if you exempt the non-profit day cares from taxation and not the so-called profit day cares the rates that the profit day care centres will have to charge to pay those taxes are going to widen the gap between a non-profit and a profit. So what you will do is discourage them from staying in business. There are some philosophical arguments on whether people should be in day care to make a profit or not, and I do not even want to get into that.

What I am trying to say is, the fact of the matter is that there are day care centres that do exist and charge a fee for profit, and people choose to go to them. What I am afraid we are going to do is switch the responsibility from subsidizing day care from senior levels of government to municipal, but more importantly you may force more of the private guys out of business, which will lessen the availability of day care more than it is now, make it more difficult to get and then put pressure back on yourselves as governments to provide more non-profit help, which to me is counter-productive.

There is a place in society for both. I do not think that profit is necessarily a dirty word. I think the profits have to be reasonable. I think the fact that you have competing non-profit day care centres keep the profit ones in line, probably too much so in recent events, because they have been cutting a few corners. There are ways of looking after that.

I think most Manitobans will recognize that there is a need for both. That is what I am afraid of. My position is, both should pay taxes. Neither one should be exempt.

What I was saying to you, if you feel that you have a moral obligation to exempt day care centres because you are dealing with the care of children, which is a thing close to all our hearts, then be fair and equitable to both. Do not force the private guys out of business, because it is only going to come back and haunt you. You are going to have to subsidize and provide more funding then through senior levels of government to fill the void when you put the private guys out of business because they are paying taxes and their competition is not. I hope that answers the question.

**Mr. Chairman:** Mr. Cummings—that takes care of that. Mr. Taylor.

**Mr. Taylor:** Mr. Chairperson, Councillor Mitchelson, could you please just clarify your position on the matter of exemption for cultural and educational centres in the first point and in the second point on whether your view was there should be therefore grants in lieu back from the province to the city if the city chose to move in that direction?

**Mr. Mitchelson:** That was not my position that it should be necessary, grants in lieu of taxes back. What I said was Councillor Golden said that he preferred that the exemptions for cultural groups rest with the hands of the provincial Government. I am saying right now that, if the City of Winnipeg Council feels that cultural groups deserve exemptions, we have that power now, by dealing. Let us sit down and listen to their proposal, make a recommendation to the provincial Government, and if we ask for the exemptions, as I understand it, for cultural groups under The Centennial Act or whatever the other legislation that we want to do. The Government will give it to us now. I think it is up to us to be the catalyst to do it.

We are the ones who are going to give up the tax base, and I am not so sure if we make the conscious decision to say, yes, all cultural groups of Winnipeg should be tax exempt—I am not sure if it is fair or adequate for us to come and ask for grants in lieu of taxes. We make the decision and then the taxpayers of Winnipeg where most of the culture groups are going to be from and reside in anyway may want to be supported by the Winnipeg tax base. I do not know. I think you have to recognize another thing that most cultural groups receive funding not only from the province and the federal Government but they receive funding also from the city. Maybe our position will be that, if we give them tax exemption status, we will not continue to give them the grants and recoup our money there. I do not know.

As you know, Mr. Taylor, that the City of Winnipeg is out over \$2 million a year now in cultural grants. I am not taking the position that we should come to you if we exempt the cultural group. The exemptions now—as I understand, we have not come to you for grants in lieu of taxes for those exemptions that I am aware of.

**Mr. Taylor:** I can recall deliberating with Councillor Mitchelson over the dispensing of those cultural grants over many, many hours.

Councillor Mitchelson, you made mention about the issue of exemption for hospitals and there has been a presentation here earlier on that. There has been, I know, private discussions amongst members of the committee as well. What would be your view to exemptions also for mental health facilities?

**Mr. Mitchelson:** I guess you caught me a little off guard with that one because my position is that they should not be exempted at all. They should pay their taxes because as I said I do not think health care institutions, whether they be hospitals or mental institutions, pay taxes, because they are fully funded by one level of government or another, in most cases, federal and provincial.

What you are doing is saying to the same taxpayer, in some cases, well, we will exempt them from taxes. What you are really doing for municipal taxes, what you are really doing is getting the municipals involved with subsidizing health care. I think that is wrong. Not only is it wrong—I think everybody is involved health care—but it is not fair to expect municipalities on a limited tax, the limited amount of ability to have raise taxes, to put health care on a municipal tax. I do not think I will get any argument with that. In respect to mental health care organizations, they should pay their taxes.

What do you want? Do you want to exempt them from taxes and then have the municipalities come and say give us grants in lieu of the taxes? To me it is just bookkeeping, fooling around with numbers. It sounds great to say, we are going to exempt our hospitals from taxes. Well, they do not generate profits. Hospitals do not make any money; their bills are totalled; they pay for all their equipment, their staff, from government funds which are derived from the taxpayer. So why would you want to say, well, you do not have to pay taxes now and the municipality will chip in and pick up the difference?

**Mr. Taylor:** At present, federal health care institutions across the country pay grants in lieu of taxes to the municipal governments that they reside in, and those grants in lieu of taxes range between 99 and 100 percent of what the tax itself would be. Really, it is a case of the federal government saying, we will make a contribution, but we will not allow it to be a junior government taxing the senior government. It seems to be more the issue than the dollars flowing. What would be your view as to—and I would ask you notwithstanding that you are an elected representative in the city but try and think more in the provincial context overall—what do you think then should be the case for provincially funded health institutions? Should they also then be in the situation of paying grants in lieu of taxes to the municipalities which they are set up in?

\* (2250)

**Mr. Mitchelson:** To be very frank, when you speak about provincial institutions, give me an example and I will—all the hospitals with the exemption of Municipal Hospitals are provincial institutions. They are funded

by the provincial Government, so my position is that they should pay the taxes to the city as they do now on the basis that they are exempt now for four acres, I believe. What they want to do is expand to 10 to accommodate the land that they are holding for expansion or the land that they are holding for parking purpose or just the additional space they need.

What I am saying is that does not seem necessary. I do not know what the hospitals' position was and bring in Mr. Nugent here to support this. Do they foresee that if they are forgiven taxes that the amount of dollars that they save in taxes is also all of a sudden going to appear in their budgets and give them additional capital to spend? I suspect that quite frankly that the Government is going to recognize, whatever the Government of the Day is, if their tax bill is reduced their overall budget is reduced, and it is going to work out the same way.

**Mr. Taylor:** Yes, Councillor Mitchelson, you make an interesting point. How much of it is bookkeeping, and how much is it the reality of a different context? That is why I made the suggestion to you about, instead of looking at a context where hospitals pay so much now in tax and are exempt so much, and it is coming out of the hospitals' own budget, of looking at the context instead and the fact is that they are virtually fully supported by the provincial Government—instead have the provincial Government pay grants in lieu to the municipalities and forget about the hospital being involved.

I wonder if you had a reaction to that.

**Mr. Mitchelson:** The other way is the simplest—maybe it is too simple to work—but simply let the municipalities in Manitoba, whether it is Brandon, Thompson, Portage, Dauphin, or wherever, bill the hospitals their fair share of taxes, submit the tax bill to the Manitoba hospital organization who pays all of their bills, and simply pay them. There would never be any argument or dispute about how much the taxes were or how much the grant in lieu of taxes were.

You have got to remember that these hospitals, wherever they are located, draw on the municipal services for fire protection, for police protection, for street maintenance. They draw on the communities, they are using those services, and so why should they not contribute to the taxpayers? But it is motherhood to say hospitals should not pay taxes. I can tell you, you cannot shift the burden, I do not think, of health care onto municipalities by giving a tax exemption status without giving us some money back. If you are going to give us some money back, why go through the exercise except to appear to the public out there that somehow we are doing some public good?

People are smart; they understand that you pay one way or another, I think, but I may be wrong. My concern is that yes, I have no problem with the people in this room today ever, whatever Party comes to Government, under the circumstances of which the amendments will be negotiated. Two, three, five years from now, I do not want to be in a situation where the municipal Governments are going back to the province and say,

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you owe us X number of dollars for grants in lieu of taxes, and they say, oh, no because you spent too much money here and you pay your staff too much money, therefore, we are not going to pay you.

I do not want to get into a Municipal Hospital issue, but you and we know that right now the City of Winnipeg is subsidizing Municipal Hospitals, because we choose to pay our employees a little different rate than you do. So the City of Winnipeg taxpayers are subsidizing health care right now in the Municipal Hospitals. That bothers me. The City of Winnipeg taxpayers are subsidizing ambulance care by \$3 million a year. You know that. I do not want to get on my soapbox, but municipalities are subsidizing health care. I think ambulance service is a health care. It is not a municipal responsibility.

We are responsible for police, ambulance, fire, street maintenance, those sort of things. We would like to be responsible. Do you want us to be responsible for health care and day care? Fine, give us the resources. We will do it, but do not ask us to provide those services on a municipal tax base because everyone in this room knows there is not room to do that. That is all I am saying.

**Mr. Chairman:** Did you have any other questions? Mr. Roch.

**Mr. Roch:** There was a comment you made earlier in your presentation in which you said that the house has no value when a person is living in it. Can you briefly elaborate—what do you mean a house has no value when a person is living in it?

**Mr. Mitchelson:** Well, what I was saying is that, if we are going to go to market value for assessment, I am saying that you will be paying taxes on the value of that property on the market. That property has no value to the occupant until the day he sells it. It has value on the market. But he is going to be assessed on a house that is worth \$100,000 on the market. He is going to pay taxes on that, but that value does not mean to him a hill of beans until the day he sells it. Then he gets his \$100,000.00. He may live in the home for 25 years, and he is paying on that market value as the market expands.

If he keeps his house up is what I am saying, and maintains it and enhances the market value, he is being penalized as opposed to somebody who lets it run down because of the market value. That is the inequity in taxation with homes that exist. I was just pointing out it is fine to talk about market value, but nothing has value until you sell it. If you choose to live in your home for 25 years and you are taxed on market value because you choose to keep it up and keep it decent as opposed to somebody who lets it run down, it seems inequitable to me that you are being penalized for that. That is about my only comment on market value.

**Mr. Roch:** A person may not realize the value until it is sold, but there is a certain value attached to their property in any case. But I understand where you are coming from now.

On the other matter of the grants and exemptions, would you like the City of Winnipeg to have the power and authority to grant its own exemptions, and accept its—

**Mr. Mitchelson:** No. For culture grants?

**Mr. Roch:** Well, whichever exemptions—

**Mr. Mitchelson:** We were just speaking about culture grants and what I said is right now, as I understand it, if a culture group comes to the City of Winnipeg, makes a presentation, executive policy recommends to council that they receive an exemption under The Centennial Act or an adjustment to whatever Act is necessary, the City of Winnipeg Council brings that to this provincial Government or the provincial Government of the Day, they will enact our wishes. Am I correct, Mr. Penner?

**Mr. Penner:** I think the province has the right to weigh the presentation made by the City of Winnipeg and enact the legislation if they so wish. We have not indicated that we automatically do provide the legislation. No, that is not correct, but the province certainly does have the right to weigh the decision and make the decision.

**Mr. Mitchelson:** My preference would be, Mr. Roch, if a cultural group is going to have their municipal taxes waived, then the impetus should come from the city and not from the provincial Government saying yes, we will waive it for this culture group in Winnipeg and not that culture group, because we are the ones that are going to lose the tax revenue. So I think we should be the impetus or the ones that start it off. Whether or not we get tax grants in lieu of tax is another issue.

**Mr. Chairman:** Mr. Roch, do you have another question?

**Mr. Roch:** So what you are saying then is you would like for the province to grant the city the authority to waive the exemptions to cultural groups if it so desires.

**Mr. Mitchelson:** No, I think just leave it the way it is.

**Mr. Roch:** Oh, I see. You just want to leave it the way it is.

**Mr. Mitchelson:** The responsibility now to initiate tax exemption for culture groups lies with the City of Winnipeg. We have the ability to initiate it, to bring it to the province and make the request, and I want to maintain that. I do not want it to turn around and have the province say to a culture group, I do not think quite frankly you guys want that responsibility. I really do not think you want it.

**Mr. Penner:** Just a brief comment. So does every other municipality in the province have that same right to come to the province and ask for an exemption or to have an Act enacted to exempt properties within their municipality?

**Mr. Mitchelson:** It would be so easy. For me personally speaking, yes. I will let it rest in your hands, and every

culture group is going to come and see me. I will say go see the province, do not bother me, I cannot help you. I do not think that is responsible because if we want to waive municipal taxes, then we should initiate them if we feel that it has merit, not have them imposed on it. We would be the first ones crying back to you if you said we want to exempt a certain group. We would be the first ones crying saying, what are you doing that for? You are robbing us of taxes.

It is like I am here tonight. When you want to shift it off hospitals and off day care to municipal government, so that is why I have a different view than Councillor Golden does on that issue.

**Mr. Chairman:** Thank you, Mr. Mitchelson. Are there any other questions? If not, thank you very much for appearing before us this evening.

**Mr. Mitchelson:** Thank you, and a Merry Christmas and Happy New Year to everyone.

**Mr. Chairman:** Thank you, same to you.

Mr. Golden, did you have something to say to us?

**Mr. Golden:** I would just like to point out that, much to my surprise and pleasure, I would like to remind this committee that it was the will of council of the City of Winnipeg, passed by a vote of 13-12, that all cultural centres should be exempt, and you do have that message from the City of Winnipeg. It is Councillor Mitchelson who is now in the minority in that view.

**Hon. James Downey (Minister of Northern and Native Affairs):** On a point of committee business, it is my

understanding that there is some basic agreement or some feelings toward an agreement by this committee that, if there are further individuals who want to make a presentation to this committee, a time will be available to do that and that time would be some time around the first part of January, namely the 3rd of January, if I understand what the committee desires and would like this committee to make that known.

**Mr. Ashton:** I just want to confirm that there have been discussions -(interjection)- Well, negotiations, as the Member for Churchill (Mr. Cowan) points out. We have not finalized negotiations. We hope to do so tomorrow, but certainly one important aspect of negotiations would be a further sitting of the committee tentatively on the 3rd of January at ten o'clock. I want to just emphasize that this is not finalized but we do hope to do so tomorrow. I think it is important we give the signal to individual members of the public wishing to make presentations that there appears to be a willingness now on the part of the three Parties to accommodate that. It is just a matter of the specifics which we should be able to announce tomorrow.

**Mr. Chairman:** So there is a willingness for this committee to meet again on January 3, and the House Leaders will confirm that. Okay?

Committee rise.

**COMMITTEE ROSE AT:** 10:58 p.m.