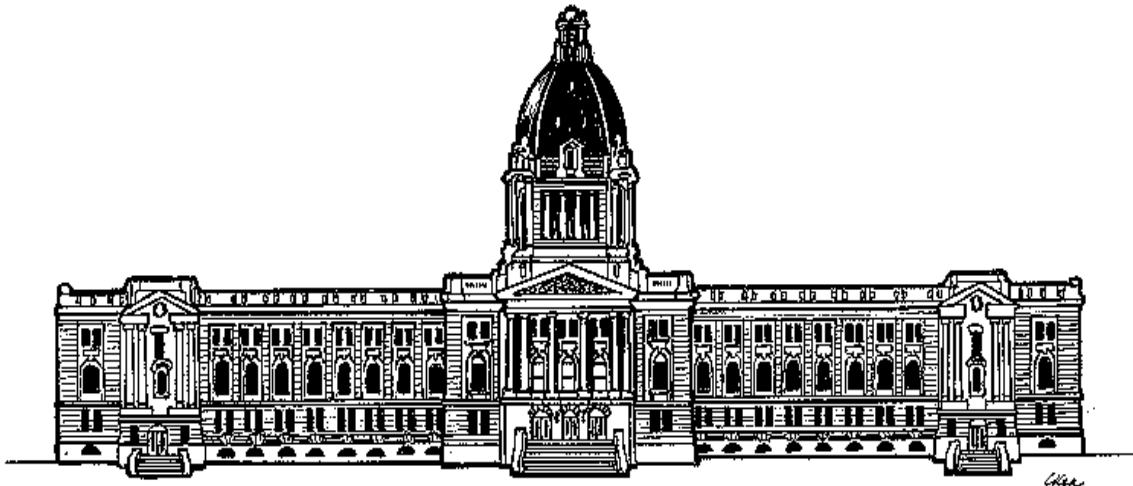




STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND INFRASTRUCTURE

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**STANDING COMMITTEE ON INTERGOVERNMENTAL
AFFAIRS AND INFRASTRUCTURE
2006**

Mr. Ron Harper, Chair
Regina Northeast

Ms. June Draude, Deputy Chair
Kelvington-Wadena

Mr. Denis Allchurch
Rosthern-Shellbrook

Mr. D.F. (Yogi) Huyghebaert
Wood River

Mr. Andy Iwanchuk
Saskatoon Fairview

Hon. Maynard Sonntag
Meadow Lake

Mr. Kim Trew
Regina Coronation Park

[The committee met at 15:00.]

The Chair: — Well good afternoon. I will convene the Standing Committee on Intergovernmental Affairs and Infrastructure. And welcome back, everyone. I see we have all our members are here and present and accounted for.

The first item of business before the committee is the consideration of Bill No. 4, The Assessment Management Agency Amendment Act, 2005. I will invite the minister to introduce his officials.

**Bill No. 4 — The Assessment Management Agency
Amendment Act, 2005**

Clause 1

Hon. Mr. Van Mulligen: — Thank you very much. Seated beside me on my right is John Edwards. He's the executive director of policy and program development branch. Seated beside me is, on my left, is Keith Comstock who is a policy manager with the policy and program development branch. And seated behind me, and perhaps they can give a wave as I call their name, first is Norm Magnin who is also a policy manager with the policy and program development branch, and Rod Nasewich who is a senior policy analyst with the policy and program development branch.

The Chair: — Thank you, Mr. Minister. Now, Mr. Minister, if you have an opening statement, we'd receive that now.

Hon. Mr. Van Mulligen: — Yes, Mr. Chair. It's been a few months obviously since these pieces of legislation, which are related, were introduced into the legislature. Very briefly, the proposed amendments to The Assessment Management Agency Act — which is the first Act we'll be considering — along with amendments to The Cities Act and The Municipalities Act that are being made at the same time, will facilitate the move from a fair value to a market-value-based property assessment system for multi-unit residential and commercial property for the 2009 re-evaluation, or revaluation.

The amendments are being made now to assure the Saskatchewan Assessment Management Agency, or SAMA, and the other assessment service providers, that legislation will be in place to support the move to a market-value-based property assessment system in 2009. And more specifically, in order to accommodate the change to the market value system, the definition of fair value will be removed from the Act as well as the requirement for assessment service providers to inform the public when alternate assessment methods will be used. And in brief, Mr. Chairman, that describes not only the changes to The Assessment Management Agency Act that's before us now, but also the other two Acts which I indicated are related.

The Chair: — Thank you, Mr. Minister. Mr. Huyghebaert.

Mr. Huyghebaert: — Thank you, Mr. Chair, and welcome to officials. In general terms we support this move to a more balanced market value system just as long as it's implemented correctly. We've seen where that hasn't happened in all cases, and in a lot of . . . In some cases it's not been happening where

stuff has been introduced, and it has to be changed right away. A good example is the municipal Act that was introduced and had to be totally withdrawn and changed because there's so many amendments to it.

But I do have a few questions that I would like to ask on this. And one of the issues — and we've raised this issue on numerous occasions — is the consultation process. So I'd like to ask the minister if he could provide the committee with a list of associations, individuals, and stakeholders that were consulted for the drafting and implementation of this legislation.

Hon. Mr. Van Mulligen: — Mr. Chairman, we're certainly prepared to provide the member with a list. Might I just briefly provide some description of what's on this list. Certainly there are the two municipal associations, SARM [Saskatchewan Association of Rural Municipalities] and the Saskatchewan Urban Municipalities Association, as well as the municipalities in the North and the Provincial Association of Resort Communities; also the rural municipal administrators, the urban municipal administrators, the city of Saskatoon, city of Regina. Indeed all of the cities in Saskatchewan were consulted on this.

The Saskatchewan School Boards Association because they too are concerned about assessment and are represented now on the Saskatchewan Assessment Management Agency. The Association of School Business Officials, the League of Education Administrators, Directors and Superintendents, the Municipal Board, the Canadian Taxpayers Federation, the Canadian Association of Petroleum Producers, the Rental Housing Industry Association, the Real Estate Association, and then of course a variety of government departments as well as some entities involved in the appraisal field, both individuals and companies, Mr. Chairman, are among some of those that were consulted with respect to this change in legislation.

The Chair: — Mr. Allchurch.

Mr. Allchurch: — Thank you, Mr. Chair, Mr. Minister, and welcome to your officials here today. I was just noticing by your comment in regarding the moving to fair market value for all lands regarding SARM and also in regarding to the lands in the North. How would this affect the land that is owned by the government known as Crown land?

Hon. Mr. Van Mulligen: — The government itself does not pay taxes to municipalities, but governments do provide grants in lieu of taxes to municipalities in which they're located. I don't know the details of, you know, there are specific properties that are exempted from that. But in general, government takes the position that when it owns property that it ought to provide grants in lieu of taxes to municipalities, recognizing that properties require services and the like. And my sense is that the government will be providing grants in lieu of taxes based on the new assessment system. Generally speaking, that would be our intention. The Crown land that's agriculture will not be affected by this.

Mr. Allchurch: — Thank you Mr. Chair. Thank you, Mr. Minister. In regard to my line of questioning, the reason I asked that is because there is Crown land that is not under the

jurisdiction of SARM, but yet there is assessment done on it. And it's land that's in the forest fringe, and I don't want to dwell on this too long,

I'm hoping, Mr. Minister, that you have taken the time to read comments made by me for a number of years — I believe it's six now — in regard to the forest fringe problems and how the assessment works in that regards where forest cattle grazers are paying tax on a year basis on forest fringe land that is under the jurisdiction of SERM [Saskatchewan Environment and Resource Management] and not SARM. But yet SARM has the jurisdiction to charge taxes to that said land for a whole year and that there's other users of that land that do not pay any taxes. And how can these forest . . . [inaudible] . . . pay tax on that land if there is no assessment to that land?

Hon. Mr. Van Mulligen: — Mr. Chairman, first of all I'd just make it clear it's not SARM that will be issuing any tax notices. It would be member municipalities of Saskatchewan Association of Rural Municipalities.

One of the requirements of an RM [rural municipality] assessor under The Municipalities Act is to assess the occupant of land that is exempt from taxation where the occupant is the holder of a lease, licence, or permit. And this requirement would include the holder of, say, a grazing permit issued by Saskatchewan Environment. The decision to tax the occupant of land that is exempt from taxation, where the occupant is the holder of a grazing permit issued by Saskatchewan Environment, is made by the individual RM council and not the Government of Saskatchewan.

An RM may, under The Municipalities Act, cancel or pro-rate the taxes levied on a grazing permit holder. If it feels taxes based on a full year are not appropriate, then RM councils may also choose to exempt grazing permit holders by bylaw.

A resolution opposing the removal of the authority for RMs to tax grazing permit holders was submitted by a rural municipality — in this particular case RM No. 493, Shellbrook — for a decision at the recent SARM annual convention. And the SARM membership voted in favour of opposing the removal of the authority for RMs to tax grazing permit holders. And we will respect the views of rural municipalities in this matter. We're not proposing any changes to legislation pertaining to this issue.

Mr. Allchurch: — Thank you, Mr. Minister. There is some clarification in that regarding the changes that were before, and now have been made now. I guess the question that I pose to you as the minister is the fact that in regards to the assessment on these lands, if it is government land under the jurisdiction of SERM and not under the jurisdiction of SARM, how does SARM have the ability to charge taxes on that land when they have no jurisdiction to it?

Hon. Mr. Van Mulligen: — Again I just want to make it clear at the outset, it's not SARM that's taxing anyone. SARM is a voluntary association of rural municipalities in Saskatchewan and SARM itself does not own land perhaps except for its head office here in Regina — I don't know whether they own it or rent it. But it's rural municipalities. And there's clear provision in the Act that someone who rents land by permit or some other

way — from say the government where the land is usually exempted — that particular entity can still be taxed under the Act.

And that is what's taking place here because the permit in effect provides value to the person who is being issued the permit because they can use it for grazing or for whatever purposes, and there's a value attached to that. And it's up then to the RMs. If they choose to exempt or in some other way to deal with the cost of that, that's their prerogative. And some RMs do exempt permit holders from taxation; but some do not. And we believe that's their decision to make.

Mr. Allchurch: — Thank you, Mr. Minister, for the clarification. Pardon me. I was saying that it was SARM. I do know that it is the RM, the certain RM that now has the ability to implement the tax.

On this land known as forest fringe land, can an RM provide a service to the land which is known as forest fringe to the forest-grazing cattlemen . . . people, if they have no ownership to the land, they have no jurisdiction over the land? Can an RM provide services? I'll give you an example. Can they provide a road in those areas being that it is under the jurisdiction of SERM?

Hon. Mr. Van Mulligen: — My sense is that RMs can provide whatever services they feel are necessary and needed within their rural municipalities, whether it's extending access to government-owned lands, whether it's extending access, say for example, to First Nations that are in their jurisdiction. Yes the RMs can do that.

Mr. Allchurch: — Is it the ability of the certain individual RM to charge tax only to the cattlemen's association that graze land or graze forest fringe land, or does it give the ability to RMs to charge tax to — and I'll give you some examples, some of the users of that land — woodcutters, berry pickers, outfitters, and so on?

Hon. Mr. Van Mulligen: — My understanding is that with respect to the latter, no I don't know if there's berry picking permits or what value those permits would have that are, you know, taxable in any real way. But in terms of the grazing, you know again some RMs ascribe a value to that and say that those permit holders should pay a tax for that, you know, potential, and others do not.

Mr. Allchurch: — And what you're saying then, Mr. Minister, then outfitters or woodcutters in the area — loggers or whatever have you — they're not classified in that classification and therefore would be tax exempt, but yet cattle grazers are not.

Hon. Mr. Van Mulligen: — In terms of woodcutters, if they're, you know, provided a lease or a licence by the rural municipalities then they can be, you know, expected by that RM to provide some remuneration for that. But if they're not granted any lease or licence then no, they wouldn't be taxed.

Mr. Allchurch: — Well thank you, Mr. Minister. In regards to the woodcutters or wood processors in that said area and also outfitters in that said area, they cannot get a lease. All they're applying for is a permit. A permit is for one year only,

maximum. It is not a lease where it can be 25-, 30-year lease or even up to 99 lease, or 99 years on a lease. It is only one-year permit.

Therefore being that the forest grazers, cattlemen grazers in that area are paying taxes for the full year and can only occupy that land at the maximum of 134 days, give or take — if it's a dry year they may be down to 60 days. They're paying the taxes on a full year basis — a full year — and how can they derive at that full year basis of taxes if there is no assessment to that land? Who puts the assessment on that land that regulates how much money the forest cattle grazers pay?

Hon. Mr. Van Mulligen: — One of the requirements in the Act is that they should assess the occupant of land that is exempt from taxation but where the occupant is the holder of the lease or the licence or permit. And it's then up to the municipalities to make a decision that they should proceed to assess and to tax those individuals or to exempt them from taxation. That is their decision.

Mr. Allchurch: — Thank you, Mr. Minister. Well I know in fact in regards to the RM of Shellbrook in regarding this whole taxation system to the forest fringe land, in talking to the administrator of that, when asked, what services do you provide to that said land which is under the jurisdiction of SERM, he says, we cannot provide services to that land. There again it comes back to, if you can't provide a service, how are you allowed to charge a tax?

And when we look at tax it's not just the municipal tax that these forest grazers are paying, it's also education tax on that land but there's no services given to that land. But yet there's no taxation being pronounced to other users of that same land because it's only permitted land — example is outfitters or wood processors in the area. They're not taxed anything but yet the grazing people are taxed for the whole year.

Why is there not fairness in the system?

Hon. Mr. Van Mulligen: — Again the member raises arguments that he may well want to take up with the rural municipalities in his area and point out that a number of rural municipalities are persuaded, I assume, by the arguments that he has made, and provide for that kind of exemption because they do not attach a great value to, you know, those grazing permits. But some municipalities obviously still do. And it is their decision as to how they choose to deal with this. The Act enables them to make whatever decision they want to make.

And given the fact that even though the majority of municipalities that are affected by this do not now provide for that taxing authority or do not take advantage of that taxing authority, they nevertheless take the position that it's an issue that they should determine and that government should not do any further prescription, if you like, in this matter. That is the message that we took from the SARM convention, and we respect their decision in this matter.

Mr. Allchurch: — Thank you, Mr. Minister. Well, Mr. Minister, you were at the SARM convention and so was I. And I've been there every year just to see what comes out of the resolutions that are put forth to the SARM convention.

I remember back in 1995 when this one was put forth, and the RM of Shellbrook put this one through and it was voted unanimously. I can guarantee that a good percentage of people — I'm not going to put a number, whether it's 50 per cent, 75 or 100 per cent — know anything about forest fringe land because most people don't. And even at the SARM convention of late, which was just past, one of the problems with the forest grazing people is nobody will be at the SARM convention because they're not a councillor or a reeve. And therefore they cannot argue the point about the problems with forest grazing in forest fringe land because they don't hold that position.

And therefore that's why that motion went through so fast with not even any opposition because there is no opposition there. It's up to myself that's been dealing with this for six years — two different ministers — in regards to where's the fairness in this taxation process because it is permitted land, only a year to year to year. Yet an assessment management committee has gone in there to assess that land which the RM then uses to charge taxes on that land. But they're paying for a whole year.

How can you justify paying for a whole year when you're only using it a portion? And furthermore to the question I've been asking is: why is it only the cattlemen's association that's paying?

This Act that you've presented now, it doesn't change anything. Sure it gives the freedom for the RM to say, yes we'll charge you tax or no we won't charge you tax. But there's nothing saying that it's a fair tax and equally based out over everybody. Just one group is paying. How does this Act change it?

Hon. Mr. Van Mulligen: — Then, Mr. Chairman, what we do in legislation in the main is to provide enabling powers for municipalities so that they can then by bylaw make their own laws. And they don't always have to agree. Different municipalities can take different approaches. That is the system that we have.

We are persuaded by the vote of the majority of people at the rural municipality convention, presumably after listening to arguments both pro and con on this particular matter. We are persuaded by the majority of vote of people at that convention that they do not want a change in legislation, that they do not want the provincial government to intercede into this matter. Even though the majority of rural municipalities that are affected by this law take the position that by exemption, by bylaw, or other ways, that the permit grazing holders should not be providing any taxes to those municipalities, and that only a minority of municipalities take that point of view — nevertheless they take the point of view, that's their decision to make, and we should respect that. And we are respecting the decision of the rural municipalities in this matter.

Mr. Allchurch: — Thank you, Mr. Minister. So what you're saying, Mr. Minister, is in regard to the forest grazing association paying taxes, and it is governed by the associated RM in that area that sees fit for them to pay taxes, the RM now then can charge taxes to other users of that land like outfitters, like woodcutters, wood processors, also anybody else using that forest fringed land. Am I correct?

Hon. Mr. Van Mulligen: — Again if there are people who are

provided with a lease, licence, or permit by that rural municipality, then yes we would hold that that's assessable and taxable. But how the municipality wants to deal with that, that is their issue.

Mr. Allchurch: — Mr. Minister, in regards to the assessment, now that this Act has been implemented will there be an assessment done on all lands within the forest fringe that have a grazing permit on it?

Hon. Mr. Van Mulligen: — I'm sorry, can you say that again?

Mr. Allchurch: — Mr. Minister, in regards to this Act just coming into force now, will all assessments be done on the land within the forest fringe area? Will it take place now so that the RM in their wisdom will charge a fair assessment as far as taxation?

Hon. Mr. Van Mulligen: — The reassessment in 2009 will not be affected for . . . Agricultural land will not be affected by this legislation. There was a change in assessment practices with respect to rural lands that came into effect in the 2005 assessment or reassessment where there was a shift from land being valued in part on some local market index — that is market value — to return to a previous system of where agricultural land is based more on production and value based on production. And that was a change that was made in 2005, or might say a change made back again in 2005, but no further changes in methodology are proposed for agricultural land for 2009.

The changes that we're talking about in the main deal with multi-unit residential properties and commercial properties, also residential properties as single-family residential. A change was made in this last assessment year, 2005, to move to a market value system.

Mr. Allchurch: — Mr. Minister, I guess that doesn't really answer my question, because the question I asked was regarding to the grazing permits on grazing land within the forest fringe. Will there be fair assessments done now on that land? It is not under agricultural land.

Hon. Mr. Van Mulligen: — The same process that was in effect last year for assessment will be the same process that's in effect in 2009 to determine the value of agricultural land and then related issues such as permits.

Mr. Allchurch: — Mr. Minister, then they'll be just a fair market value put on those said lands. Is that how the assessment's going to be?

Hon. Mr. Van Mulligen: — Well the assessment system that we have, which is for agricultural land which is based on productivity, is the system that will again be in place for 2009. Now if there are peculiarities with respect to assessment of this type of land — grazing land, you know — I'd certainly like to turn it over to one of the officials if they want to add to it.

Mr. Comstock: — Mr. Chairman, the land within the forest fringe area that would be used for a taxable purpose, i.e., licensed or permitted by Saskatchewan Environment for a taxable purpose, the Act would require the RM assessor to

assess that land. If the Crown land in question was not licensed or permitted, then the RM assessor would not have to place an assessed value on that land.

Again the down flow of that is that the RM council would still have the authority to decide whether or not it was going to levy taxes on that land in accordance with the provisions in the Act. But whether or not the land is assessed would depend on whether it was being used for a taxable purpose.

Mr. Allchurch: — Well thank you. A question regarding that then. Anybody that holds that taxable permit on that land would be assessed taxes. Example the grazing people, the cattle grazing people, would be holding a permit therefore they would be taxed. Would outfitters also be in that same category? Because they hold a permit would they automatically be charged a tax?

Mr. Comstock: — Mr. Chairman, none of them are automatically charged a tax. The key is if there has been a permit or a licence issued by Saskatchewan Environment or Saskatchewan Agriculture, Food and Rural Revitalization, and the land is being used for a taxable purpose, then the RM assessor must assess it. Once the land is assessed, the RM then makes the decision in its own power whether or not it's going to levy taxes. So no one who occupies . . . Even if they have a permit for land that's being used for a taxable purpose and are assessed does not necessarily mean that they're taxed on it. Many of the RMs in the forest fringe area choose not to levy taxes on that land.

Mr. Allchurch: — Thank you. But there are many that are. In fact I believe there are 8 out of the 28 that do. But in regards to the answer you give me, it's up to the RM whether they want to charge a tax to individuals other than cattle grazing people — a tax even though they have to submit through SE [Saskatchewan Environment], SERM, a permit.

So basically what you're saying, is any permit holder will be assessed a tax if the RM allows it, is not right. What you're saying is that if the RM . . . The RM has ability to charge a tax on that land if they so desire. In regards to the cattle grazing association they will be charged. They're charged right now. But any other users of that land — if they get permits through SE, SERM — they may not be.

So what's the difference from before until now in regards to this? The cattle grazing association are still going to be taxed an unfair tax because nobody else using that land is going to be taxed also.

Mr. Comstock: — There have been no changes made to these provisions in any of the Acts that we're dealing with today. The decision on whether or not to assess land that is used for a taxable purpose via a permit or a licence is not one that there is any choice about. The Act says if it's used for a taxable purpose, you shall assess it.

The decision to take the next step and levy taxes based on that assessment is the RM's decision to make, whether it's a permit or a licence, no matter who the user is. Again the RM makes the decision. To this point I'm not sure whether it's 8 of 28. It's been some time since I've read the materials. It sounds about

right. And again, as far as the other permit users, or the other permit holders, and for whatever uses they have those permits, Saskatchewan Environment has its own systems for issuing those permits. But the RM would still have the authority to make the decision to levy taxes on those permit holders regardless of what the use was.

Mr. Allchurch: — Well thank you. Why is the government allowing certain RMs the ability to levy taxes on Crown land when the government owns the land? The RM does not own the land. It has no jurisdiction to the land. Why is the ability of the government given to certain RMs to charge tax or not charge tax?

Hon. Mr. Van Mulligen: — Again, Mr. Chairman, the question is taxation or assessment on the occupants of the land, and the sense that there is some economic activity there which then provides value. And the government provides generally enabling powers for municipalities, but whether or not municipalities choose to use that power, that's their decision. And to the extent that we can, in our system of government where the powers that are, if you like, being played out by municipalities are in fact provincial powers — because provincial government could not by itself hope to do all of the work that's being done by municipalities — we therefore provide municipalities with enabling powers.

But with that then comes, you know, their right to make decisions about what powers they want to exercise. Now there may well be powers over which they have no control, such as they have to for example have an election every three years; you know, things of that nature. But to the extent we can, we like to provide municipalities with enabling power and then so that they can make their own decision based on local circumstances as to what they think is the right thing to do.

Mr. Allchurch: — Thank you, Mr. Minister. Up till now has SAMA been doing any assessment on forest fringe land?

Hon. Mr. Van Mulligen: — Yes. SAMA is the only one that does the assessment.

Mr. Allchurch: — SAMA is the one that does . . . [inaudible interjection] . . . SAMA has been doing the assessments on forest fringe land up to now and will continue to do assessments. Am I correct in saying that?

Hon. Mr. Van Mulligen: — Yes.

Mr. Allchurch: — Well I thought from your answers previous, Mr. Minister, that you were saying that the RMs have the ability to assess the land.

Hon. Mr. Van Mulligen: — I think it's fair to say that there is a role that both for SAMA and for the RM. In our case we provide, or SAMA provides, figures to the RM assessor and — usually the administrator — and then they can take such action as they see fit through their council. But SAMA through its assessment capacity will provide figures to what they believe the values are.

Mr. Allchurch: — Mr. Minister, in regarding the announcement made by the Premier just some time ago where

all agricultural land will receive some help as far as education tax on property, will this land that is in the forest fringe that the cattle grazers pay taxes on, will they also be allowed to reap the benefits of this program and get money back in regarding to the agricultural land?

Hon. Mr. Van Mulligen: — Again I don't have all the details of, you know, how that's being played out. My sense is that the announcement applies to assessable agricultural land. And in this particular case, my sense is that if it's assessable agricultural land then yes, it would apply. But again you know if you were to ask me to bring with me all of the details with respect to that program, I would have done that and been able to give you that. But that's generally my understanding and certainly be prepared to support that with giving you some indication in writing as to the specific parameters of the program.

Mr. Allchurch: — Mr. Minister, will you take notice of that and get back to me with the answers in a timely fashion?

In regards to this program would all Crown land that have leases on it whether it be 25, 30 years, 99 leases, would they also be affected by being involved in this program and would they get refunds in regards to that the same as on deeded farm land?

Hon. Mr. Van Mulligen: — Again if it shows up on the tax roll as agricultural land, then yes it would be. There's been, you know, some discussion I think both with respect to CPR [Canadian Pacific Railway] and also the federal government about their entitlement to property tax rebates in this particular case, or property tax credits because that's a credit that went to all — well virtually all — property tax payers in Saskatchewan, albeit a cap on industrial properties. You know, I guess if the federal government were to own the assessable agricultural land, then they too would enjoy that assessment. It's the trade-off you make for having a program that's administratively simple.

Mr. Allchurch: — Thank you, Mr. Minister. In regards to the forest fringe land and now that the RM has the ability to assess the taxes on that land, will the patrons of the forest fringe land that are allowed to graze in that land, do they have some jurisdiction over that land in regarding rights? Can they put up fence? Can they have the gates locked so that nobody can trespass in that land?

Hon. Mr. Van Mulligen: — Mr. Chairman, I'd be the wrong person to ask about that. My sense is that if someone has a permit with a RM, whatever the conditions of the permit allow. But, you know, the best people to ask would be the rural municipalities in question and the Department of the Environment.

Mr. Allchurch: — Thank you, Mr. Minister. In regards to that because it is public access land, permitted land is public access land, anybody can go on there. We can go on a fishing trip or a hunting trip or whatever if it's within a season. The gates cannot be locked.

Being that the citizens of the forest grazing pay taxes to that said land and now can have the RM provide services to that

land, it still may be classified as public access land. But being that they're paying taxes, surely to goodness the grazing permit holder of that said land must have some rights to keep his cattle in a certain area. Does he have that ability now?

Hon. Mr. Van Mulligen: — Again that's a good question to ask the Minister of the Environment, you know, who grants these permits. This is not an issue that we would deal with as a matter of course in Government Relations. You know, don't ask me either how to perform operations at a hospital just because the hospital is located on assessable land. You know, I wouldn't be able to help you on that.

Mr. Allchurch: — Thank you, Mr. Minister. I will ask that question of the new Minister of Environment to see what his answer is. For now I'll pass it back on to my colleague regarding questions.

The Chair: — Mr. Huyghebaert. Mr. Huyghebaert.

Mr. Huyghebaert: — I just have one follow-up question to my colleague's line of questioning and that is, does SAMA do assessment on wildlife habitat protected land?

Hon. Mr. Van Mulligen: — Well the member raises a very good question and in the interests of accuracy I'm proposing to provide the member with a written response to this following the committee meeting. We're not entirely clear about the role of SAMA versus wildlife habitat lands and . . . But we want to be very clear on this.

Mr. Huyghebaert: — Thank you, Mr. Minister. Well I would like to have an addendum to that also and there's an if in here. If SAMA does an assessment on wildlife habitat protected land, what system do they use? And if they do not use a system — so it's double barreled — if they do not have an assessment on it, then what would the implications be of the TLE [treaty land entitlement] settlement coming from wildlife habitat protected land? So you can understand where I'm going with this. There has to be a market value placed on land for TLE purposes and I'm very curious as to what system is used for assessing that land, if it is assessed, or how do we come with any figures for that land in the process to the TLE.

Hon. Mr. Van Mulligen: — We will certainly undertake to provide the member as much information as possible, recognizing that value can be ascribed by SAMA and its various formulas to determine assessable value or market value, but that's not the only way that we have of determining actual value of something.

Mr. Huyghebaert: — Well I understand there's different ways of assessing properties, and this is basically a Crown property so there's got to be a system to assess it. I mean you've no problem assessing farm land and other lands so surely there's a methodology of assessing Crown land.

Hon. Mr. Van Mulligen: — But . . . no, we'll get back to the member, Mr. Chairman.

Mr. Huyghebaert: — I thank you for that, and I've just got a few more questions. Moving to the market value system from the regulated system, what are foreseen as the major

implications in this move?

Hon. Mr. Van Mulligen: — Mr. Chairman, the system that we have now in Saskatchewan, and especially as it pertains to commercial at this point and multi-unit residential, is a highly regulated approach where assessment rules are defined in a legally adopted assessment manual. And this means that property assessments are deemed valid if the correct process is followed, and not based on whether a property's assessed value corresponds to its value in the real estate market. And as long as the assessor follows the formulas, the rules, and guidelines found in the manual, the assessed value will not change in an appeal.

I know that's a bit of an eye-opener. It was for me when I served on a local board of revision that as long as you've gone through the process it doesn't necessarily mean that you had the right value, as long as you followed the process.

What we are doing is changing to a market value property assessment system with contemporary valuation methodologies such as a direct sales comparison. A direct sales comparison is an approach used in the main in urban areas where you can try to determine what the value of a piece of property is based on sales in the area of comparable type properties; or a replacement cost approach for new properties, new improvements on land; and also an income approach that are used to, you know, reflect the real estate market in the assessment of the property. And a property's value is thus compared as to how accurately it reflects typical market values for similar properties, using mass appraisal techniques.

So we're going from what is a highly regulated process oriented approach to market value based on one of three accepted approaches in determining value for property. One is cost replacement, the other is direct sales comparison, and then the income approach.

Mr. Huyghebaert: — I'm not sure that really answered the question as to the major implications from moving one to the other. It was a nice chunk of literature you read but I don't know if it identified what the major implications were.

Hon. Mr. Van Mulligen: — For agricultural property there will be little difference in how these properties are valued. For a single-family, residential condominium properties, these assessments have already been tuned to market values or sales prices since 1997. In 2005 I think we've gone pretty much the whole way towards a market value approach.

For commercial property owners, the majority of commercial properties in rural and small urban municipalities will likely continue to be valued using the cost approach due to limited market activity and information.

For revenue-generating property such as shopping malls, retail, hotels, office and apartment buildings, the rental income approach and market value assessment should be more understandable for property owners and has the potential to improve valuation by allowing assessment appraisers to replicate the market better.

And this is what business organizations have been requesting

for several years. I think it's fair to say that there may well be shifts in assessed value for multi-family and some commercial properties by this move to the market value approach from the approach that we have had. But this has been requested by many business organizations over the years to SAMA and we are now following up on the requests from SAMA to do this and that is what we are doing.

Mr. Huyghebaert: — Thank you, Mr. Minister. Will there be major shifts of assessment value from one municipality to another?

Hon. Mr. Van Mulligen: — My sense is from my officials that the shifts will largely occur within municipalities as between municipalities although we're not certain of the latter. And we'll have to see how the final assessment figures play out in Saskatchewan to determine if there's any major shifts between municipalities. But there may be, there may well be shifts inside a municipality when it's determined that there's a higher value to some commercial property in some part of the city as opposed to another part of the city using the new market value approach.

Mr. Huyghebaert: — Will this new system provide a little bit closer assessment values to government properties related to commercial properties of the same type, structure, rooms? Because in the past this has not been the case.

Hon. Mr. Van Mulligen: — This is a question that assessors will have to face as to which approach works best for what kind of property. If for example we have a Crown entity that's involved in, you know, more or less market activity, then the assessor may hold that the proper approach might be say, an income approach for that particular building. But you know that's not likely the approach that he's going to use to determine the assessed value of the Legislative Building. There's likely to be a cost of replacement approach. So depending on the type of business that, you know, a government entity may be involved in will determine the approach that he will follow with respect to these, or for any property for that matter.

Mr. Huyghebaert: — Well, Mr. Minister, I just want to give you an example of some gross inequities that have existed and still exist from the assessment system and that is in apartment properties that actually are from my constituency. Assiniboia and Gravelbourg privately owned apartment properties are assessed at a much higher value than those owned by the province of Saskatchewan. And my question is: why is it thus? And is the new method of assessment going to change these inequities to make it fair for both privately owned apartments vis-à-vis Sask Housing apartments?

Hon. Mr. Van Mulligen: — Again it's very difficult for me to weigh in on the particular example that the member uses. There may be a host of reasons — no matter what assessment approach that you have — that there will be a difference in value for different kinds of buildings. It may be the age of the building. It may be the location of the building. I just don't know.

But if the member were to provide us with the details after the committee we'd certainly be prepared to take it to SAMA and to ask them for an explanation. Again, I think the notion is here

that it shouldn't be the type of ownership that will determine the assessed value of the property. Yes.

Mr. Huyghebaert: — I couldn't agree more with you, but it sure seems to happen. And I'll give you a copy of that which was given to me. And this was last year's assessment and that's why it was brought up. And I actually asked these questions in the House and it never really got an answer to the questions because they're based on similar properties.

And just with that in mind, I also have a further question and if this new assessment system will rectify it or understand the problem. When we start looking at properties such as the ones that I'm going to give you here in a community such as, and I'll use Gravelbourg where there's an apartment that has a similar number of suites, and it's being assessed at a value that's compared to ones in Wynyard, is that fair? Or Moosomin or Esterhazy? And that's what these dwellings to my understanding were compared to.

There's a huge difference in areas. Some areas have much more economic activity. Esterhazy has a mine. Gravelbourg is predominantly an agricultural area although they do have a manufacturing firm that's still there, which how long we're not sure. But that's the system where you're comparing from one area of the province to another area that could be a very high-value area. And I'm wondering if this new system will address that and change that.

Hon. Mr. Van Mulligen: — Well again without speaking to the particulars of the property that the member raises and again pointing out that no matter what kind of assessment approach you have, there can always be differences in the value of the property that may not be apparent to a casual observer. Nevertheless we're certainly prepared to take the information the member's provided us, run it past SAMA, and ask them for an explanation as to how it is that the values are arrived at and make sure the member gets that information. I'm curious myself, the member having raised it.

Mr. Huyghebaert: — Well it was something that I brought up in the last spring session. And I don't believe I got any answers or any satisfactory answer to any of those questions because it was related to the government housing units in those two communities and why they're taxed related ... or the assessment was different. The people of the communities couldn't understand.

My next question deals with the new changes. And I know we met with SAMA some time ago and there was issues at that time with provincial government funding such things as computers and computer equipment and getting them up to speed. And my question now, is there going to be adequate and necessary funding commitments by the government to SAMA to support the new approach?

Hon. Mr. Van Mulligen: — In our opinion yes.

Mr. Huyghebaert: — Is it in SAMA's opinion?

Hon. Mr. Van Mulligen: — Well I'm sure that they'll have their own opinion, but in our opinion we believe that they will have the resources to enable them to carry out the work that

they have to do to prepare for the assessment in 2009.

Mr. Huyghebaert: — It's interesting right now, Mr. Minister, that this assessment change is coming in because my understanding is it was first talked about in 1998, and I'm wondering why there's been such a delay in introducing this legislation.

Hon. Mr. Van Mulligen: — The member is correct. It was first raised in . . . Well I guess back in 1995 SAMA proposed that we should move to a rental income approach, or they asked in 1995 that it be deferred until 2000, based on their discussions with the municipal stakeholders. SAMA is not a government agency per se. SAMA is an organization that includes on its board — and therefore it receives directions from — municipalities, both rural municipalities, urban municipalities, and now also school boards. And they are, if you like, are partners in a manner of speaking when it comes to property assessment.

And based on the requests of their municipal stakeholders they decided to defer till 2006. And in fact in 1996 legislative amendments were enacted at the request of SAMA and the cities to expressly prohibit the use of the rental income approach that we are now providing clear authority for.

A resolution to fully implement the rental income approach in 2009 and to run a pilot project in 2005 was adopted by SAMA in April, 2001. And in May, 2001 the city mayors indicated their support in principle of the introduction of the rental income approach. And in early 2002 the government approved the strategy to enable SAMA and the other assessment service providers to work towards a future introduction of the market value approaches, including rental income.

So we've listened to SAMA and we've taken their recommendations and we've acted on them and there's been no delay on the part of the government. They make the request and we've acted. Their timetable was that there be a pilot project in 2005 and full implementation in 2009, and that is exactly what is taking place.

Mr. Huyghebaert: — It's interesting you talk about rental income because we have received some queries and questions. And I spoke about this the other day actually, where SAMA is now sending out forms to commercial property owners for information such as rental income. They're sending that out now. Expense charts, they're asking for that. And many owners feel this might put them at a competitive disadvantage if the information was released and we're . . . You talked about a rental income approach and why is this information so necessary if we're going to the market value assessment?

Hon. Mr. Van Mulligen: — Again the rental income approach is likely to be the appropriate approach for properties that generate income. And therefore SAMA is desiring to build up its database with respect to these properties so that in 2009 that they have more than the rental income for one year, but that they will have it for a number of calendar years preceding that particular year. And that is why they're requesting information.

They're not asking for business income data as such. They're simply asking with respect to the rental income for specific

properties so that that can then be utilized. You know, if we're to move to a rental income approach — and businesses have asked for that — then they need to develop some database obviously on which that can be based. And that is what's taking place.

I can assure the member that SAMA will guard the information that they receive appropriately. That's what they've always done with respect to information that they have and we look for them to continue to do so and to respect the privacy of the information that's being provided to them.

Mr. Huyghebaert: — Well I thank you for that because that was a question I had — what steps the department would take to safeguard the information. But I have a follow on question just on that right as we're talking about it. This process . . . I don't know if the minister has seen the form, but I mean it's a very, very extensive form, and it includes stuff in there that basically could be found on income tax forms as far as I can determine. And my question is: is this a voluntary process?

Hon. Mr. Van Mulligen: — It is not a voluntary process. Obviously a system like that can't work if it's being done on a voluntary basis. If the idea is that, you know, there's a rental income approach for properties that generate income, then information is needed not only for specific properties but also to enable comparison with other properties. And so no, it's not voluntary.

In terms of the safeguards and confidentiality, provisions in each of the Acts now provide for an individual to declare information requested by assessors to be confidential before he or she furnishes it, and request an undertaking that the information is to be kept confidential and used solely for assessment or appeal purposes. And if such an undertaking is not provided, the individual doesn't have to provide or produce the information. That has to be provided.

And the provisions that each of the municipal Acts that provide for boards of revision, assessment appeal committee, courts of appeal upon the request of an individual can declare certain information be confidential, and upon such a declaration, these entities may order that an appeal hearing be held in camera and that key aspects of the information that might identify the individual or that relate to income and expenses be masked or purged before being released or before being included in a report.

And provisions that each of the municipal Acts require anyone, who in the course of their duties acquires or has access to any assessment information or document, must keep that information or document confidential and only use that information for assessment purposes. And further, the provisions in The Assessment Management Agency Act require assessors, appraisers, or every other person employed by SAMA or a municipality, including boards of revision, to keep confidential any information that is not required to be entered on the assessment role and that is acquired for the purposes of valuation, assessment, and taxation.

So these issues of confidentiality are treated very seriously. We don't want to enter into competition issues between various businesses but we do need to know for the purposes of

determining the value of a property certain information. And that is what SAMA is proposing to collect at this point.

Mr. Huyghebaert: — Was the mandatory compulsory response, was that also in place for the pilot projects?

Hon. Mr. Van Mulligen: — No. In the pilot projects — I believe one is in Saskatoon — the amendments that we have before us would in fact deal with an issue that has arisen and that we don't, as I understand it, have the compliance from property owners to enable us to do the kind of . . . or enable SAMA to do the kind of informed analysis that then enables accurate assessments. And we don't on a voluntary basis get the kind of response that is required.

Mr. Huyghebaert: — Well that . . . I think I understood what you said. They don't have the legislation to do that as yet. So if it has to wait until this Bill passes before they can do it, then from that comment I would deduce that the people that have been sent out these forms from SAMA right now can in fact not bother to fill them out because there's no legislation that dictates that it's compulsory for them to do that. Is that correct?

Hon. Mr. Van Mulligen: — No. When people are asked for information by SAMA they are obliged under law to provide that information to SAMA. So whatever forms are out there are valid forms if those are SAMA forms. With respect to the pilot project, the pilot project was intended to assist the appropriate authorities, SAMA and the city of Saskatoon, to see how the approach would work, but I understand that the so-called rental income approach is not the approach that has been used with respect to determine your taxes for 2005.

But that is the approach we are proposing to go to. And again based on the experience in Saskatoon, we are in better position to determine the kinds of questions that need to be asked and the information that needs to be gathered for the implementation of the rental income and the full market value approaches in 2009.

Mr. Huyghebaert: — Was the Saskatoon project conducted by SAMA?

Hon. Mr. Van Mulligen: — The project in Saskatoon was in fact carried out by the city of Saskatoon. It has their own assessment capacity, although they're governed by SAMA rules. SAMA itself would have carried out pilot projects in Yorkton and Weyburn and there may have been one or two other communities.

Mr. Huyghebaert: — I guess what I'm getting at here, I understand that there is a fairly good response in Saskatoon from business property owners; however, there is several that did not. Now here on one hand we're saying it's compulsory, but we can't make it compulsory until this Bill is passed; I'm sure that that's what you said. But it's compulsory for the people that are receiving the forms from SAMA now. But Saskatoon, well it wasn't really compulsory because the Bill wasn't passed. And I don't think you've cleared the waters at all here. In fact I think you've muddied the waters. And I would like a bit of an explanation if I could from you.

Does this Bill have to pass before SAMA has the authority to

make it compulsory for people to respond? If that is the case, if you have to wait for this Bill to pass, then again I go back to my question before. Either the people that have received this form or the Saskatoon responses, there's not a match there. We're saying on one hand you have to fill out the forms; it's compulsory. On the other hand we're saying well you know, you don't have to fill them out because of what reason?

Hon. Mr. Van Mulligen: — Again I want to make it very clear that if people are being asked for information from SAMA they're obliged to provide that information under law. Let there be no confusion about that in the mind of the member or anyone else, none whatsoever. The fact that people have been asked for information in the context of these pilot projects and that the provision of that information hasn't always been forthcoming doesn't necessarily mean that that's acceptable. In fact that would be breaking the law.

What we are proposing to do with some of the amendments today is to clarify and to ensure that abilities that people may have to delay the provision of that information is taken away, and so that there is no grounds for people to refuse to provide that information. But again if people are being requested to provide information by SAMA, they're obliged under law to provide that information.

Mr. Huyghebaert: — Would the minister agree that there were a number of people that did not comply with the request to provide information in the pilot project?

Hon. Mr. Van Mulligen: — Yes, we agree. And that is one of the reasons that we're strengthening the Act today.

Mr. Huyghebaert: — And is the minister then saying that these people broke the law?

Hon. Mr. Van Mulligen: — According to the Act, yes.

Mr. Huyghebaert: — And what is the penalty for this?

Hon. Mr. Van Mulligen: — Mr. Chairman, I'm going by The Cities Act where it indicates in section 338(2):

Every person who is guilty of an offence is liable on summary conviction to:

(a) in the case of an individual, a fine of not more than \$10,000, to imprisonment for not more than one year or . . . both;

(b) . . . case of a corporation, a fine of not more than \$25,000, [and] to the imprisonment of the directors of the corporation for not more than one year or to both;

And then there's:

(c) in the case of . . . continuing offence, [there is a provision for] . . . a maximum daily fine . . .

That is one of the reasons that we had pilot projects to enable us to determine the issues that are likely to be faced by the assessment authorities as they move forward with the full market value approach, including the rental income approach.

And we think the pilot projects have assisted SAMA to do so, and hence the reason for some of the amendments before us today.

Mr. Huyghebaert: — How are these delinquent returns, how is enforcement going to be done?

Hon. Mr. Van Mulligen: — Mr. Chairman, again what we have is a pilot and the information that was being requested on rental income and the like was not used to determine the assessment as such for those properties in 2005, but again was an approach by the assessing authorities to see what kinds of issues would be faced by asking for that information.

One of the amendments that's being proposed provides that a person who refuses to provide legitimate assessment information that was required or requested by the assessor shall be denied the right to appeal their property's assessment for as long as they continue to refuse to provide the information. And previously, legislation provided that a board of revision could dismiss an appeal in this instance, but was not required to do so.

Mr. Huyghebaert: — I'll repeat my question. How is this going to be enforced?

Hon. Mr. Van Mulligen: — Well this is one of the enforcement mechanisms that we are proposing to put into the legislation. And that, you know, again there are, as I have indicated, there are specific penalties. We also are proposing to take the step that no right of appeal will be heard as long as information isn't being provided, and that will be mandatory. We expect that as we move forward and with further publicity of what is taking place, that businesses who are affected by this will want to comply. That's my sense in many other jurisdictions.

Mr. Huyghebaert: — I still didn't really get an answer. I mean you said the results of it, but is SAMA going to police this? Is your department going to police this? Is it going to be the RCMP [Royal Canadian Mounted Police] police this? Who is going to enforce this if somebody does not comply? Who is going to go out and say, lookit, we're going to give you a penalty? Who in fact will be doing that?

Hon. Mr. Van Mulligen: — This is an issue for each municipality to deal with — if there's compliance or there's not compliance — and it's their determination. And the Act again provides for the summary process in the courts. You know we hope that that's not going to be necessary. I expect that Saskatchewan people, especially in this case we're talking about business entities, will want to comply inasmuch it was the business community that has requested this change and approach.

Mr. Huyghebaert: — Well as we know, that didn't happen in the pilot project. And it seems like you're downloading to the municipalities again and shirking the responsibility and say, here we're bringing in this legislation; if people don't comply to it well it's your problem, municipalities. Is that what you're telling the people?

Hon. Mr. Van Mulligen: — Again the provisions that are there in the Act have been there for many years. The specific

amendments that we're proposing today have been asked for by SAMA and city assessors. We think it'll certainly help encourage compliance with the laws. We take the point of view that when this program moves forward and we're beyond the pilot stage and we move to full implementation in 2009, that people will want to comply the same as they comply with, you know, now with the assessment system. And we don't anticipate any greater problems than might have been faced by some other jurisdictions.

In fact when we look at issues, I think such as Winnipeg, where there were I understand problems in implementing the system, having gone through pilot projects, I think we're in a better position than some other jurisdictions have been.

Mr. Huyghebaert: — Is there any action being taken by your department to ensure that there's compliance?

Hon. Mr. Van Mulligen: — What we are doing to assist the process is to treat the requests from the cities and SAMA with support and moving forward with the amendments that we have today.

Mr. Huyghebaert: — A question. I think we've got some more questions on this particular issue, but right now my understanding is that agricultural land will remain under the heavily regulated system. Can you explain the reason for that?

Hon. Mr. Van Mulligen: — There was a change that was adopted, I believe in 1997, to move to an approach in agriculture that was based more on market values, or that took a local market index into account. So that change came about in 1997.

That change resulted in a shift of values from east to west in Saskatchewan as we introduced this local market index, or SAMA introduced this local market index — again recognizing that SAMA's governance and approach is determined by their board which includes rural municipalities.

In 1997 they adopted this approach. And following that change, the members of the SAMA board decided to change back to a system that's based more on basing value on the productivity of land without necessarily looking at local market factors. And that's the approach that SAMA has taken. That's also the approach that Saskatchewan Association of Rural Municipalities asked for and they are one of the member agencies represented on the SAMA board. That is a, I think a resolution of their convention and the SAMA board has honoured that approach. So that is the approach that they have gone back to and that is the approach that we will continue to follow in the area of agriculture.

If there are to be a different approach in terms of valuing agriculture property, you know, then that is something that the member may want to bring to the board, to the attention of the SAMA board and no doubt they will look at that. But SAMA, having tried to move to an assessment system for agricultural property that was more influenced by market value — that not being supported by rural municipalities — has swung back again to a system that places greater value on productivity of land. That is the system we have.

Mr. Huyghebaert: — I wonder if the minister is aware of how this compares with other jurisdictions in Canada.

Hon. Mr. Van Mulligen: — We'll certainly be prepared to provide the member with, you know, details of the approaches that are followed in other jurisdictions. I think suffice it to say that Saskatchewan's approach has been, although not necessarily unique to Saskatchewan, has been developed in Saskatchewan. We use the agrologists, for example, to determine the productivity of land upon which value can then be placed.

Other jurisdictions will have different approaches. Alberta, it's my understanding, has frozen their assessed values at 1980 levels. And again, other jurisdictions may have other approaches. In jurisdictions that are heavily urbanized my sense is that local market factors, the value of properties based on market conditions, they may follow a different approach there as well. But we'll provide the member with all of the details.

Mr. Huyghebaert: — Thank you, Mr. Chair. This is a bit of a statement — so I'm not that familiar with it and I want to read it out so I get it correct — that was given to me. And I'll just quote:

There have been issues surrounding how SAMA treats/assesses non-profit housing versus for profit housing units. Specifically, Hector Trout manor in Saskatoon had a 40% increase in property taxes due to its assessment. The people that live in this complex are seniors on fixed incomes. The increase was for \$50 extra a month for these residents. The reason the city of Saskatoon couldn't do anything about this situation was because there was no recourse available in the assessment manual. The only way an appeal can be made successfully is when there has been an error . . . made in the assessment. [That's the only way you can appeal.] These people are [really] being left behind.

Because they're being charged an extra \$50 a month because of the assessment that has changed in their housing complex.

Would this new system, under the new system of a market-based valuation, rectify this situation?

Hon. Mr. Van Mulligen: — Mr. Chair, I'm not in a position to give a definitive answer to the specific property that the member has mentioned.

Will the changes to the Act deal with this? What the Act does is provides a number of tools to assessors, that is, three different approaches they can use to determine the value of a property. Is the same approach the appropriate approach where one has a private rental accommodation as opposed to a subsidized housing operation right next door? I'm not clear.

That's an issue that the assessor will have to decide, that certainly in the case of the private market rental accommodation, he'll say that rental income is the right approach to use. But whether rental income, given that it's subsidized, is the appropriate approach to government-owned or -subsidized rental accommodation is another issue. He may decide that replacement cost is the right approach to use. It's

difficult to say. All we know is that the assessors have these tools at their disposal and it's for them to determine what approach is best.

Mr. Huyghebaert: — Well thank you. Well, I think, thank you. I don't know if that's really a thank you or not on that. I don't think it really clarified anything. If you're looking at the assessor has the option to determine, well if this is a government house well I don't have to assess it very high — I don't think that's the right way to be. If you've got an apartment building that's worth a whole pile of money here but it's government-owned, that's okay because now we can say that's government-owned I won't assess it the same way that I assess this one that somebody privately owns.

And is the minister saying that that's correct to be able to do that, to leave that in the hands of the assessor to determine on whatever his or her feeling is of the day how it's going to be assessed? Or is there more rigid guidelines that requires assessing that is more compatible with like buildings?

Hon. Mr. Van Mulligen: — Well again the rental income approach is in my view and in the view of SAMA obviously the appropriate approach to use for private rental market accommodation. But they take the approach that it may not be the appropriate approach to take for subsidized housing. Whether that's all subsidized housing or some subsidized housing I'm not entirely clear. But that is an issue that local assessors will have to determine. All we're doing is providing them the tools and the mechanisms to make that determination.

Mr. Huyghebaert: — Well, Mr. Minister, I go back to the sheet of paper that I gave you earlier. Now we have a government building in competition with commercial facilities and what you're saying, it's up to the assessor or the assessor can go to this government building in Assiniboia or in Gravelbourg and say, this is a government building; I'm going to assess it one methodology here whereby it's assessed much lower than the individual who owns a private building.

Are you saying that that's their right to do that as assessors? Or is there any direction provided by government that says gosh, if you've got two 20-unit facilities in the same town, one's government-owned, the other is privately owned, they're built the same year, they have the same square footage in the room and yet they're allowed to assess different? Is the minister suggesting that that is a correct way of doing it?

Hon. Mr. Van Mulligen: — I just flip the question. Is the member saying that if you have two identical units and in the one case people pay, for the sake of argument, \$1,000 a month in rental income for a suite as opposed to a similar building next door where people's rents are being subsidized, say to \$400 a month — is he saying that the rental income approach should be used for both? Because you're going to get markedly different values and I think those are some of the questions that people in a local setting are going to have to determine what's the best approach to take.

Mr. Huyghebaert: — Mr. Chair, I'd be happy to answer that question as soon as the minister is over here and I sit over there.

Mr. Chair, I don't have any more questions on this Bill right at

the moment. However I notice that the minister has taken notice of a number of questions that I have asked and I would like to see the responses to these questions before we go ahead with the continuation of questioning on this Bill. So at this time I would like to stop questioning on this Bill and move forward to another one if that's acceptable.

The Chair: — Mr. Minister, do you have a comment?

Hon. Mr. Van Mulligen: — Mr. Chair, might I just say that the member has questions related to this Bill. The other two Bills, The Cities Act and The Municipalities Act, essentially deal with the same issues. And I'm not sure if there is any reason to proceed on the other Bills at this point and also in that particular case then adjourn, because we're still waiting for the same information.

The Chair: — Mr. Huyghebaert, do you wish to adjourn this Bill or do you wish to carry on and we'll vote it off?

Mr. Huyghebaert: — I would like to adjourn the Bill at this time. And the minister is correct. There's a few questions that don't — on the other two Bills — that don't directly relate, but they're only a couple of questions and I can ask them when we come back to this particular Bill at the next one. So at this time I would suggest we adjourn.

The Chair: — So you're asking for adjournment of the committee? Okay. There's been a motion to adjourn the committee. Is this agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. The committee now stands adjourned.

[The committee adjourned at 16:41.]