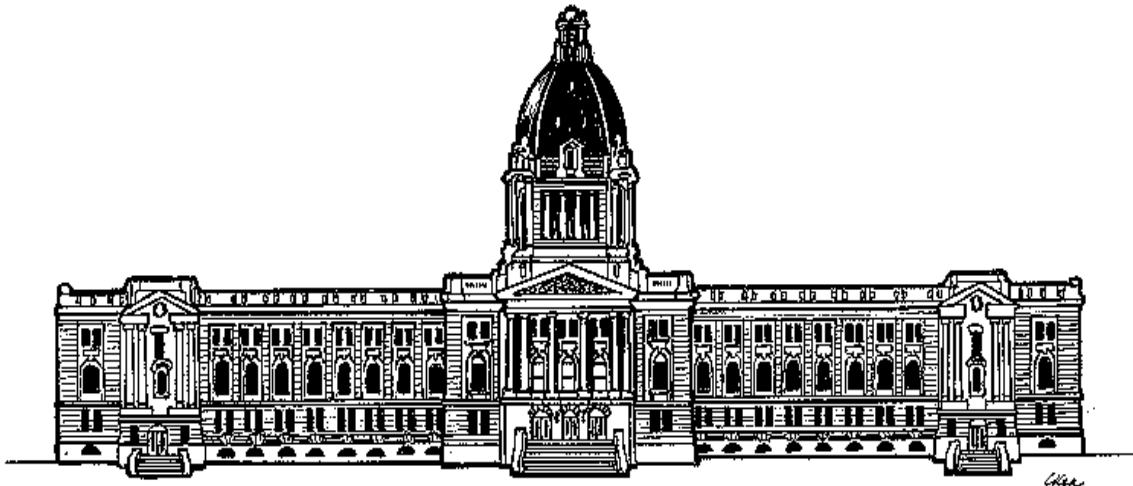




STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND INFRASTRUCTURE

Hansard Verbatim Report

No. 21 – April 20, 2006



Legislative Assembly of Saskatchewan

Twenty-fifth Legislature

**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 15:10.]

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

Clause 1

The Chair: — Good afternoon. We'll reconvene the committee, Intergovernmental Affairs and Infrastructure. The item of business before the committee is the consideration of Bill No. 4, The Assessment Management Agency Amendment Act, 2005. I recognize the minister and if the minister would please introduce his officials.

Hon. Mr. Van Mulligen: — Thank you very much, Mr. Chair. Seated beside me on my right is John Edwards who is the executive director of policy and program development for the Department of Government Relations. Seated immediately to my left is Keith Comstock who is a policy manager with the same branch. And seated beside him is Norm Magnin, another policy manager with the branch. And seated behind us is Rod Nasewich who's a senior policy analyst with policy and program development.

Mr. Chair, if I might, I provided the Clerk with copies of answers to questions that were put to me by members of the committee, in particular Mr. Huyghebaert and also Mr. Chisholm, and I'm providing written answers to those questions. And other than that just to say that the Bills that are before us are, in the main, to provide the legislative framework to enable the Assessment Management Agency to move forward with the full implementation of market valuation of assessment for the year 2009. And we need to make the appropriate legislative changes at this point to enable that. Thank you.

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

Mr. Allchurch: — Thank you, Mr. Chair. Mr. Minister, welcome to your officials again today. I want to take this time on behalf of my colleague, Mr. Huyghebaert, and myself, thank you for the answers to the questions that we asked previously.

I just have a couple follow-up questions in regarding the questions I was asking last time around, and that's in regards to forest fringe problems and taxation and the assessment of that taxation on that said land. And in regards to a comment that you made, Mr. Van Mulligen, it says . . . or you said, and I quote:

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 . . .

Now we know that is right because that land is still under the jurisdiction of the RM [rural municipality]. But in my questioning I was asking, what about the lands in question that are under forest fringe? It's not doing services to that land. It's actually doing services on that land which is forest fringe land, which is also Crown land. Can the RM provide services on that land, not to that land?

I'll give you an example. If it's forest fringe land and there's a need of a culvert or bridge or even a road, can the RM provide services to that forest fringe land which, I might add, is under the jurisdiction of SERM [Saskatchewan Environment and Resource Management]?

Hon. Mr. Van Mulligen: — My sense is that what we're talking about is land that's owned by another party than the RM. And whether it's private land or whether it's land that in this case is owned by the Government of Saskatchewan through the Department of the Environment, the same rules apply.

The RM certainly has the ability to provide services to, up to that particular piece of property, probably even have rights to enter onto that property if there's something about the configuration of that property that affects other properties. I'm not entirely clear on that. My guess is that they have some rights to do that. But in terms of simply going into the land and doing work on the land that's not related to some municipal purpose, I have my doubts whether they'd be able to do that.

Mr. Allchurch: — Okay. In regards to that then, Mr. Minister . . . And you are right; they cannot provide a service on that land even though you, as a government, own the land. It is permitted land only.

So my question then is, if they cannot go onto that land and provide any services whatsoever — and they can't — how can an RM have the jurisdiction, which has been implemented by you, the government, to charge a tax and therefore have assessment done to that land if they cannot provide any services? They have no jurisdiction to the land, but yet the government has given the ability to whatever RM it is to assess that.

Hon. Mr. Van Mulligen: — Again, Mr. Chair, I don't see it any different than any other landholder in the municipality. The RM doesn't have the authority to enter onto private property to, you know if you like, to provide services on that piece of property, except by the invitation of the property owner. And I gathered, you know I would venture to say that in exceptional circumstances where there is some other larger municipal purpose that the RM probably has some rights or even obligation.

For example if something on the land is causing flooding or of that nature, the RM has probably some rights. But you know, the RM doesn't have the right to go onto private property per se, but yet the RM can tax that property because there is value attached to that property. And at the end of the day, it's that taxation that provides the revenues for the RM to provide the services that are enjoyed by all of the property owners in the rural municipality. And whether that's someone who has, in this case, a permit on forest fringe land or someone that has freehold property, you know, and they enjoy it in that manner.

Mr. Allchurch: — Mr. Minister, I think you're missing the point when you're talking about deeded land or privately owned land. There's no problem with that. This is land that is owned by you, the government, that the jurisdiction falls under SERM. And yet the users of that land are on a permit basis only. They are not on a lease basis. They are not on a licence basis. They're

on a permit. The permit is from year to year to year.

The problem with this is that one certain group known as the cattle grazing association pays all the taxes on that land. There's no services provided to that land. Example: outfitters use the land; they don't pay. Wood processors, woodcutters use the land; they don't pay. It is public access property, and you've given the power to the RMs to charge tax to one certain group. Why not charge to all the users of that permit land in a fair and equitable way? Why only one group?

Mr. Minister, in regards to the users of the land, why are you charging only to one group? Why not charge to all the groups or none? And up until 1995, no one paid tax on that land. It was SERM land, and therefore it was done in a permit basis only. SERM department at that time had the jurisdiction to charge whoever were the users of the land on a permit basis which is year-to-year only. And it was charged in a fair and equitable way. Now you've got the situation where one group is paying the tax but can't receive any services. So it comes back to my point that I've said for six years now. How can one group pay for services they don't acquire and nobody else does?

Hon. Mr. Van Mulligen: — Again this is a practice enabled by legislation that dates back 16 years, so I assume this is an issue that you've been raising for 16 years. I think the operative changes were made in 1989 to the then rural municipalities Act or rural municipality Act. And 1989 is when the changes were made. And again the . . . What it indicates is that The Municipalities Act provide that taxes are not levied on an owner of land that is exempt from taxation such as the province of Saskatchewan that is not required to pay taxes to the municipality on Crown-owned land. However if the occupant of exempt land is someone other than the owner and the occupant uses the land for taxable purposes, then that person is deemed as the assessed person and is subject to pay any tax that may be levied on the land.

So for example if the Department of Agriculture owned land and the Department of Agriculture rented that land to — say — an independent farmer, the Department of Agriculture wouldn't be responsible for paying a grant in lieu of taxes, but the farmer, the occupant of the land, would be subject to any assessment in taxation that might be, you know, deemed by the RM to be appropriate and similarly here.

Mr. Allchurch: — Well thank you, Mr. Minister. Okay in regards to that though, what you're saying is then an occupant of the land, for example the forest grazing association or the cattlemen association, are occupants of that land for a certain period of time in a year and they are assessed taxes, but they are assessed taxes on a year basis. Now if that is right and that's what you're doing to allow this to happen, then why are not the other users of the land assessed the same manner of taxation?

Hon. Mr. Van Mulligen: — I'm not entirely clear. I mean, yes someone that uses land for grazing, they only use it for a portion of a year. But similar if you have private land, you use some of that land for grazing. You also only use it for a portion of a year, but nevertheless you're assessed as if you are the occupant of that land, so I'm not sure I quite follow you on that.

But having said that, if an RM wants to get into a situation

where they want to prorate it because you're only occupant, in their for view, for a certain period of time, you know, that's their prerogative.

Mr. Allchurch: — Well thank you, Mr. Minister. And that's what happened . . . is the RM has the ability to charge tax on that land. They charge it for a year. But my question is, why is it not fair to all the users of that land? If one is allowed to pay tax or supposed to pay tax on that land, why not everybody? Why not all the users of that land pay?

Hon. Mr. Van Mulligen: — Well I suppose there's questions of definition here. You know, we generally hold that if someone goes in and obtains a permit for grazing, they also have the right to construct fences and gates and put in salt lick and, you know, watering facilities for their cattle. They have the ability to do that, as distinct from some woodcutters who move in and, you know, go and cut down some trees and then move on to the next piece of property, or berry pickers. It's generally held that the woodcutters aren't occupants of the land as such. They may make some limited use of the land, but we don't judge them to be occupants of the land.

Mr. Allchurch: — Mr. Minister, what is the difference between the forest grazers grazing that land for a maximum of 134 days — and that's the maximum they can utilize — or the outfitters using the land or the wood processors using the land? They're users of the land. What is the difference between those three?

Hon. Mr. Van Mulligen: — Okay, Mr. Chair, you know, when the legislation was drafted . . . you know, I think this goes back to 1989. At that time the people who reviewed the legislation I guess were of the opinion that some uses, you know, again as I mentioned with respect to, you know, cattle grazing and were in a position to, you know, add some value to their use of the land, whether it's fences or salt licks or water facility, is one category, but that someone who uses the land for berry picking or cutting down some timber or, you know, not quite in the same category don't have the same opportunity for use and enjoyment of the land. And therefore they made those distinctions at that time.

The member is putting forward the suggestion that berry pickers should be assessed and taxed. You know I think that's a discussion that can certainly be held at some time, but again I think we have to think of the practicability of such an initiative as well. I'm not sure that would be practical.

Mr. Allchurch: — Well let's look at the practicality of this, Mr. Van Mulligen. In regarding being assessed tax to this land, if you're not going to be fair to one, why would you do it? That's the way the practice used to be because under the jurisdiction of SERM, they could regulate who was in there, and they could regulate the taxes or a system of paying for the usage of that land.

The way it is right now, whether you're using berry pickers or whether you're using forest grazers or whoever you're using, they're all using the land, but there's only one paying for the taxation of it. And then on top of that, the RM cannot provide a service to it. So in regards to that, is this some way of the government's saying to the grazing association, the forest fringe

grazing association, they do not want cattle in that land and that they want to keep it for public access or whatever, public use?

Hon. Mr. Van Mulligen: — Well again SERM has provided permits for this particular use, and I assume they do so in an informed fashion as to whether or not they want to do that. Again you know when one talks about should this person be assessed or someone else should be assessed, you know the RMs have some discretion here. And I guess that's the point that I'd be making too is that they have the discretion. We enable them to do certain things.

In some RMs . . . and many RMs are choosing not to, if you like, assess and tax these occupants by virtue of permit. That's their discretion, and many are choosing not to do so, and some RMs are choosing to do so. But the association that represents all of the RMs are saying that no, this should continue to be a matter of local discretion.

Mr. Allchurch: — That's a power given to the RMs. It was given to them by you, the government. You've allowed that to happen. What I'm saying is, is it right to have that happen? Just because SARM [Saskatchewan Association of Rural Municipalities] at a convention brings forth a resolution for this to be passed doesn't mean to say that it's right. And that's what I've been saying for six years. How can you charge a tax when you cannot provide a service? And if tax is being charged, why is it not paid by every individual that utilizes the land? Why only one group?

Hon. Mr. Van Mulligen: — Again, Mr. Chairman, we operate in a pluralistic society where it's recognized that the exercise of power, the exercise of legislative authority is something that in our society has to be shared by a variety of interests. In this particular case, we provide for the rural municipalities to make the decision as to whether or not they want to assess these occupants and tax them to assist them with their revenues to provide services for the people that live in that rural municipality. That's generally the position that's been taken since 1989. We support that.

If the rural municipalities, in their association, on the basis of an informed debate . . . And these are all very knowledgeable people that we have in our rural municipalities. These are the leaders in our rural communities. When they have that debate and they take the position that, no, they recognize the issue but that discretion in this case should remain with the rural municipalities, we're prepared to agree with them. If they come to us and say it should be changed, then we'll certainly, are prepared to look at that.

Mr. Allchurch: — No further questions.

The Chair: — Seeing no further questions, are we, committee, prepared to vote on the Bill?

Some Hon. Members: — Agreed.

The Chair: — Agreed. Thank you. Clause 1, the short title. Is that agreed?

Some Hon. Members: — Agreed.

[Clause 1 agreed to.]

[Clauses 2 to 9 inclusive agreed to.]

Clause 10

The Chair: — Clause 10, coming into force. Is that agreed?

Mr. Trew: — Mr. Chair.

The Chair: — Yes.

Mr. Trew: — I have an amendment to move on clause 10.

The Chair: — Will the member please read the amendment.

Mr. Trew: — I will happily read. It is:

Clause 10 of the printed Bill

Strike out Clause 10 of the printed Bill and substitute the following:

“Coming into force

10(1) Subject to subsection (2), this Act comes into force on assent.

(2) Subsections 6(1), 7(1) and 7(2) of this Act come into force on January 1, 2009”.

I so move.

The Chair: — Will the committee take the amendment as read? A question Ms. Draude?

Ms. Draude: — Yes. Thank you, Mr. Chair. My question is I guess I need some clarification on this about what's happening, especially why are some subsections of it not coming into force until 2009. Go ahead.

Hon. Mr. Van Mulligen: — We went through this the last committee meeting. And maybe just to refresh the member's memory, some of these specific amendments aren't required and cannot be put into place until 2009 when the full market value assessment is rolled out. Some amendments are required at this point.

The change that we're requesting by way of amendment is that this is legislation that was put forward last fall. And I guess when the drafters put it forward, there was some assumption that it would be passed last fall and therefore could go on proclamation. But now we need to have a specific date that this legislation can operate by.

The Chair: — Then will the committee take the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — All of those in favour of the amendment?

Some Hon. Members: — Agreed.

The Chair: — The amendment is now passed. Will the committee now consider clause 10 as amended?

Some Hon. Members: — Agreed.

[Clause 10 as amended agreed to.]

The Chair: — Thank you. Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: An Act to amend The Assessment Management Agency Act. Is this agreed?

Some Hon. Members: — Agreed.

The Chair: — I will ask the member to move that the committee report the Bill as amended.

Mr. Trew: — Mr. Chairman, I move that the committee report this Bill as amended.

The Chair: — Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. The next item.

Bill No. 5 — The Cities Amendment Act, 2005

Clause 1

The Chair: — The next item of business before the committee is the consideration of Bill No. 5, The Cities Amendment Act, 2005. I recognize the minister and ask the minister if he has any remarks he wishes to make.

Hon. Mr. Van Mulligen: — Mr. Chairman, just to point out that all of the Bills that are before us and certainly the previous Bill, The Assessment Management Agency Act, have amendments pertaining to the change in assessment that we're moving towards in 2009.

The specific Bill that's before us now, The Cities Act, also has some other amendments that we are proposing, and these are policy amendments that will improve the effectiveness of the Act including parking ticket enforcement — I'm sure that's a favourite for all people — provisions to enable appointment of a youth member of council, and provisions to simplify the tax cancellation and abatement process. And I believe that in the main are the additional amendments in this Act.

The Chair: — Is there any questions of the minister on this Act?

Mr. Huyghebaert: — I have some questions pertaining to the Bill itself. I haven't had a look at what the amendments mean yet but that could come up in questions. On this Bill, and, like I say, I haven't really looked at what the amendments deal with.

Hon. Mr. Van Mulligen: — Could I just maybe clarify? The amendments is essentially the Bill, to the Act.

Mr. Huyghebaert: — Okay, I thought the amendments . . .

Hon. Mr. Van Mulligen: — So these are amendments to the Act, but we do have amendments in terms of when the legislation goes into effect.

Mr. Huyghebaert: — Okay.

Hon. Mr. Van Mulligen: — But these are not new amendments. These are in fact the, if you like, the basics of the Bill.

Mr. Huyghebaert: — I thought, Mr. Chair, the minister was going to sneak one through and by putting amendments to the amendments, and I was not prepared to accept that at this time. So the amendments to the Bill is what the Bill is about . . . is amending the Act. We're on the same page now.

One of issues around this Bill and other Bills I know is consultation. And I know we have addressed this before about who was consulted prior to the Bill being introduced, and I wonder if the minister could answer, who all were consulted as to the amendments that this Bill proposes?

Hon. Mr. Van Mulligen: — Mr. Chairman, I might say that this, I believe, is also provided in the package of information we provided to members. And I appreciate the member wasn't here when that was distributed, but it was also provided.

But just for the record, the consultations in addition to internal consultations in government would have included an array of municipal organizations and any, you know, specific municipalities such as the cities and any other interests that we could identify of course, including the school boards association and others that have not a direct interest, but a tangential interest if you like, such as the rental housing industry, the real estate association, the chamber of commerce or various chambers of commerce, and also businesses that are involved in the appraisal industry.

Mr. Huyghebaert: — Thank you. I have the list here now; my colleague just pointed it out. One of the reasons I ask this question is, when the Bill was introduced I made a phone call to some stakeholders, and one of the stakeholders being the president of SARM. He had not even heard of this Bill. And so that's why I'm a little bit concerned about the consultation process. And the president of SARM was going to get back to me, but at the time, after the Bill was introduced, he had not even heard of it.

And I'm wondering how effective the consultation process is. And I notice that at the very top of the list is SARM. I guess my question would be, who in SARM was consulted with respect to this Bill if the president wasn't?

Hon. Mr. Van Mulligen: — Well I'm wondering if he has the idea that maybe there's some new Bill dealing with cities that's before the Legislative Assembly. Just as you and I got into a momentary confusion here about amendments, whether he is under the impression that there is some new additional Bill dealing with cities that's before the Legislative Assembly that we had not consulted with SARM about. In fact we have.

In fact SARM did respond to us on July 27 of last year, 2005. They expressed some concerns about the binding authority

would be for SAMA [Saskatchewan Assessment Management Agency] to determine the annual assessment return due date. But as we recall that was the extent of their concerns on this particular Bill. And that was by way of an email from their staff.

Mr. Huyghebaert: — Well that may explain it, an email from their staff. So maybe the president of SARM did not even know about it then because I know when the Bill was introduced in the House . . . As I'm sure the minister is well aware of, when a Bill is introduced and given first reading, one of the things we do is we go to stakeholders with it. And that's exactly what I did in this case. And it was quoted by Bill No. 5 to the president of SARM. And the response, as I've already indicated, was he hadn't even heard of this.

And so we discussed at great lengths in this Chamber about the consultation process and how it's failed in the past. And that's why my question was, who has been consulted? If you spoke to one individual at SARM in the process, I guess my thought is, does that signify consultation if you've got one member that is a member of SARM and say, okay, we've consulted with somebody in the coffee shop; now it's good to go?

Hon. Mr. Van Mulligen: — Mr. Chairman, again we have a communication saying the board had no problem with the proposed amendments to The Assessment Management Agency Act or The Municipalities Act as proposed. They wanted some clarification, as I indicated, about the authority to set the date when assessment returns are due, but that was it. And they indicated that the board had, I guess, reviewed this and had no problem with it.

Now if there's some confusion about this particular Act, The Cities Act, as opposed to The Municipalities Act, we would have consulted them on The Municipalities Act. The Cities Act, the operative changes would be the same for The Municipalities Act that they would have been consulted on.

Now obviously we didn't set out to consult, we didn't set out to consult the rural municipalities on parking ticket enforcement issues, I don't think.

Mr. Huyghebaert: — Yes, I was speaking in general terms on both Bills.

Hon. Mr. Van Mulligen: — It's not from our view a pressing concern for rural municipalities but . . .

Mr. Huyghebaert: — I understand that it's not a concern because we don't have many people left out in rural areas, so there's not much need for parking stalls.

Just on the parking then, I have an additional question, and I was quickly having a look at the list of consultations. And unless my eyes are playing tricks on me, I do not see where lending institutions were consulted. And the reason the lending institutions . . . because within this Bill you look at the authority that's given for the parking fines and the authority given to the cities where they can confiscate a vehicle, as I understand, to pay for parking fines.

Now if a lending institution has financed a car, who has the

overriding authority? And if you see where I'm going on this, if a car is impounded because of parking and there's a lien on it from the bank or credit union or financial institution and also a lien from the city for parking, where does that . . . who has the authority as to where the money would go if the car was sold at public auction for an example?

Hon. Mr. Van Mulligen: — Mr. Chairman, the order of priority regarding the funds recovered from the sale of a vehicle where a municipality seizes and sells a vehicle for unpaid parking fines, the order of priority is one, the municipality for any costs that they have incurred in seizing, impounding, storing and selling the vehicle. So they have direct costs. I mean you have to do that; otherwise there's no real incentive for them to impound the vehicle or to enforce parking tickets, but not for the unpaid fine.

The second order of priority is for a lender for purchases that they have made or for the loans that they have made to the owner of the vehicle.

The third priority is again for the city for a fine, but only if they've initiated a lien under the summary offences Act. So if the city says that in addition to the costs of seizing, impounding, storing, selling, we want to recover any parking ticket fines, they then have to initiate a lien. But again they're third in order of priority.

The final priority goes to anyone that had some security for other unpaid costs relative to the vehicle. So if someone used the vehicle as collateral for some other loan or something like that, then that entity would be the fourth on the list.

But other than the cost of, you know, seizing, towing, impounding, storing, selling the vehicle, the banks certainly have the right to reclaim their piece of that car.

Mr. Huyghebaert: — Maybe it's not quite clear, and I understand you've answered as far as the priorities. But you mentioned a fine cannot be recovered unless a lien is put on the vehicle. Well I guess my question upfront would be, how do you go to step number one unless there's a lien put on the vehicle?

Hon. Mr. Van Mulligen: — Now again, Mr. Chairman, the municipality can certainly seize and has the authority to seize a vehicle for unpaid parking fines, again remembering that parking tickets are related to the licence plate number and then to a specific vehicle. And the municipality has that right. And they have the right to reclaim their costs associated with seizing, towing, storing, selling that vehicle.

But in order to claim then any large amount of unpaid parking tickets, they have to go through the process that's outlined in the summary — I'll get the official title here — The Summary Offences Procedure Act which was amended and passed last fall. They have to take steps under that Act to reclaim their unpaid parking tickets.

I think the idea here is that seizing the vehicle will encourage the owner to pay whatever parking tickets are outstanding.

Mr. Huyghebaert: — Now one more question that I have and

it . . . In the Bill it gives cities the right to seize any vehicle in any space, private or public, and sell to recover parking fine dues in the order, priority that you've given me. And I'm wondering if there was consideration given to private homeowners and their rights as such if the vehicle is in a private place, a garage for an example.

Hon. Mr. Van Mulligen: — All I could say is that municipalities are provided certain authorities. Municipalities also have to observe bylaws, and I'm not exactly clear what the laws are with respect to the municipalities' right to enter onto private property. But my sense is, whatever those rights are, they have to be observed whether it's to do with a vehicle that has a large number of unpaid parking tickets attached to it or whether it's entering onto a property to do weed control because the owner is not heeding warnings to look after their weeds. The municipalities have to go through a certain process before they can be given that right to enter onto private property.

But again this is one of the changes that we're making to the Act to provide municipalities with greater opportunities to collect on unpaid parking tickets than has been the case. The remedies that they had were . . . I think some people would say they were somewhat in extreme, which is to essentially jail people. And that's felt to be, you know . . . The Act still provides at the end of the day, after a long process, that option is still there. But we want to give municipalities other tools as well to encourage, you know, adherence with their parking ticket policies.

Mr. Huyghebaert: — I guess one of the concerns that I would have is what you've just said is that it goes to municipal jurisdiction to what their laws are. But correct me if I'm wrong, but this Bill gives the cities the right to seize any vehicle in any space. That would supersede what the municipalities now have, I would suggest. And if it doesn't, why would it be included in the Bill because this is a provincial government Bill?

Hon. Mr. Van Mulligen: — Well the access that the . . . Any vehicle owned by any person against whom a fine is imposed, wherever the vehicle is found in Saskatchewan and you know . . . wherever it's found I think is operative. But again, like if someone runs up thousands of dollars in unpaid parking tickets and parks it in his driveway and then thumbs his nose at the local authorities and says look it's on my property you can't touch it, well obviously this Act provides opportunity for the city to in fact impound that vehicle. And I don't think the member is suggesting that anyone should be able to flaunt the law in that manner.

Mr. Huyghebaert: — No, you're absolutely correct. It was just from what you had said before and I wanted a clarification because what you said before was along the lines that, well whatever the rules of the day in the municipality are, the urban municipality, you would let them do it.

But in fact you're introducing the Bill here that says this is what you're allowed to do. So this would supersede what theirs has, and I would ask you if you agree with that, that the provincial legislation would supersede the municipal legislation. And this one says it gives them the right to seize vehicles, regardless where they are.

Hon. Mr. Van Mulligen: — Well this opens the door to a new tool for municipalities.

Mr. Huyghebaert: — All right.

Hon. Mr. Van Mulligen: — This opens the door for a new tool for municipalities to enforce parking tickets.

Mr. Huyghebaert: — But that is different from what you said just a few minutes ago.

Hon. Mr. Van Mulligen: — I'm thinking back to my own time in city council where the city could not enter onto property for example where a car is declared a nuisance vehicle or unsightly. The city had to go out through a due process in order to obtain the authority to go onto the property, but in this particular case it's clear the city does have the right.

And I'd certainly encourage all people who are listening and watching this, that if they have parking tickets to pay those parking tickets in a timely fashion. Thank you.

The Chair: — Seeing no further questions, is the committee ready to vote on the Bill?

Some Hon. Members: — Agreed.

The Chair: — Agreed. Because of the length of the Bill, I'm going to ask the indulgence of the committee to deal with this Bill page by page rather than clause by clause. Would that be all right?

Some Hon. Members: — Agreed.

The Chair: — Thank you. Page 1, is that agreed?

[Clause 1 agreed to.]

[Clauses 2 to 50 inclusive agreed to.]

Clause 51

The Chair: — And I believe, Mr. Iwanchuk.

Mr. Iwanchuk: — Yes, I move that clause 51:

Strike out Clause 51 in the printed Bill and substitute the following:

“Coming into force

51(1) Subject to subsections (2) and (3), this Act comes into force on assent.

(2) Subsections 15(3), 20(3), 20(4), 21(2), sections 24 and 26 to 30, subsections 32(2), 32(3), 33(2) and 34(1), and sections 35, 37, 41 and 43 to 45 of this Act come into force on January 1, 2007.

(3) Clause 3(a), sections 13 and 14, subsections 15(1), (2), (4) and (7), sections 16, 17 and 19, clause 31(b), sections 38 and 39, subsection 40(2), and sections 42 and 50 of this Act come into force on January 1, 2009”.

The Chair: — Thank you, Mr. Iwanchuk. I'm sure that all viewers at home are sitting on the edge of their seat with anticipation. Would the committee now handle the amendment. All in favour?

Some Hon. Members: — Agreed.

The Chair: — Agreed. Now Clause 51 as amended. Is that agreed?

Some Hon. Members: — Agreed.

[Clause 51 as amended agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan enacts as follows: Bill No. 5, the Act to amend The Cities Act and to make consequential amendments to others Acts. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — I will invite the member to move that the committee report the Bill with amendment.

Mr. Iwanchuk: — I move that the committee report the Bill with amendment.

The Chair: — The member has moved the committee report the Bill with amendment. Is this agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

Bill No. 6 — The Municipalities Amendment Act, 2005

Clause 1

The Chair: — The next item of business before the committee is the consideration of the Act to amend The Municipalities Act. Mr. Minister, do you have any comments?

Hon. Mr. Van Mulligen: — No, Mr. Chair, I don't think that there's any significant difference between this and The Cities Act. In fact this one also includes the provision with respect to parking ticket enforcement. And probably one of the reasons that SARM declined to be involved in The Cities Act is that the issues that they're concerned about are in fact — and more, including parking ticket enforcement — is in The Municipalities Act.

There is one small further amendment, and that is amendment to remove the requirement for railway companies to submit annual reports respecting assessment when there are no changes to their assessment information.

The Chair: — Any questions on this particular . . . Mr. Huyghebaert.

Mr. Huyghebaert: — Well, thank you. And it again goes along with the Bill No. 4 and I understand that. There's a couple of things that I would just like to have clarified. And under the municipalities amendment, some properties, as I see it some

properties will remain under the regulated system of assessment, and others will be on the market system. And I'd like if we can find from the minister why there's a difference.

Hon. Mr. Van Mulligen: — You know what? There's some detail here. I'm going to let Mr. Edwards deal with this.

Mr. Edwards: — This distinction actually applies to both The Cities Act and The Municipalities Act and the amendments in The Assessment Management Agency Act. The basic scheme that's been introduced for 2009 will categorize properties into two categories.

First, properties such as commercial properties like retail or office space or multi-unit residential that's rental would now be going to market value. What that means is that assessment appraisers will have a whole range of three different techniques, including the rental income approach and comparative sales approach, to use to do the assessments.

Other properties such as agriculture land, railways, pipelines, mines, those sorts of industrial properties, will remain on what's referred to as regulated approach. What that means is in effect that there would be very little change compared with the current situation. There will continue to be an assessment manual that sets out the rules and those will be the rules that are followed for the assessments.

So for instance for agricultural land, it will not be based on market value. It will be based on productivity of the land modified by the market prices on a province-wide basis, essentially similar to what's done currently.

Mr. Huyghebaert: — Will this put different properties at different standards?

Mr. Edwards: — That's a very good question. The base year for which the properties will be valued will remain the same, so that what will happen is that they'll all be valued effective as of 2006. So for example, for the 2005 re-evaluation, the base year to establish common values across the piece is 2002.

The regulated provisions that will go in SAMA's assessment manual will all be updated to more current costs. So for those industrial-type properties, there will be a similar updating process as has occurred in the past. The change really is to allow assessors to access for retail and office space a more complete range of assessment tools that are already in use in all other jurisdictions in Canada.

Mr. Huyghebaert: — Is it foreseen that this will affect the individual assessment of properties by like . . .

Mr. Edwards: — There is potentially some impact on commercial and multi-unit residential property. But I would note that business associations, business organizations like CFIB [Canadian Federation of Independent Business] and chamber of commerce and the various business organizations that are particular to individual cities have been after this kind of change for some time. The feeling is that it will yield values that are closer to market value, and those will be more acceptable. But yes, there probably will be some shifts for individual properties as this new tool is applied.

Mr. Huyghebaert: — I'm sure that the department has looked at other jurisdictions. And I'm wondering if they have, having looked I'm assuming at other jurisdictions, and if they'd found any rate increases, mill rate increases in other jurisdictions as a result of this, and put that over top of what we're doing here? And they're kind of a two questions. Other jurisdictions, did they experience a mill rate increase because of this? And does the department expect there'll be an increase in property taxes here because of this?

Mr. Edwards: — Well Saskatchewan is the last province to introduce this new assessment method. The question of mill rates is dealt with separately. It's a decision by the local school board and municipality. Each of them sets their own mill rate. They go through a budgeting process. They assess their financial needs and then set the mill rate to establish what tax they want to levy.

And of course the municipalities have a fairly significant range of different tax tools that they can apply to adjust for tax impacts within their jurisdiction. Those tax tools would include things like mill rate factors, base tax, minimum tax — those sorts of things — and a phase-in, in the case of the cities.

Mr. Huyghebaert: — So I gather from that that people can, because of this change to the market-base system, I gather then that one could expect an increase in taxes.

Mr. Edwards: — No, I would not draw that conclusion. The tax tools essentially place the question of tax distribution fully within the local jurisdiction's authority.

Mr. Huyghebaert: — No more.

The Chair: — That's it. No further questions? Then I'll also on this particular Bill ask the indulgence of the committee so that we can deal with this Bill by the page rather than by the clause because of the length of the Bill. Is that agreed?

Some Hon. Members: — Agreed.

[Clause 1 agreed to.]

[Clauses 2 to 48 inclusive agreed to.]

Clause 49

The Chair: — And I recognize Mr. Trew.

Mr. Trew: — Thank you, Mr. Chair. I have an amendment to clause 49 of the printed Bill. It is:

Strike out Clause 49 of the printed Bill and substitute the following:

“Coming into force

49(1) Subject to subsections (2), (3) and (4), this Act comes into force on assent.

(2) Clause 15(b) and sections 43 and 48 of this Act come into force on assent but are retroactive and are deemed to have been in force on and from January 1, 2006.

(3) Sections 12 and 13, subsections 17(2), 22(2), 22(3), 23(2) and 25(2), sections 26 to 29, subsections 31(2), 31(3) and 32(2), and sections 33 to 35, 39, 41, 42 and 44 of this Act come into force on January 1, 2007.

(4) Clauses 3(a) and 15(a) and (c), sections 16, subsections 17(1), (3) and (6), sections 18, 19, 21, 30, 36 and 37, and subsections 38(2) and 40(2) of this Act come into force on January 1, 2009”.

I so move, and I'd be delighted to repeat if it's necessary.

The Chair: — Thank you, Mr. Trew. I hope it's not necessary. Will the committee take the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — All those in favour of the amendment?

Some Hon. Members: — Agreed.

The Chair: — Carried. Now clause 49, coming into force. Is that agreed?

Some Hon. Members: — Agreed.

[Clause 49 as amended agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 6, An Act to amend The Municipalities Act. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Okay, that concludes the . . . Yes?

Mr. Trew: — I move that the committee report the Bill as amended.

The Chair: — Right. Thank you, Mr. Trew. Mr. Trew has moved that the committee report the Bill as amended. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Thank you. That concludes the business before the committee with the Minister Van Mulligen. Mr. Van Mulligen, do you have any closing remarks?

Hon. Mr. Van Mulligen: — I would, Mr. Chairman. First of all I'd like to thank the officials in the Department of Government Relations for their work on these pieces of legislation. I think the people at home that are watching this might have gotten some sense of the complexity of the Bill, certainly of all the consultations that were involved. You know, a Bill might be a few pieces of paper, but it's a few pieces of paper that's supported by tremendous documentation and tremendous work on the part of officials in my department. So I'd like to thank them for that and thank them for their attendance here today.

Also would like to thank the opposition. It's not just my

officials who go to the trouble of putting together all this documentation, but it's also the opposition that takes the time to review all of the complexities and issues that are inherent in these Bills. And I would like to thank them for that and also the members on the government side for their support in this matter. Thank you.

Mr. Huyghebaert: — I'd also like to thank the officials. I know sometimes we get some questions that are not easy to answer and have to do some digging. And you can tell that we do some digging too because we want to hold the government to account on all of these issues. And I really thank you for your indulgence in some of our questions that might sound obtuse or something to you, but to us they mean something, and we wish to have them answered, and we thank you for that. And with the amount of paper that the minister's holding up, you'd wonder why Weyerhaeuser is shutting down. So again I'd like to thank the officials.

Hon. Mr. Van Mulligen: — When they talk about paper shortage, I just don't know where they get that from because we certainly don't see it in government.

The Chair: — I'd like to thank the committee members. The next order of business before the committee is a consideration of Bill No. 15, The Highways and Transportation Amendment Act. Now the minister and the department officials are not slated to be before the committee until 4:30. So with that in mind, the committee will now recess until 4:30. Thank you.

[The committee recessed for a period of time.]

The Chair: — Okay, seeing that the minister and his officials are here, we'll reconvene the Committee of Intergovernmental Affairs and Infrastructure. And I'll recognize the Minister for the Department of Highways and Transportation, and I'll ask the minister to introduce his officials.

Bill No. 15 — The Highways and Transportation Amendment Act, 2005

Clause 1

Hon. Mr. Lautermilch: — Thank you very much, Mr. Chairman. To my right is Ted Stobbs who is the assistant deputy minister of corporate services. To my immediate left is Terry Schmidt, the assistant deputy minister of operations. To his left is Reg Cox, manager of government policy and stakeholder relations; and immediately behind us is Bryan Peacock who's the director of financial services.

If I can, Mr. Chair, I'm going to give just a brief overview of the Act that we're reviewing today, The Highways and Transportation Act. And the amendments are largely of a housekeeping nature. We believe it will help to ensure the safety and continued economic growth of our provincial communities.

The first amendment deals with the highways and transportation revolving fund. As you all know, the department managed and operated the revolving fund to distribute the cost of equipment, materials, and labour to department programs. The fund provided a financial mechanism to allocate the cost of

equipment over multiple years when the General Revenue Fund expensed all costs incurred in the current year. It also allowed equipment operating and maintenance costs to be allocated to the department's operating and preservation programs based on actual use.

With the changes to provincial accounting practices and amendments in 2004 to the Financial Administration Act, 1993, the Highways Revolving Fund is no longer required to manage the department's equipment fleet or custom work activities. The fund was discontinued as of March 31, 2004. So really it is a change of a housekeeping nature.

All capital assets, including the department's equipment fleet, were transferred to the General Revenue Fund on April 1, 2004. Equipment acquisitions and custom work activities are reported under the machinery and equipment subvote and the custom work activity subvote in vote 16.

Other amendments will enable automatic adoption of federal amendments to provide provincial regulations as compared to amending regulations each time the federal amendments are updated. So it really does help streamline and simplify the regulatory development process. It's a small, but it's an important step in the ongoing process of harmonizing federal and provincial transportation regulations.

And finally the amendments to section 22 of this Bill will ensure that existing provisions for dealing with blockades of the provincial highway system are consistent with current judicial practices.

So with that, Mr. Chairman, I would welcome questions from members of the committee regarding this Bill and the amendments herein. Thank you.

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

Mr. Weekes: — Welcome to the minister and your officials. This brings up a number of questions, first with the former Highways Revolving Fund. This seems to be the same time schedule when this was being wound down as the closure of Highways department section and satellite shops. Are these things . . . Those would be connected then to this Bill and to that process that took place over the years.

Hon. Mr. Lautermilch: — I think the revolving fund was a way of allocating funds over an ongoing period of time. And with the changes in accounting that really didn't become . . . I mean it was redundant. There was no need for that to be done because it was done within the context of the General Revenue Fund and the abilities in there to deal with funding of those kinds of expenditures.

In terms of the operations of the districts and the funds that come through there, these are dealt with under the different departments and different areas within the estimates of the Department of Highways and Transportation. That process and the policy developed around what kind of requirements are there for infrastructure are of an ongoing nature, and this Bill doesn't really impact on any of those discussions. Those are a matter of looking at need, looking at requirements, and deciding what way to serve the needs of the motoring public, the people

of Saskatchewan. So the change from a revolving fund into the General Revenue Fund really doesn't have any impact on that at all.

Mr. Weekes: — Has this been a common practice in other areas of government, having a revolving fund, and have they been phased out and into the General Revenue Fund?

Hon. Mr. Lautermilch: — The government has been eliminating revolving funds for a considerable period of time. It is one of the recommendations of the Provincial Auditor. And I think it's fair to say — I can't give you a list today — but a number of revolving funds in different departments have been eliminated.

And as I said in my opening remarks, the changes to accounting and the way government is doing business allowed for this to be done outside of a revolving fund in the department, and so we weren't using the revolving fund, I guess it was, beginning in 2004. Those activities are now dealt with and accounted within the General Revenue Fund. And it was a result of changes made to The Financial Administration Act in 2004 and the way we're accounting for public expenditures.

The Chair: — Order, order. I'd just like to interrupt here for a moment. I'd like to bring to the committee's attention a couple of substitutions on the committee this afternoon. They are Mr. Chisholm substituting for Ms. Draude and Mr. McCall substituting for Mr. Sonntag. Thank you. And I recognize Mr. Weekes.

Mr. Weekes: — Thank you, Mr. Chair. Mr. Minister, you made a reference to harmonizing. This Bill was harmonizing something with the federal government regulations. Could you explain that again?

Hon. Mr. Lautermilch: — We'll have Mr. Stobbs. He can explain to you in more detail what that is enabling to have happen.

Mr. Stobbs: — What we're doing here is we're changing our Act to enable us to automatically adopt federal amendments to federal regulations that are referenced by provincial regulation. So this allows us to have a more timely harmonization with Canada and the rest of the provinces when it comes to those transportation regulations.

Mr. Weekes: — Would this also include areas of joint administration or harmonization concerning short line rails or as an example, there's . . . I guess there's short line rails. But IPSCO, they have a system of rails into their property, the same thing with the Prairie Malt in Biggar. Is that what you're . . . could also be described as being allowed here?

Mr. Stobbs: — No, this change is just for The Highways and Transportation Act. I believe the things that you're talking about would be in other Acts, and so this change has nothing to do with that.

Mr. Weekes: — Okay thank you. Now just reading the Bill I believe the fund, the revolving fund, allowed for the minister to provide custom work to different groups. Is that still allowable under the amended Act?

Mr. Stobbs: — Yes, we did use the Highways Revolving Fund to do custom work. We now will use the General Revenue Fund to do custom work, so it's just a matter of changing our accounting processes. What we used to do is use the Highways Revolving Fund; now we'll just use the General Revenue Fund.

Mr. Weekes: — Thank you. Different topic, going to the changes to the obstruction clause in section 22, and your government is increasing fines for people who unlawfully block a highway or place an obstruction on a highway. I can think of two examples that this has happened or may have happened. What is your definition of a blockade or an obstruction? If I could elaborate at what I'm getting at, I will elaborate.

Under certain strikes or lockouts, there's picketing, those types of things. I understand that traffic can be slowed going in to a property, but cannot be stopped or, you know, that type of situation. When you're talking about blocking a highway, well if the traffic is slowed but it's not stopped, is that considered an offence? What is the definition of that type of blockade or obstruction that still may allow traffic through but is obviously slowing traffic up?

Hon. Mr. Lautermilch: — Mr. Weekes, I can give you, I guess, a definition which would be more legal than it would be. But I think just it would be the public's right to peaceful passage on the highway system, and that, I guess recognizing that no individual or group have the right to impede the public's ability to access public highway system. And I think in areas where these kind of activities could lead to perhaps confrontation of a violent nature, I think that would be obvious that that would be in most people's definition, obstruction.

I'll read for you how the analysis of the Bill defines blockades and similar illegal activities and that would be that:

Blockades and similar illegal acts can be defined generally as an illegal act or an illegal act intended to obstruct or interfere with the rights or activities of other individuals, organizations, and which are motivated by protest to garner attention or to force concessions from another group, organizations, or persons. The activity action can be directed against private or public groups and can affect either specific groups or the general public.

So it's pretty broad, but I think it allows for the ability to ensure public safety and, you know, to deal with illegal activities if in fact they're taking place.

And I think it's fair to say that some of this activity is not only on public highways; it may be on private road systems against perhaps a mining company, you know. And there are some instances where I understand that has taken place. I think for the most part we've been pretty fortunate here in Saskatchewan. I can think of circumstances where blockades have taken place in forest-related activities. And we're fortunate in that northern Saskatchewan, we haven't had a lot of that. And mining activity has been, I think, remarkably harmonious between northern people and the mining industry.

And you know, I think it's fair to say that individuals and groups have on occasion used demonstrations to make known their displeasure with . . . perhaps public policy is an example,

from agriculture . . . people involved in agriculture, people involved in organized labour. It can take, I guess, a number of areas and a number of kinds of activities. But I think what this does is really helps for us to design and to work towards a process where, when it becomes perhaps a mechanism that it could lead to confrontation, that there's a way to deal with it in a more expedient fashion than was previously.

Mr. Weekes: — That brings up the next item. I'm just not certain of the exact location, but I believe the First Nations have blockaded a highway or a road in the North pretty well on an annual basis, I believe, or at least it was more than one year. And it was concerning, I believe, some forestry activity in the North. The way I understand it the road was left blockaded. The forestry industry wasn't allowed to use it.

What does this Bill give the government and the authorities . . . power, more power than they had before because it was illegal before. It seemed to be the policy of the government just to leave it alone for whatever reason, not send in the RCMP [Royal Canadian Mounted Police] to remove these people in that particular situation. So what's going to change if they blockade that road again in the future, and given the logistics and the terrain, very difficult to enforce? What difference is going to take place because of this Bill?

Hon. Mr. Lautermilch: — I think, let me first of all describe what I think. As a matter of common sense, I think in a lot of cases, patience and, you know, talking through issues can resolve issues whether there's a blockade or whether there may be a blockade, before it would become a larger issue and escalate into an area where there might be confrontation of a violent nature. And so I think probably the first preference would be to sit down and discuss the issues with the blockaders, see if there's a way to resolve the differences. Failing that, then one would have to use the process that would be outlined in section 22.

And so what I'll do is ask the officials to describe the difference between the old legislation and what is being proposed in this legislation.

Mr. Cox: — The member raises a good point in previous blockade incidents in Saskatchewan and in the North. And the amendments to section 22 of The Highways and Transportation Act are consequential to a policy the government put in place in 2005. And I think that policy speaks to the point the member raises in how the government responds generally to blockades. And there didn't appear to be a coordinated response, and that's why the government implemented a more coordinated and focused response in a policy. And that policy provides for a three tiered response.

And the first level of course is having field staff in the area being in contact with the local residents of the area. And if there is some concern that may lead to a blockade, then of course the field staff report that to a senior officials working group that was put in place. And that senior officials working group would then do an assessment on the situation, and we would look to defuse the situation long before it got to a blockade situation.

If that second level attempt to, or response to defuse the situation is unsuccessful and the situation does escalate to a

blockade being erected on a provincial highway, that's really why the amendments to section 22 were put in place. The previous section 22 was . . . in consultation with the Department of Justice, they advised us that it was quite archaic and unresponsive. It was untimely in responding under the current section 22, and that led to these amendments that were again consequential to that greater government policy regarding blockades.

Mr. Weekes: — Thank you. The Act as it is and will be amended, does it allow for any liability against individuals or groups that are doing the blockade where a business loses revenue or just individuals on a highway that loses revenue because of the blockade?

Hon. Mr. Lautermilch: — I am told by the officials that no, it doesn't.

Mr. Weekes: — Do you have statistics? I'm just throwing out a number in the last three years. How many blockades there have been in Saskatchewan by per year?

Mr. Cox: — There have been since 2001, there have been 12 either threats of or actual blockades in northern Saskatchewan.

Mr. Weekes: — And how many in southern Saskatchewan?

Mr. Cox: — Physical barricades, there have been none.

Mr. Weekes: — And what were the main . . . well I'm going to use the word causes, but what's the main disagreement with the . . . What has been causing the barricades in the North? Is there a general theme to their concerns?

Mr. Cox: — No, there hasn't been. There's been a range of underlying issues raised by residents of the North. That range would range from traditional land use to employment issues, but a range of issues; no one single issue.

Mr. Weekes: — Has there been any attempt at businesses to recoup any losses from the government then because of these blockades?

Mr. Cox: — There has been conversations to that effect, but there has never been an actual attempt to recover expenses, no.

Mr. Weekes: — There was an incident in . . . I forget the year, 2002, 2003 on Highway No. 6 at Dafoe, and I believe it was members of the agriculture community blockaded . . . I'm not sure of the technicality. I understand that at the very least there was slowing traffic down. Were there any charges or anything that came out of that situation?

Mr. Cox: — If I recall that situation, no. And to date in the last, since 2001 there have been no charges laid in any of the blockade situations. They've all been resolved through negotiation.

Mr. Weekes: — Since 2001?

Mr. Cox: — Yes.

Mr. Weekes: — So previous to that, there were charges laid?

Mr. Cox: — I can't speak to 2001. That's before my time.

Mr. Weekes: — Now as we all know, a blockade or a disruption of any sort is an act of civil disobedience. And any group or individual that's thinking or does carry that out is trying to make a point about something. And generally I mean if you're blockading, if a group is blockading a major highway, that's obviously . . . they're making a statement about government policy, whether it be the agriculture situation in the province in the South or forestry and mining situation, labour situations in the North. It seems that throughout history that civil disobedience can be commonplace, basically ignoring the laws of the land and carrying out these acts of disobedience and having a blockade.

It seems that your government is wanting to increase the fines and the offence and also up to 60 days of imprisonment or both. The situation when people, I guess, get their backs to the wall — as we see in the agriculture community in recent years — groups and individuals will take matters into their own hands. And we can only look, need to look back to the demonstrations and basically the occupation of the legislature to demonstrate the seriousness of those types of issues.

Given that we do have to have laws — we can't allow these things to go unpunished — but given the seriousness of certain situations, I'm just suggesting that possibly an increase in penalties and fines is not the approach to take. To alleviate different groups or portions of the population's concerns, we need to, I think the government needs to do more work at addressing their particular concerns rather than the actions that they've taken.

And I'm just wondering, Mr. Minister, have you and your government and your department seriously considered the causes of a potential blockade rather than just working towards the fines and the increased penalties that can be dealt to these individuals?

Hon. Mr. Lautermilch: — Thank you, Mr. Weekes. I mean that is a good question because obviously the goal would be not to have anyone or any group use civil disobedience as a way to make their case. I think I've always been of the opinion that there are other ways to resolve conflict, and certainly one of them is dialogue. Sometimes the differences of opinion can't be bridged by dialogue. Frustration will set in, and groups or individuals will take actions in order to make their case to the general public or other audiences outside of the party that they're dealing with.

And I think it's fair to say that this Act is not designed around the provincial government. This Act is designed to deal with this kind of civil disobedience, whether it be directed as a provincial government, a municipal government, or a private-sector company.

And I think you are right that one would always want to ensure that you've exhausted all other avenues before a fine would be imposed, but obviously there are cases where a deterrent is required. And I think that's important we do that, not only in this instance but we do this as it relates to speeding. There are financial penalties for, I guess, refusing to pay fees and levies, and they're put in place more as a deterrent than they are for

any other reason. But I think I agree with you that one would want to use dialogue and reason as a dispute resolution mechanism as your primary tool.

But I mean the case is that you can't always bridge a disagreement with discussion. And sometimes parties will walk away from a meeting agreeing to disagree. And you know, that's unfortunate, but that's the way things are. And hopefully this Bill will be a bit of a deterrent. I think hopefully it would encourage people to use dialogue as opposed to civil disobedience as a way to make a case or to make a point. So maybe it'd be helpful in terms of ensuring that dialogue would be maybe more effective than it would be without these deterrents.

Mr. Weekes: — Mr. Minister with your recent, government's recent budget I see that your government is sitting on . . . well sitting on a pile of cash, \$1 billion extra revenue. And it's certainly ample evidence that the average person in Saskatchewan isn't seeing any benefit of this added revenue that your government has been taking in.

As this Bill states the cabinet decision item that it was . . . that the blockades and the threat of blockades are increasing in Saskatchewan as a result of frustrations of various constituents and stakeholders, and really Mr. Minister this means that more and more people are becoming angry at your government for your policies.

My question is, as we know there's a situation up in northern Saskatchewan with the closure of Weyerhaeuser and the loss of jobs what . . . That's going to create a lot of problems with families and the communities up there, the lack of employment. The agriculture sector is in dire straits at the very least. It's serious situation. Not that I would encourage people to take the law into their own hands, but it's something that might be possible. People might be looking at those types of items. And I'm just wondering with this Bill with the increase in fines and imprisonment and so forth, is your government contemplating in future, in a future budget or a future year, increasing fines and penalties if there are blockades and civil disobedience in the future?

Hon. Mr. Lautermilch: — Well, Mr. Weekes, I think I'd want to respond in this way. Contrary to your comment, we're not sitting on a pile of cash because of the direction that this government has taken. We have been blessed with a larger than anticipated resource revenue which money has been allocated to health care and to highways and to education and to capital projects — one-time capital projects — and to paying down debt.

So the comment that the government is sitting on a pile of cash and that there's no money for ordinary people and no programs for ordinary people is just simply false. And it's good political cliché; I'll give you that.

But I will also disagree with you in that the budget, from my perspective and from what I have learned from people I have talked with, has been very, very well received because what it has done is very much focus on corporate tax reduction. It's focused very much on support for our young people who have an extended two-year tuition freeze. Ordinary families use our

highways. We have a record highways budget in terms of expenditure.

Ordinary families care about their hospitals. In my community, there's a budget allocation of three-quarters of a million dollars for more acute care beds. There's funding in this budget for hospitals in rural Saskatchewan. Ordinary people use those. There's more money for education. Ordinary people's children go to school. And I would also want to say that there are more child care spaces. Ordinary people send their kids to daycare.

I would want to say that I don't get a sense of anger out there that is portrayed by some. I get an understanding that there are some industries that are under some incredible financial pressures caused by circumstances that are outside of the provincial government's control. And there's frustration that the federal government in some cases has not lived up to what is believed to be their responsibilities as it relates to international trade on the agriculture sector. And that there's some hope, frankly, that the new federal government will be able to solve the softwood lumber dispute with the Americans. And so I do see some optimism in some areas.

As you've mentioned, Weyerhaeuser's decision to close their paper and their pulp mill . . . I want to say that in spite of the layoffs and the number of people who are no longer working in their facilities — a circumstance created by Weyerhaeuser and not by the provincial budget or by the Government of Saskatchewan; it was a corporate decision made in Tacoma, Washington — that we are working now with the private sector to try and come to some resolve and that it's an issue that is creating some traumatic change in our province, but it also creates some very positive opportunities.

Communities like Big River have just seen their saw mill shut down on an indefinite layoff. Some 200 workers out which is occasioned by the shutdown of the pulp mill and the fact that the pulp mill is no longer buying softwood chips. Wapawekka saw mill has been shut down. There's some uncertainty in the whole forest fringe right now. And we're working in a very proactive way with Weyerhaeuser and with private sector companies who have shown interest in our forest. And so I think that although there's some uncertainty and there's some concern . . . And change is always difficult. And when families are out of employment for whatever reason, it's a concern for the government. It's a concern of all of us.

What I am finding is that our community in northern Saskatchewan is very much bonding together. And I'm seeing the business community working in a very proactive way with the Government of Saskatchewan and with the workforce to work towards a resolve. So you know, I mean there's some difficulties as you've raised, but there is opportunity and there is optimism.

And I would just close by saying the government has positioned itself very well in an era where we've seen leadership in terms of the growth of our economy in a way that's very much unprecedented. And I think the optimism and the mood of the people is very much generated in a positive way by what's happening in our economy.

And the fact that we are one of three have provinces in our

country — Ontario and Alberta being the other two — I think speaks very well of the work not that the Government of Saskatchewan alone has done, but that the work that the people of Saskatchewan have been able to accomplish, and their success in building their economy in their province, assisted by support that successive budgets, balancing budgets paying less dollars every year servicing our provincial debt, have very much been well received by the people of Saskatchewan.

And so I very much disagree with you that more and more people are angry. I think more and more people are understanding. There are incredible opportunities here in our province, and they're glad to be part of it, and they want to work very much in a proactive way with their government to see that positive attitude and that positive growth in our economy continue.

Mr. Weekes: — I would have to say there isn't a lot of anger out in the general public, but I would say there's considerable frustration. And people are, as the saying goes, voting with their feet, and they are going elsewhere for employment. We only have to look at the statistics month after month after month — the loss of jobs in this province — to see what the effect of your government's policies have been on the workforce in the business environment in the province.

When you look at . . . You mentioned the closure of Weyerhaeuser. Well I don't think you can totally blame Weyerhaeuser for their closure. Yes, it's a worldwide situation, a downturn in the pulp and paper industry. But certainly every jurisdiction has the ability to change the tax policies — capital tax, for instance. Your government has the ability to allow cogen which would have saved Weyerhaeuser, I understand, \$1 million a year.

So there's many things that a government can and should do in order to keep a major employer in place. And certainly in the agriculture sector, your government's budget, we saw a decrease in the agriculture budget.

So I think individual people look at your budget and don't see anything in it for them to keep their children in the province. All you have to do is drive down any of the highways in the province quite frankly and the deterioration of the highways is just a symptom of the overall malaise really in the province.

And so, I believe that people are looking at this situation and seeing that the government seems to have a lot of money on hand, and there's nothing for the individual to keep their husbands and wives and children or grandchildren in the province.

At that time, Mr. Chair, I have no further questions.

The Chair: — That's it? Are you done? Okay. Seeing no further questions before the committee, the committee prepared to deal with the Bill?

Some Hon. Members: — Agreed.

The Chair: — Thank you.

[Clause 1 agreed to.]

[Clauses 2 to 9 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 15, the Act to amend The Highways and Transportation Act, 1997. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — I'll ask a member to move that the committee report the Bill without amendment.

Mr. McCall: — So moved, Mr. Chair.

The Chair: — Mr. McCall has moved that the committee report the Bill without amendment. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Thank you. That now concludes the business before the committee. Mr. Minister, do you wish to have a closing statement?

Hon. Mr. Lautermilch: — I do, sir. And I would like to thank my officials for the work that they've done in bringing forth to me the amendments to this Act to update it. And so I thank them for the work on this and other things that they do in the department on a day-to-day basis. Thank you very much.

And I want to thank Mr. Weekes for his thoughtful comments. He and I will not agree on every comment. He won't agree with everything I said today, and I won't agree with everything he did today, but I think the debate was healthy, and it helped us all better understand the nature of this legislation and why it's been brought here today. Thank you.

The Chair: — Mr. Weekes.

Mr. Weekes: — I would like to thank the minister and your officials for attending today and for your answers. Again I don't disagree with all the minister's answers, but he made an attempt at answering all the technical questions that I asked, and I appreciate that. And I look forward to visiting again, doing estimates later on.

The Chair: — Thank you, Mr. Weekes. That concludes the business before the committee. The committee now stands adjourned.

[The committee adjourned at 17:01.]