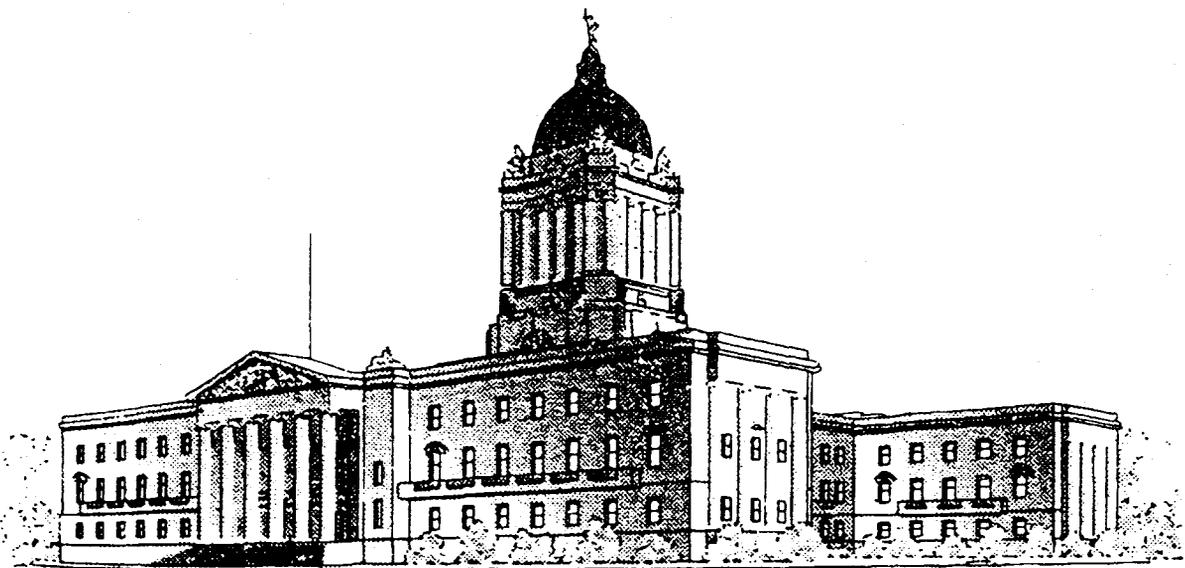




Third Session - Thirty-Seventh Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Municipal Affairs

Chairperson
Mr. Tom Nevakshonoff
Constituency of Interlake



MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Seventh Legislature

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ALLAN, Nancy	St. Vital	N.D.P.
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ASPER, Linda	Riel	N.D.P.
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CALDWELL, Drew, Hon.	Brandon East	N.D.P.
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CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
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LATHLIN, Oscar, Hon.	The Pas	N.D.P.
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MIHYCHUK, MaryAnn, Hon.	Minto	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
MURRAY, Stuart	Kirkfield Park	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
PENNER, Jack	Emerson	P.C.
PENNER, Jim	Steinbach	P.C.
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LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON MUNICIPAL AFFAIRS

Thursday, August 8, 2002

TIME – 11 p.m.

LOCATION – Winnipeg, Manitoba

**CHAIRPERSON – Mr. Tom Nevakshonoff
(Interlake)**

ATTENDANCE - 8 – QUORUM - 4

Members of the Committee present:

Hon. Ms. Friesen, Hon. Messrs. Lemieux,
Smith, Hon. Ms. Wowchuk

Mr. Loewen, Mrs. Mitchelson, Messrs.
Nevakshonoff, , Mr. Reimer

MATTERS UNDER DISCUSSION:

Bill 39–The City of Winnipeg Charter Act

Mr. Chairperson: Good evening. Will the Committee of Municipal Affairs please come to order. We are here to do clause by clause of Bills 39, 41 and 49, but Bills 41 and 49 have since been moved over to the Committee on Law Amendments. Therefore, we just have Bill 39, The City of Winnipeg Charter Act to get through tonight. So, on that basis, does the minister responsible for Bill 39 have an opening statement?

Bill 39–The City of Winnipeg Charter Act

Hon. Jean Friesen (Minister of Inter-governmental Affairs): I do have an opening statement. I have spoken briefly on this in the House, and it is a very extensive bill, but I do not intend to speak extensively on it tonight. I am pleased to see the Member for Niakwa here because I did not have the opportunity earlier to recognize the role that he has played in this particular bill. In his previous responsibilities as

Minister of Urban Affairs and Housing, this bill began as a joint undertaking with the City of Winnipeg, and, I think, close to a couple of years of work were put in by staff at the City level and jointly with the Province to work on this bill.

What we did when we came into Government was to look at it and to begin some discussions with the City of Winnipeg. I am sure the member will speak for himself to say that we have taken some parts of it in different directions, but certainly, a substantial part of it, the reducing of the mass, the attempt to ensure that plain English is used throughout the bill wherever possible, and the compiling—I do not know what other words to use for it—but the compilation of sections of the act, which would often be repeated in many different portions of the act, have now been subsumed into particular sections, making it easier in some ways, perhaps not as easy in others, but certainly, in some ways it does make it easier for citizens to use to find all the information that they need on certain types of by-laws in one particular area.

I think all members would recognize it is still a continuing work. It is one where we have indicated that, for the most part, what this does is to streamline and reduce existing legislation without changing a great deal of the intent of it and that we are beginning the process of looking at a phase two which will have perhaps some greater changes than are in this bill. Nevertheless, I think we can see from the range of presenters that we had earlier today—it was all today, was it not?

* (23:10)

An Honourable Member: Yes.

Ms. Friesen: All today.

An Honourable Member: Same opening, if you do not speak more quickly.

Ms. Friesen: I am going as fast as I can here.

It was today. Thank you. Earlier today. We had individual citizens. We had people who represented large groups. We had individual lawyers with considerable expertise in the area. We had the Chamber of Commerce and we had CUPE 500. I think there was a range of expressions and some very specific amendments which were proposed. I want to take this opportunity to thank all the people who did present and who gave a great deal of very considered attention to specific areas of the bills.

Some of them also prepared versions of amendments, and I wanted to say that in the period that has elapsed since the presentations, I have been with staff and we have given consideration to every one of the amendments that was proposed and brought forward, as well as to some of the ideas behind those that were not perhaps necessarily fleshed out as amendments.

In the end, what we have decided is not to bring forward any additional amendments at this time. I did previously give the Official Opposition—but not Doctor Gerrard. So my apologies to him through this presentation; I was not able to speak to him—a heads-up on the two amendments that we were bringing. They deal with one issue of improvement districts and another issue of trust funds.

The trust funds' piece will actually take four or five small amendments to do because it is dealt with in different sections. So, overall, I think I have six amendments, but it is basically two points that we are making and ones that we had talked about earlier.

We are, as I said, and as the previous minister had begun this, we have worked in parallel with the City and with the City lawyers and City staff on this. I do not mean to say that we are always in agreement or that it has always been a straightforward path, but in the bringing forward of amendments, I would think that kind of partnership would still need to be part of the process to ensure that we did continue with that partnership.

The compilation that I referred to earlier, the actual bringing together of this legislation into

very large chunks—that is the only word I can think of at the moment—does make it difficult, in some instances, to bring in the kinds of amendments that were being proposed or, at least, the intent of some of the amendments that were being proposed. In some cases, there would be ripple effects in other parts of the bill. Not that you cannot do that. Not that that is difficult to do. It is just that it is an additional constraint.

Finally, I think most people are aware that we have committed to a phase 2 of this bill and to begin to undertake that very quickly with public consultations and further public discussion. As I said, we have made a list of all of the suggestions that were made. Most of them, in fact, were very interesting. Some of them were particularly appropriate. We will continue to work on this. We will take into account all the proposals and suggestions that were made. On the whole, for the reasons that I have stated, we are going to stick with the amendments that we had given the Opposition previous notice of.

Mr. Chairperson: We thank the minister. Does the critic from the Official Opposition have an opening statement?

Mr. Jack Reimer (Southdale): I am not the critic, but I just wanted to put something on the record. I know the minister mentioned about the previous work that we did for the City of Winnipeg with The City of Winnipeg Act. I just wanted to single out one person. She is no longer with the department, but she was seconded for almost a year over to the City of Winnipeg, and she was a year over there with the City of Winnipeg. She was a lady that knew The City of Winnipeg Act inside, outside, backwards, forwards. She was just a tremendous asset for me. This is one of the reasons we seconded her over to the City of Winnipeg to work on that. That is Marianne Farag. She is no longer in this department. She has gone to another department. Her work and her efforts are blueprinted in here to a big extent. I just wanted to single her out specifically for her contribution, to the Department of Urban Affairs at that time, and her dedication to working with me and the City of Winnipeg in redrafting this bill. She literally had an office at the City of Winnipeg when this was going through. I just wanted to put on record her work and involvement with this rewrite.

Mr. Chairperson: Thank you, Mr. Reimer.

Ms. Friesen: I just wanted to second that and to also add the name of Rae Tallin, not a person I know, but who, I am told, also did extensive work on this. It is certainly a time to remember all of the staff who have continued to work on it. There has been, in the last period of time, quite a group of staff who have been working on it. You are quite right. A vote of thanks.

Mrs. Bonnie Mitchelson (River East): I certainly agree with the minister. Although many people looking at this bill would not think it is small by any means, but it is a significant improvement over what the previous City of Winnipeg Act was. I do have to say a lot of time and energy and effort has gone into making a much more user-friendly document that will guide the City of Winnipeg for years to come. I know it is not the end of the process. There will certainly be much more work that needs to be done in phase 2.

When I look at the number of years that have been spent working on the changes to the act, I think it is a little unfortunate that the public, the taxpayers of the city of Winnipeg, have not had the opportunity to see this or examine it in any detail for very long. I think it was introduced around the end of June. We are looking at a little over a month, maybe six weeks. When you think of the significant commitment that the taxpayers of the city of Winnipeg make to the City of Winnipeg, I just think it is unfortunate that over the summer months, when many citizens are not even aware that there are changes being made, many organizations that I spoke to or attempted to contact had indicated that they were not meeting officially as organizations or groups over the summer, and it was difficult to get their members together to do a comprehensive review in order to make an informed presentation before committee.

I believe that is a little unfortunate. It is not something that has just been worked on overnight. There have been many years of time and energy and effort. I would have liked to have seen the taxpayers, the ratepayers, in the city of Winnipeg have a bit more of an opportunity to review it in detail.

We do know that there are always amendments that need to be made from time to time. As this bill is worked through, I am sure that there will be things that will come clear and evident that there may need to be amendments to make it more workable. We do know that is an ongoing process. Part 2 will take some significant time and effort and energy also, because it is the financial piece of the legislation that has not been dealt with at this point that will need to be.

Speaking on behalf of those taxpayers that I know and have talked to, there is an issue around property taxes and the burden of property taxes in the city of Winnipeg. We only have to look to my neighbour community of East St. Paul. I have seen many of my constituents in River East move out to East St. Paul. One of the biggest issues that they raise is the property tax. My constituency goes down the middle of one street. On one side, they are in the city of Winnipeg, on the other side, in East St. Paul. There is a significant difference in the taxes that one side of the street pays as opposed to the other. We are talking thousands of dollars difference. There is a concern by taxpayers. They are not looking for the provincial or City government to look at ways to increase the tax burden. So any financial decisions and changes in legislation should certainly look to streamline the system to find efficiencies, ensure that there is not overlap and duplication between the City of Winnipeg and the Province of Manitoba, so that the taxpayers are the ones that benefit from those changes.

I would hope, as we move forward, if this minister is still in charge of Intergovernmental Affairs, or whether there is someone else in charge, that phase 2 does provide an opportunity for the citizens, the taxpayers, in the city of Winnipeg to have more input and more time to assess and evaluate the changes and the amendments that will affect their pocketbooks and their bottom line. With that, I did listen intently. I want to thank all of those who made presentations, some very good presentations. I have to admit that some of the experts on the assessment side of The City of Winnipeg Act confused me. It is not an easy area to understand, but the number of presentations that did refer to assessment and some of the expertise, I think, does speak to the whole issue of how

complicated and how, maybe, unuser-friendly the assessment system is, that it sounds to me like there were some offers today for people with some expertise to become involved in some sort of a review of the whole assessment process. So I hope the minister will take that into consideration as she moves forward, too.

I did listen, and we do have some amendments that came forward from the presentations that I will be moving as we get into the bill, and I was wondering—think we had discussed earlier because of the size of the bill—whether it might be feasible for us to go part by part, rather than clause by clause and just stop at those parts. Maybe the Chair has some sort of sense of where we might go. I know that there are several parts that I have no amendments in, and there are other parts that I might have several in. So maybe we could talk about the parts that have amendments, and see how we might deal with those parts. But I would be prepared to move through those pretty quickly that we do not have any changes to. Thank you.

* (23:20)

Hon. Scott Smith (Minister of Consumer and Corporate Affairs): Mr. Chair, I think that is a good suggestion that we do go through part by part, and the parts where there are amendments being presented maybe we can do them clause by clause till we get through.

Mr. Chairperson: Thank you, Mr. Smith.

During the consideration of a bill, the schedule, the table of contents, the enacting clause and the title are postponed until all other clauses have been considered in their proper order. Due to the size of this bill and the number of clauses, is it the will of the committee to allow the Chair to call clauses in blocks that conform to the 12 parts of the bill? *[Agreed]*

We will stop at any particular clause or clauses where members may have comments, questions or amendments to propose. Agreed? *[Agreed]*

Shall clauses 1 to 7(2) pass?

Some Honourable Members: Pass.

Ms. Friesen: Mr. Chair, I have an amendment in section 1.

Mr. Chairperson: Yes, honourable minister, read your amendment.

Ms. Friesen: Mr. Chairman,

THAT the definition "affiliated body" in section 1 of the English version be amended by adding "or" at the end of subclause (b)(ii).

Mr. Chairperson: It has been moved by honourable Minister Friesen that—

An Honourable Member: Dispense.

Mr. Chairperson: Dispense. The amendment is in order. Would anybody like to speak on the amendment?

Ms. Friesen: Mr. Chairman, just for the record, this makes a drafting correction to the bill. It does not change the meaning of the subsection.

Mr. Chairperson: Is it the pleasure of the committee to adopt the amendment? *[Agreed]*

The amendment is accordingly adopted.

Clause 1, as amended—pass; clause 2—pass; clauses 3(1) to 7(2)—pass. Shall clauses 8 to 15(2) pass?

Mrs. Mitchelson: I have an amendment in 13(3).

Mr. Chairperson: Clauses 8 to 13(2)—pass. Shall clause 13(3) pass?

Mrs. Mitchelson: I move

THAT subsection 13(3) be amended by striking out "25%" and substituting "15%".

Mr. Chairperson: The amendment is in order. Would anybody like to speak?

Mrs. Mitchelson: Yes, just a very short explanation. We really believe that a 25% discrepancy in the size of the wards within the city of Winnipeg is much too large. When you look at The Electoral Divisions Act, where the

variance south of the 59th parallel is 10 percent, we find that this is very inconsistent with that. Within the city of Winnipeg, when it only takes 30 to 40 minutes to get from one side of the city to the other, I do not think it is unreasonable to look at a smaller variation than 25 percent. I know that the reason this was changed last year or the rationale, I guess, used at that time was that it would keep communities together.

Well, we have heard, and I am sure the minister heard at length, from one of my colleagues who has found that her community has been split apart in the middle with the 25% variance. I do not think it is reasonable. I do not think it is necessary. Under our rules, for our constituencies, there is only a 10% variance, so we are giving a little more leeway with this amendment and moving this amendment to make the city wards fall within a 15% variance.

Ms. Friesen: Mr. Chair, yes, as the member references, this was debated at length with the Member for Fort Garry (Mrs. Smith), who feels very strongly about this, as I am sure other members do.

This is a change that was brought in recently as a result of a request from the Ward Boundaries Commission in the city. As we discussed in the House yesterday with the Member for Fort Garry, we believe that the 25% variance, plus the proposals that are in here to enable additional members to the City of Winnipeg Council, will meet some of the difficulties that the Ward Boundaries Commission felt that it had faced in trying to, and I do not think I am putting words into the Member for Fort Garry's mouth, but the criteria that are here in 13(2) are: keeping physical features; similar factors; means of communication; community or diversity of interest of the residents of the ward; and, to the extent possible, must include the whole area of a historic community or neighbourhood in the same ward.

I think everybody agrees that those are good criteria, but the commission felt that it did not have the tools to work with. So I think we have underlying assumptions where we are in agreement, but the means of getting there, I think we clearly have a disagreement around this table, so we will be voting against that.

* (23:30)

Mr. Chairperson: Shall the amendment pass?

Some Honourable Members: No.

Some Honourable Members: Agreed.

Voice Vote

Mr. Chairperson: All those in favour of adopting the amendment, please say yea.

Some Honourable Members: Yea.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it.

Mrs. Mitchelson: On division.

Mr. Chairperson: On division, the amendment is accordingly defeated.

* * *

Mr. Chairperson: Clause 13(3)—pass; clauses 14(1) to 15(2)—pass; clauses 16(1) to 80(7)—pass; clauses 88(1) to 127—pass. Shall clauses 128 to 223 pass?

Mrs. Mitchelson: I have three amendments in this part, and the first one is 148, General authority.

Mr. Chairperson: That is 148?

Mrs. Mitchelson: Yes. Page 98.

Mr. Chairperson: Clauses 128 to 147—pass. Shall clause 148 pass?

Mrs. Mitchelson: Mr. Chairperson, I move

THAT section 148 be amended in the part before clause (a) by striking out "may" and substituting "must".

Mr. Chairperson: The amendment is in order. Would anybody like to speak to the amendment?

Mrs. Mitchelson: Just very briefly. I thought I heard a fairly compelling reason in one of the presentations this afternoon for changing the "may" to a "must" in the interest of that health, safety and welfare and protection of persons, or in the interest to preventing or minimizing nuisances, pass by-laws in respect to the following matters. I felt it was compelling and am therefore making that amendment.

Ms. Friesen: Yes, and I remember the discussion in committee on this, and I recognize the frustrations of the citizen who brought this forward, and ensuring that enforcement takes place. While I think many people that I have heard from certainly share similar concerns, I am not sure that this is the way to address it. So it is certainly something we took under notice. It is certainly something that we recognize needs to be addressed. Certainly many citizens would, perhaps, have views on it which would be relatively similar.

The reason that we would vote against this one, apart from the general reasons that I stated at the beginning, is that the whole purpose of this bill is intended to be, in general and on the whole, enabling, and that "may" is an enabling one, and so that would be the general argument. I think that there may be other ways at coming at the kind of enforcement issues that the citizen who expressed these was suggesting.

Mr. Chairperson: Shall the amendment pass?

Some Honourable Members: No.

Some Honourable Members: Yes.

Voice Vote

Mr. Chairperson: All those in favour of adopting the amendment, please say yea.

Some Honourable Members: Yea.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it.

An Honourable Member: On division.

Mr. Chairperson: On division. The amendment is accordingly defeated.

* * *

Mr. Chairperson: Clause 148—pass. Shall clauses 149 to 233 pass? My apologies. Shall clauses 149(1) to 223—

Let us try this for a third time. Clauses 149(1) to 199(2). To repeat, clauses 149(1) to 199(2)—pass. Shall clause 200(1) pass?

Mrs. Mitchelson: I move

THAT the following be added after subsection 199(2):

Expropriation

199(3) Despite section 198 and subsection (2), the issuance of a certificate of title under subsection (1) is an expropriation for the purposes of *The Expropriation Act*.

Mr. Chairperson: It has been moved by Mrs. Mitchelson—

Some Honourable Members: Dispense.

Mr. Chairperson: Dispense. The amendment is in order. Discussion?

Mrs. Mitchelson: Yes, if I could just explain this one. In this clause, there was some concern expressed at committee today that this was expropriation without compensation and that given that this is deemed to be expropriation under The City of Winnipeg Act, there should be a right for an individual to seek compensation from the City as though it were expropriated. So, therefore, this clause is just inserted here to ensure that The Expropriation Act is used when property is deemed to be expropriated, as it is in this legislation.

* (23:40)

Mr. Chairperson: Thank you, Mrs. Mitchelson. Any further discussion?

Ms. Friesen: Mr. Chair, just to indicate that we would be voting against this particular proposal.

The purpose of this part of the act is to deal with derelict buildings and to ensure that landlords or owners of derelict buildings keep them up. That is the entire purpose of it, not to facilitate ways of allowing buildings to fall into disrepair and then to be taken essentially out of service to the community. So I recognize the person who brought forward this legislation and the particular, or this idea, and the particular cases that he was concerned with. We certainly took note of the kind of casework that he made reference to and would look at what other options there might be.

The Expropriation Act, as the member knows, does have a very long and sometimes complicated and sometimes very delayed steps in it. So we are not sure that that is the appropriate way of proceeding at this time. So, at this time, we will be voting against this.

Mrs. Mitchelson: Mr. Chair, I want to make it very clear that we did not want to slow down any process. I think that if there is one area in the legislation that the minister and her department have worked very closely with the community is in this area, and I really want to commend her for that. So I am not wanting to slow that process down in any way. I think it is important that those derelict buildings are dealt with expeditiously. I just want to make sure that we have legislation that is fair to those that might find themselves in a situation, and that they are not compensated in some way. I am not saying that that compensation should have to be settled before the building is torn down, but that people are still treated fairly in the process, and that market value based on assessment, or whatever, is assured to them.

Mr. Chairperson: Thank you, Mrs. Mitchelson. Any further discussion? Seeing none, shall the amendment pass?

Some Honourable Members: No.

An Honourable Member: Yes.

Voice Vote

Mr. Chairperson: All those in favour of adopting the amendment, say yea.

Some Honourable Members: Yea.

Mr. Chairperson: All those opposed, say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it—

An Honourable Member: On division.

Mr. Chairperson: On division. The amendment is accordingly defeated.

* * *

Mr. Chairperson: Shall clause 200(1)—pass; clauses 200(2) to 222(2)—pass; clause 223—

Mrs. Mitchelson: Mr. Chair, I move

THAT the following be added after subsection 222(2):

Review of program every third year

222(3) In the third year after a by-law is passed under subsection (1), and in every third year after that, council must review the effectiveness and the operation of the by-law. Unless council in that year approves the continuation of the by-law, the by-law expires at the end of the year.

Mr. Chairperson: It has been moved by Mrs. Mitchelson

THAT the following be added after subsection 222(2): Review of program every third year, 222—

An Honourable Member: Dispense.

Mr. Chairperson: Thank you. Dispense. The amendment is in order. Discussion?

Mrs. Mitchelson: Mr. Chair, as this clause stands, it is completely open-ended and a zone can be established and exist in perpetuity. That is why we feel that this amendment is required. It establishes a sunset clause ensuring that when a zone is created, it must be reviewed.

Incremental tax revenue provided and left in one zone does not share additional tax resources fairly and equitably right throughout the city. So, we believe, if in fact it is going to be put in place

and we understand that there are needs for special zones and special incentives in certain areas, that it should not be left there in perpetuity, that it, in fact, should be reviewed and that every city council should have the opportunity to do that. I do not think that something should get lost in the shuffle when councils do change. Something as important as additional tax revenue should be looked at. So that is why we are moving this amendment.

Mr. Chairperson: Thank you, Mrs. Mitchelson. Further discussion?

Ms. Friesen: Mr. Chairman, this is something that did not come from the hearings, but it is something that we have had some informal discussions about with members of the Opposition. Tax increment financing is one of the new elements of this bill. It is one that has been used in the United States and, I think, there is general support on both sides of the House for this. The issue of a sunset clause, however, is one that we feel can be done by the City of Winnipeg itself as it enacts its by-laws, and that we see, again, the general intent of the legislation is to—and I cannot remember the mayor's words on this, but certainly, the enabling aspect, the enhancing of the general legislative powers of the City is an area that, I think, infuses throughout this bill.

There is tax increment financing legislation in Ontario, but I think not in other Canadian provinces, so we are looking at quite new areas. My understanding is that the City will be able to review this as they review all of their by-laws and as they will review all of their policies. We will be doing it with the input of citizens as they enact their by-laws. So, on the grounds of the general purposes of the legislation and the fact that the City Council will be able to do it, we are going to vote against this one.

Mr. Chairperson: Thank you, Ms. Friesen. Shall the amendment pass?

Some Honourable Members: No.

Some Honourable Members: Yes.

Voice Vote

Mr. Chairperson: All those in favour of adopting the amendment, please say yea.

An Honourable Member: Yea.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it.

An Honourable Member: On division.

Mr. Chairperson: On division. The amendment is accordingly defeated.

* * *

Mr. Chairperson: Clause 223—pass; clauses 224-282—pass; clauses 283-314—

An Honourable Member: No. It is 304. It is to 304 section, Tom. Up to 304(1), pass. Because I am coming in here.

Mr. Chairperson: Okay, hold on. 283-304(1)?

* (23:50)

An Honourable Member: Yes.

Mr. Chairperson: Correction. Clauses 283-304(1)—pass; clause 304(2)—

Some Honourable Members: Pass.

An Honourable Member: No.

Ms. Friesen: This is where I have one of those amendments. There are a series of them which deal with the sinking fund. That is the heading on this part of the bill. So I will just speak generally, and then make specific additions as we get to each one.

The City sinking fund is presently managed by a corporate body established within the present City of Winnipeg Act. The trustees of that corporation are appointed by the council. The corporation presently has the power to lend securities within the sinking fund. That power was included in the Charter for the City, but was inadvertently—that is in this act for the City—overlooked in respect of the sinking fund. What we have here is a series of amendments which correct that oversight.

This particular one, 304(2), makes a drafting correction so that the defined term—

Mr. Chairperson: Order. Sorry. Before you go into a discussion of the bill, honourable minister, you have to move your amendment and then we will have a little look-see at it and decide whether or not it is in order, at which point you can discuss it. So if you would read your amendment, honourable minister.

Ms. Friesen: Sorry about that. I move

THAT subsection 304(2) be amended by striking out "a sinking fund in respect of the securities" and substituting "the relevant sinking fund account".

Mr. Chairperson: The amendment is in order. Discussion?

Ms. Friesen: This is a drafting correction so that the defined term is used. "Relevant sinking fund account" is defined in section 292. It does not change the meaning of the subsection.

Mr. Chairperson: Any further discussion? Seeing none, is it the pleasure of the committee to adopt the amendment? *[Agreed]*

The amendment is accordingly adopted.

Clause 304(2), as amended—pass; clause 305—pass; clause 306(1)—

An Honourable Member: No.

Ms. Friesen: I move

THAT subsection 306(1) be amended by striking out "and" at the end of clause (a) and by adding the following as clause (a.1):

(a.1) pursuant to an agreement entered into by the city under clause 290(b), lend securities held in the sinking fund; and

Mr. Chairperson: It has been moved—

Some Honourable Members: Dispense.

Mr. Chairperson: Dispense. The amendment is in order. Discussion?

Ms. Friesen: The explanation, Mr. Chairman, is that the corporation presently has the power to lend securities within the sinking fund. That power was included in this Charter for the City but was inadvertently overlooked in respect of the sinking fund itself. This amendment corrects that oversight.

Mr. Chairperson: Thank you, minister. Further discussion?

Mr. John Loewen (Fort Whyte): Well, I will just indicate to the minister, while this is relatively common practice in the financial field, it does not come without a fairly significant increase in risk, and very, very close monitoring has to be taken with regard to the lending of securities. Because, of course, when you lend something, you are doing that for not a very great rate of return, and on the basis that the lender will give them back. Given what we have seen with some major accounting firms, or some major issues in the United States, I think the City would be well advised to be very, very cautious if they plan to, in fact, invoke this clause and utilize it.

It may not have been a bad idea that it was left out.

Ms. Friesen: I thank you, Mr. Chair. I thank the member for those comments. I wanted to advise him that we had reviewed this with the Department of Finance as well. Certainly his comments will be part of the record, too.

Mr. Chairperson: Further discussion? Seeing none, is it the pleasure of the committee to adopt the amendment? *[Agreed]*

The amendment is accordingly adopted.

Clause 306(1) as amended—pass.

Shall Clause 306(2) pass?

Ms. Friesen: Mr. Chair, I move

THAT subsection 306(2) is amended by adding "relevant" before "sinking fund account".

Mr. Chairperson: It has been moved by the honourable Minister Friesen

THAT—

An Honourable Member: Dispense.

Mr. Chairperson: Dispense. The amendment is in order. Discussion?

Ms. Friesen: Mr. Chair, this is the second drafting correction to ensure the defined term is used where appropriate, and, again, it does not change the meaning of the subsection.

Mr. Chairperson: Thank you. Further discussion? Seeing none, is it the pleasure of the committee to adopt the amendment? [*Agreed*]

The amendment is accordingly adopted.

Clause 306(2) as amended—pass. Clause 306(2) as amended is accordingly passed.

Clauses 306(3) to 314—pass.

Clauses 315(1) to 324—pass.

Shall Clause 325(1) pass?

Mrs. Mitchelson: I move

THAT subsection 325(1) be amended by adding "in the year" after "as early".

Mr. Chairperson: It has been moved by Mrs. Mitchelson—

An Honourable Member: Dispense.

Mr. Chairperson: Dispense. The amendment is in order. Discussion?

Mrs. Mitchelson: Yes. Thanks very much, Chair. This is as a result of a presentation that was made also by someone very knowledgeable in the assessment area, and indicated that it was important that the rolls for the year be completed as early as practicable within that year. This just does hold the Assessment Department and the assessor more accountable. I think it was a good recommendation, and therefore, I am moving this amendment.

Mr. Chairperson: Thank you, Mrs. Mitchelson. Any further discussion?

Ms. Friesen: Yes, I remember this coming in as almost a drafted amendment. It was certainly

one that we looked at. It does not change the nature of assessment. I think the proposal does not change the issues as they are in existence here. I was mindful of a number of suggestions that were made as the Member for River East (Mrs. Mitchelson) has said. There were a lot of suggestions around assessment and a lot of suggestions for a more comprehensive look at assessment. This one, we felt, did not change the existing clause in any significant way, nor did it change the nature of assessment. We felt that we would rather take the advice of some of the presenters and look at the whole of the assessment issues and try and get the language comparable and the principles similar. So it is a question of timing, I think, on this one.

* (00:00)

Mr. Chairperson: Is it the pleasure of the committee to adopt the amendment?

Some Honourable Members: No.

Some Honourable Members: Yes.

Voice Vote

Mr. Chairperson: All those in favour of adopting the amendment, please say yea.

Some Honourable Members: Yea.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it.

An Honourable Member: On division.

Mr. Chairperson: On division, the amendment is accordingly defeated.

Clause 325(1)—pass; clauses 325(2) to 329—pass. Shall clause 330(1) pass?

Mrs. Mitchelson: I move

THAT subsection 330(1) be amended in the part before clause (a) by striking out "ordinary" and substituting "registered".

Mr. Chairperson: The amendment is in order. Discussion, Mrs. Mitchelson.

Mrs. Mitchelson: I think there are a couple of places. This is one amendment, and there will be another one coming forward a little later on. A presenter, again, was speaking probably for taxpayers in the city of Winnipeg when he indicated that ordinary mail did not always reach individuals and, in fact there was a feeling that an individual, a taxpayer wanted to appeal, that sometimes they did not get the message or understand the message in time for them to meet the appeal deadline. I think, as common courtesy to taxpayers in the city of Winnipeg, this amendment certainly should be supported by government. After all, it is the taxpayers that do generate the income for the City to provide the services that are needed by its residents. So I think this is common courtesy to taxpayers, and I would hope that the Government would support this amendment.

Mr. Chairperson: Further discussion, honourable minister.

Ms. Friesen: We have dealt with this issue in previous bills, the issue of how you ensure that the sender knows that the letter has been received, and it is, in some cases, a double-edged sword. I understand why the member is suggesting changes here and why the people who came to the hearing suggested changes. It is the kind of thing where you are looking for certainty. In previous bills, we have been around the loop on this one: on faxing; on e-mails; on registered mail; on how do you send mail to absentee landlords overseas; and how much time do you leave. I remember one bill where we spent a lot of time on this one, and there is no answer that fits everyone.

In this case, what the bill is suggesting is ordinary mail, and the member is suggesting registered mail. I respect both of those positions. At the moment, what we have is a bill that says ordinary mail, and I think there would be a certain ethic. The City would see that there would be considerable additional cost if registered mail was required. So, for that reason and for the need for consultation on that, I think I would prefer it to leave it as it is at the moment, but, if members are aware of how this is dealt

with in other jurisdictions, that requirement for certainty, I think everybody would be pleased to hear of it. There are all sorts of stories of people who are able to avoid registered mail. When they see registered mail coming, they choose to avoid it in ways that some people do not avoid ordinary mail. Many people avoid ordinary mail, too, for weeks and weeks and weeks. So it is not an easy one to solve, and I do not know that there is one answer that fits all, and, in this case, what we are suggesting is certainly something. It is issues of finance for the City. It is something that we can raise in part two and look for other citizen responses and suggestions in this area.

Mr. Chairperson: Thank you, minister. Further discussion? Seeing none, is it the pleasure of the committee to adopt the amendment?

* (00:10)

Voice Vote

Mr. Chairperson: All those in favour of adopting the amendment, please say yea.

Some Honourable Members: Yea.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it. The amendment is accordingly defeated.

An Honourable Member: On division.

Mr. Chairperson: On division.

Clause 330(1)—pass; clause 330(2)—pass.
Shall clause 331 pass?

Mrs. Mitchelson: Mr. Chair, I do not have an amendment here. We are just going to be voting against this clause in the bill. We heard presentations today, and I am sure that the minister has heard representation from the condo owners before. I know that their issue is not just around whether this should be in legislation at this point in time or not; it is around how they are assessed, or what portion they have in their classification.

I heard representation, though, from the Chamber, and, certainly, from the Canadian Federation of Independent Business today, but from the Chamber, specifically, that, really, we are concerned, not only about the portioning issue being contained in this legislation, but also the frontage levy. What they indicated was that they felt that the changes that were made in this phase of The City of Winnipeg Charter, phase one, were good and supported most of them, but that, in fact, all of the financial issues should be dealt with in a complete package, and that phase two of the legislation is financial.

There are some concerns, and maybe the minister could try to explain to us how, by Order-in-Council, she would be setting the ranges within classifications, because there is concern, significant concern by the business community that because businesses do not generate many votes in the city of Winnipeg and residences do, that businesses might be unfairly treated. That is a concern.

I might ask the minister what she is looking at when she is setting ranges. I know the business class pays 65 percent right now. Is she looking at ranges that would go from 60 to 70 with the ability for the City of Winnipeg to increase business tax? The business community also does feel that they have been unfairly treated when the ESL portion of school tax has been removed from residential property, but not from business property. So they feel that already they are at a disadvantage and have not been treated fairly, and have some concern and some worry, and legitimately so, because, really, they are the drivers of the economy, our business and the private sector. So there is concern on their part, and I certainly share their concern.

I wonder if the minister might indicate how, in regulation, she might be setting the ranges within classifications, and whether there would be a range, presently, that would go above what different classes are paying.

Ms. Friesen: Mr. Chair, the member has indicated that she will be voting against this whole section, and, obviously, we drafted this, and we will be voting for it. There has been some discussion already in committee about this with the condo owners. I recognize that it is new

for Manitoba. It is intended to enable the City to have some tools to ameliorate some of the situations that the condo owners describe. Part of the concerns, and I do not, certainly, want to indicate that it is by any means all their concerns, do centre around what they perceive to be a double taxation, when some condos, not all, do pay their own garbage removal. Some pay their own snow removal. There are other additional ones. They feel that is an unfair disadvantage to condo owners. It was a way of attempting to meet some of those concerns. I know the condo owners have been approaching governments for a number of years. It was a way that we felt could take one step in the direction of their concerns relatively quickly.

The member had asked about the regulations and the range. Obviously, those are things which are dealt with in regulation, and they will be dealt with in the normal way in which a regulation is dealt with and given due consideration. The purpose is not to have a huge wide range and fluctuations. It is to establish, by regulation, a relatively narrow band so that there will be some predictability for the businesses, predictability for residences and for condo owners.

Mrs. Mitchelson: That, I guess, then, is certainly one of the reasons why we would find businesses in the city of Winnipeg having some concern over having this in here and it being an ad hoc decision without looking at all of the financial implications. I did indicate, in my opening statement, that taxpayers are the ones that need to be assured by any changes in financial situations that there is not going to be a higher burden on property taxes as a result of changes that the provincial government and the City of Winnipeg might make.

There also was a concern raised in my mind, when we were discussing this after presentations, that it will enable the City of Winnipeg to set different ranges within the same classification. I want some clarification on that because it has raised some flags in my mind, because I know the condo owners have different circumstances and different situations where certain things are paid by some condo developments and others are not. I did want some clarification around that. Will the City

have the ability to make different rates in different parts of the city within the same classification?

Ms. Friesen: I am glad the member raised that because, no, that is not the intent. They will not be able to do that by this legislation.

Voice Vote

Mr. Chairperson: Further discussion? Seeing none, all those in favour of passing clause 331, say yea.

Some Honourable Members: Yea.

Mr. Chairperson: All those opposed, say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Yeas have it, on division.

Clause 331—pass; clauses 332(1) to 340(2)—pass. Shall clause 340(3) pass?

Mrs. Mitchelson: There are two places. I am just trying to get my act together here. There are two places, 340(3) and 349. I can speak to them both at once, but what I am trying to do here is ensure—

Mr. Chairperson: Order. Mrs. Mitchelson, will you make your motion, please.

Mrs. Mitchelson: I move

THAT subsection 340(3) be amended by striking out "prescribed under clause 343(1)(c) (repayment of taxes paid under protest) of The Municipal Act and substituting "fixed by a by-law passed under clause 348(1)(a)."

Mr. Chairperson: The amendment is in order. Discussion?

* (00:20)

Mrs. Mitchelson: This amendment, along with the amendment that I will be proposing at 349, tries to ensure that the interest charged on late payments is the same as the interest paid on

refunds. What I want is some consistency in both sections. I think it is pretty self-explanatory.

Mr. Chairperson: Thank you, Mrs. Mitchelson. Further discussion?

Ms. Friesen: It is a complicated section. The principles that the presenters were raising on this one were interesting ones, and I can see that it is a complex one to draft and redraft. I think the intent of the City and the Province, as they were working on this, was to provide some consistency with The Municipal Act and with the assessment act, and to give some flexibility to set interest rates. That is the intent. I think that is why it is drafted as it is. So, at this point, I think we would vote against it, but I understand why the member is bringing it forward, and it is certainly something that, as we look in the next phase, we would see if we are being consistent with all of the acts, see if we are giving the kind of flexibility, I think, that both the Province and the City were looking for, and seeing if we really captured that as we go along.

Mrs. Mitchelson: I hear where the minister is coming from, but I think this is a fairness issue. I think taxation legislation does have mirror rates for both late payment or late filing, and rebates. I think this is, again, a fairness issue and a fairness to the taxpayers, and I have no problem with the City of Winnipeg setting interest rates, but I do have a problem with an inequity if late payment charges were at a higher interest rate than rebates were.

Mr. Chairperson: Thank you, Mrs. Mitchelson. Further discussion? Seeing none, is it the pleasure of the committee to adopt the amendment?

Voice Vote

Mr. Chairperson: All those in favour of adopting the amendment, please say yea.

Some Honourable Members: Yea.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it.

An Honourable Member: On division.

Mr. Chairperson: On division, the amendment is accordingly defeated.

* * *

Mr. Chairperson: Clause 340(3)–pass. Shall clauses 340(4) to 348(3) pass?

Mrs. Mitchelson: You can pass up to 341.

Mr. Chairperson: Clauses 340(4) to 341(4)–pass; clause 342–

Mrs. Mitchelson: I will just make a comment here. I was going to make an amendment, and this is another place in the legislation where "ordinary mail," I believe, should be substituted for "registered mail" as a courtesy to taxpayers. But this very same type of amendment was defeated earlier, so it may be ruled out of order at this point. So I just wanted to make a comment indicating that, if it had not been voted against or voted down last time, I would have made an amendment here too.

Mr. Chairperson: Thank you, Mrs. Mitchelson. Further discussion? Seeing none–

Voice Vote

Mr. Chairperson: All those in favour of passing 342, say yea.

Some Honourable Members: Yea.

Mr. Chairperson: All those opposed, say nay. Hearing none.

* * *

Mr. Chairperson: Clause 342–pass; clauses 343(1) to 348(3)–pass; clause 349–

Mrs. Mitchelson: Just before we pass it, I would like to make a comment here that, had the Government agreed to support my previous amendment to ensure that interest payments on late payments and rebate payments were equal,

based on fairness to the taxpayers, I would have moved an amendment here. But at this point in time, I will not move the amendment, because it would be the same as the previous one that was defeated by the Government.

Mr. Chairperson: Thank you, Mrs. Mitchelson. Further comment? Seeing none,

Clause 349–pass; clauses 350 to 378(3)–pass; clause 379–

Mrs. Mitchelson: I move

That section 379 be amended

a) by replacing clause (c) with the following:

(c) an employee;

(b) by striking out clause (d);

(c) by renumbering clause (e) as clause (d) and, in that clause, striking out "clause (a) to (d)" and substituting "clause (a), (b), or (c)"; and

(d) by renumbering clause (f) as clause (e).

Mr. Chairperson: It has been moved by Mrs. Mitchelson–

An Honourable Member: Dispense.

Mr. Chairperson: Dispense. The amendment is in order. Discussion.

Mrs. Mitchelson: This is just on the restriction on bidders on any real property or any auction held in the city, and I believe that (c) needs to be strengthened and, rather than a statutory officer, that should be replaced by "any employee", or "any spouse or dependent of any employee".

I think it just strengthens this clause, and all of the other changes in the (a), (b)'s and (c)'s and (d)'s are as a result of changing statutory officer to employee and deleting clause (d). It strengthens it and, I think, is appropriate.

Mr. Chairperson: Thank you, Mrs. Mitchelson. Further discussion?

Ms. Friesen: The intent of this section, and using the term in (c) as statutory officer, is to keep it consistent with The Municipal Act. So that is the purpose of it. So, at this point, there are 5000 employees in the City of Winnipeg, and some of them would be very distant from these issues. I take the point the member is making, but I think at this point we would like to keep it consistent with The Municipal Act.

Mrs. Mitchelson: Just one more comment. I guess if we feel that The Municipal Act might not be strong enough, maybe "an employee" which strengthens the act might be more appropriate and maybe The Municipal Act should be amended. So we will be supporting this.

Mr. Chairperson: Further comment?

Seeing none, is it the pleasure of the committee to adopt the amendment?

Some Honourable Members: No.

Some Honourable Members: Yes.

* (00:30)

Mr. Chairperson: All those in favour of adopting the amendment, please say yea.

Some Honourable Members: Yea.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it.

An Honourable Member: On division.

Mr. Chairperson: On division.

The amendment is accordingly defeated.

* * *

Mr. Chairperson: Clause 379—pass.

Ms. Friesen: I think the Opposition critic and I may have the same intent, but we may have it in

draft form in two different sections. I would just say that my intent was as discussed with the Member for St. Norbert (Mr. Laurendeau) and with the Member for River East (Mrs. Mitchelson) before. It is to deal with the issue of local improvement zones and unanimity and to ensure that if there is unanimity, that matters could move more quickly. So perhaps what I could suggest is we just take two minutes and come up with one version.

Mr. Smith: Could we pass 380 to 407, and then take that short break?

Mr. Chairperson: It has been proposed we pass clauses 380 to 407(2).

Clauses 380 to 407(2)—pass.

Is it the will of the committee to have a five-minute recess? *[Agreed]*

The committee is recessed for approximately five minutes.

The committee recessed at 12:35a.m.

The committee resumed at 12:45a.m.

Mr. Chairperson: I call the committee back to order.

Clauses 408 to 409(3)—pass.

Mrs. Mitchelson: I move

THAT the following be added after subsection 409(3):

When notice and hearing not required
409(4) Subsections (1) to (3) do not apply to a local improvement proposed by a petition signed by all of the registered owners, other than the city, of the total real property to be benefited by it.

Mr. Chairperson: Thank you. It has been moved by Mrs. Mitchelson

THAT the following be added after subsection 409(3):—

An Honourable Member: Dispense.

Mr. Chairperson: Dispense. The amendment is in order. Discussion?

Mrs. Mitchelson: I think this is one amendment that we have all agreed on, so I think we can proceed.

Ms. Friesen: Yes. We have agreed on this one and, as I said earlier, it addresses the principle that the Member for St. Norbert (Mr. Laurendeau) has raised earlier.

Mr. Chairperson: Thank you. Is it the pleasure of the committee to adopt the amendment?
[Agreed]

Clauses 410(1) to 432(3)—pass.

Shall Clause 432(4) pass?

An Honourable Member: No.

Mrs. Mitchelson: I move

THAT subsection 432(4) be replaced with the following:

How frontage taxes may be used

432(4) Money from a frontage tax may be used

- (a) for the repair and replacement of
 - (i) water and sewer mains, and
 - (ii) streets and sidewalks in residential areas; and
- (b) to recover the annual cost of maintaining and operating lighting services installed in public lanes.

Mr. Chairperson: Thank you. It has been moved by Mrs. Mitchelson that subsection 432(4)—

Some Honourable Members: Dispense.

Mr. Chairperson: Dispense. The amendment is in order. Discussion?

Mrs. Mitchelson: Well, thanks very much, Mr. Chair. This, again, was an issue that was raised at committee, and what we are proposing here is

going back to the old language in the previous City of Winnipeg Act.

Based on the discussion we had this afternoon, and our belief that the financial issues that have not been dealt with in any significant way in this new legislation, but, as committed by the minister will be dealt with in phase 2. Any changes to The City of Winnipeg Act should be dealt with as a complete package, rather than in an ad hoc basis. So I am recommending that we go back to the old language in the previous act, and have this come forward along with other changes that are made.

There is certainly some fear that this is just backdoor taxation, and it is another way of placing an additional tax burden on the citizens of the city of Winnipeg, so this should not be done in isolation. I think the goal of any changes to The City of Winnipeg Act should be streamlining and reduction of property taxes, and this is just another way of generating additional revenue without looking at the big picture.

Mr. Chairperson: Further discussion?

Ms. Friesen: Thank you, Mr. Chair. This is a clause that the mayor spoke to and, I think, valued the enhanced flexibility that this gave him, and I think I would also suggest that there is flexibility here and there is transparency; the determination under a bylaw that would indicate where the money was to go, so I think we would at this point vote against this amendment.

Mr. Chairperson: Thank you, minister. Further discussion? Seeing none, is it the pleasure of the committee to adopt the amendment?

Some Honourable Members: Yes.

Some Honourable Members: No.

Voice Vote

Mr. Chairperson: All those in favour of adopting the amendment, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it.

An Honourable Member: On division.

Mr. Chairperson: On division. The amendment is accordingly defeated.

Clause 432(4)–pass; clauses 433 to 450–pass; clauses 451(1) to 463–pass; clauses 464 to 516(3)–pass; clauses 517 to 518(2)–pass. Shall clause 519(1) pass?

* (00:50)

Ms. Friesen: Mr. Chairman, I have a long amendment to move, so it will take a little while to read it, but its purpose is for transition purposes, so I will read it. I move

THAT the following be added after Section 519:

Sinking Fund Trustees continued

519.1(1) Despite the repeal of the former Act,

(a) "The Sinking Fund Trustees of the City of Winnipeg" is continued as a body corporate and the corporation and its trustees continue to have the same rights, privileges, powers, duties and obligations that they have on December 31, 2002

(i) under the former Act, another Act or a by-law passed under the former Act, or

(ii) in respect of an agreement entered into by the city; and

(b) the city continues to have the same rights, duties and obligations set out in the former Act to

(i) pay money into, and receive money from, the sinking fund, and

(ii) appoint and remunerate the trustees of The Sinking Fund Trustees of the City of Winnipeg.

Trustees continued

519.1(2) The persons who are, on December 31, 2002, trustees of The Sinking Fund Trustees

of the City of Winnipeg shall remain so until council appoints new trustees.

Limitation

519.1(3) This section applies only in respect of the sinking fund for debentures issued pursuant to a debenture by-law passed under the former Act, or the refinancing of them.

Investments and liabilities

519.2 Except as otherwise provided in section 519.1, all funds administered by The Sinking Fund Trustees of the City of Winnipeg before the coming into force of this Act shall be transferred by the trustees to the city, and all rights, duties and liabilities of the trustees in respect of those funds vest in the city and the funds shall be administered in accordance with this or any other applicable Act.

I am just wondering whether it should be "vested." Is there some technical term I am missing here? [interjection] "Vest" is right.

Mr. Chairperson: It has been moved by Minister Friesen—

Dispense. The amendment is in order. Discussion?

Ms. Friesen: Mr. Chair, I was having the grammar explained to me, and I do not want to hold up people while I try and figure it out. I am advised from several parts that "vest" is right. Thank you.

Mr. Chairperson: Amendment—pass; clause 519(1)–pass; clauses 519(2) to 534(3)–pass; clauses 535 to 537(2)–pass; schedule–pass; table of contents–pass; enacting clause–pass; title–pass. Bill as amended be reported.

An Honourable Member: Whoa.

* (01:00)

Mr. Chairperson: Sorry.

Mr. Loewen: Well, I just want to take a minute and indicate to the minister—and it is unfortunate that I was not here for the discussion on clause 222, but we were in another committee meeting on Hydro—with regard to the tax increment financing, I do think that, although this program

is well intentioned, it misses the mark by a long way. I would encourage the minister to pay close attention to the advice I know she has received from the CentreVenture group with regard to instituting a tax credit program within downtown.

In spite of all the work that has been described as being done, our downtown area is still a disaster and it needs a lot of work. I would hope that we will one of these days learn a lesson from past experience and realize that in spite of the hundreds of millions of dollars that have been spent by the public sector in downtown, we have very, very little to show for it.

In fact, the only way that downtown will be revitalized, and, in fact, it has been proven all across North America that downtown revitalization is absolutely dependent on attracting the private sector into downtown to establish businesses, whether they be retail or restaurants or any other business that will attract people on a regular basis downtown.

Again, it has been demonstrated quite clearly throughout the United States, in particular, that the way to do that is to provide tax relief to businesses to attract them downtown; not to establish programs where taxes are paid and held in some type of reserve to be spent by the public sector in a way that the public sector sees fit; but the way to redevelop downtown, the way to encourage redevelopment of downtown is to set the stage for the private sector to make their investments, to give them the benefits up front of any type of tax relief that will encourage them to make those investments, and to then allow the private sector to do what the private section does best, which is to find ways to attract customers to its premises.

So I just would hope that the minister would pay very, very careful attention to the advice that she is receiving from CentreVenture with regard to tax credit programs downtown. While I do realize I think one of the previous clauses, I am just not sure whether it is 221 or 219, but there is provision for the City to do these tax credit programs, they really will not be effective unless the Province participates in a significant way.

I think it is incumbent upon the provincial government to help provide the leadership, to provide a joint tax credit program which sees the private sector see tax relief up front that will encourage them to make the type of investments that will make our downtown some place that we can all be proud of and a place where we will in fact want to attend on a regular basis because there are things happening there that the citizens of Winnipeg want to be involved in.

We have lots of examples, you know, the Corydon Avenue district, where it has been the private sector that has led the charge and done the job without much public dollars. Again, we have to some day learn the lesson that we failed to learn that you cannot make these things happen with public dollars, no matter how much you throw at it. We must be well into the \$300-million range in terms of public funding that has been spent on downtown in the last 20 years, and we virtually have nothing to show for it. As a matter of fact, the only thing it has really done is distort the situation, so that it makes it difficult for the real private sector companies who could lead the charge and turn a downtown redevelopment to become involved there.

So I would just like to get that on the record, and encourage the minister to look at that very, very closely. Well, I will say this: I am confident that sometime before the next provincial election is called that we will see a tax credit program as has been requested by CentreVenture. I just hope that the Province is there in a very, very significant way, as opposed to a small way. Thank you.

Mr. Chairperson: Thank you, Mr. Loewen.

Ms. Friesen: Mr. Chairman, I want to thank the member for his comments, and just to say that one of the things that this Government did do was to introduce into The City of Winnipeg Act the possibility of tax credits. There has been great success with the heritage tax credit that the City has used, and this was building on it. It was a request from CentreVenture as well as from the City. We have responded with the legislation redrafted in this form again. We do, I think, as some members know, participate with CentreVenture to the level of \$250,000 in the urban bank that they have established. So there is some participation there. It is some public

sector money. The development corporation and the development proposals that are being led by CentreVenture, I think, are part of overall downtown renewal. They are not everything, but they are a part of it.

Mr. Chairperson: Any final comments?

Seeing none, the bill, as amended, be reported. What is the will of the committee?

An Honourable Member: Go home.

Mr. Chairperson: Committee rise.

COMMITTEE ROSE AT: 1:06 a.m.