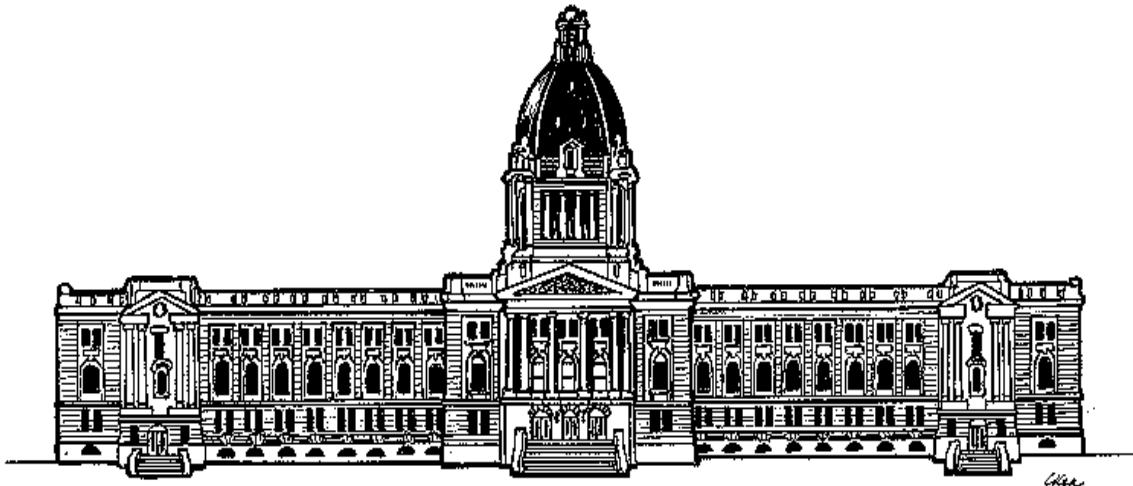




# **STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND INFRASTRUCTURE**

**Hansard Verbatim Report**

**No. 6 – June 4, 2004**



**Legislative Assembly of Saskatchewan**

**Twenty-fifth Legislature**

**STANDING COMMITTEE ON INTERGOVERNMENTAL  
AFFAIRS AND INFRASTRUCTURE  
2004**

Mr. Ron Harper, Chair  
Regina Northeast

Mr. Bob Bjornerud, Deputy Chair  
Melville-Saltcoats

Mr. Denis Allchurch  
Rosthern-Shellbrook

Ms. June Draude  
Kelvington-Wadena

Ms. Sandra Morin  
Regina Walsh Acres

Mr. Kim Trew  
Regina Coronation Park

Hon. Mark Wartman  
Regina Qu'Appelle Valley

The committee met at 11:30.

**The Chair:** — Good morning everyone. I'd like to call to order the Standing Committee on Intergovernmental Affairs and Infrastructure. And before we get to the committee business I'd like to recognize the member from Estevan.

**Ms. Eagles:** — Yes, Mr. Chair, with leave to introduce guests.

**The Chair:** — The member has asked for leave to introduce guests. Is leave granted?

**Some Hon. Members:** — Agreed.

**The Chair:** — I recognize the member.

#### INTRODUCTION OF GUESTS

**Ms. Eagles:** — Thank you, Mr. Chair, and I thank everyone for their indulgence. This morning I would like to welcome 20 . . . or pardon me, 17 grade 5 students from St. Olivier School in Radville. They are accompanied by their teacher, Ms. Lorrie Bolton. And also I notice chaperones and a bus driver up there. And I would like to make mention, Mr. Chair, that one of the chaperones is Bev Pirio and Bev is the constituency assistant in my office, my satellite office in Radville.

So I look forward to visiting with this group in just a few minutes and I would ask all the members in welcoming them to their Assembly today. Thank you.

**Hon. Members:** Hear, hear!

#### General Revenue Fund Government Relations and Aboriginal Affairs Vote 30

##### Subvote (GR01)

**The Chair:** — Thank you. Today we have three chits. We have Mr. Hermanson for Ms. Draude, Ms. Harpauer for Mr. Bjornerud, and Mr. Hoppner for Mr. Allchurch.

This morning we will be starting out with the . . . considering the estimates for the Government Relations and Aboriginal Affairs. I recognize the minister and ask the minister to introduce his officials.

**Hon. Mr. Taylor:** — Thank you very much, Mr. Chair. I appreciate the opportunity to be in front of the committee one more time to deal with estimates and legislation. I have with me from the Department of Government Relations, to my left Wanda Lamberti. She is the executive director of finance and management services. To my right sits Russ Krywulak, executive director, grants administration and provincial municipal relations. To his right, John Edwards, executive director, policy development. Behind me, Mr. Chair, Peggy Brunsdon, executive director, community planning; Randy Braaten, director, northern municipal services; Keith Comstock, policy manager, policy development branch; Len Kowalko, planning and legislative consultant, community planning; and Doug Morcom, director, grants administration and provincial

municipal relations.

**The Chair:** — Thank you, Mr. Minister. If you have any opening comments, we'd invite you to make them now.

**Hon. Mr. Taylor:** — Thank you again, Mr. Chair. I believe according to the agenda that we will be doing first a couple of questions relating to the municipal side of the estimates and I am quite prepared to answer those questions as I did previously. And then I believe that we are going to do legislation — The Northern Municipalities Act, The Planning and Development Act, and The Municipal Revenue Sharing Act, and I have departmental officials here in each of those capacities. So we could be doing a little bit of to and fro here, changing chairs as we move from one aspect to another. But I understand you're going to call estimates shortly, and we might as well just get right to it.

**The Chair:** — Thank you, Mr. Minister. Yes, we'll be starting out with the estimates. Ms. Harpauer.

**Ms. Harpauer:** — Thank you, Mr. Chair, and I welcome the minister and his officials here today and thank them for coming.

The first area that I had some questions is dealing with the Canada-Saskatchewan Infrastructure Program, and in particular looking at the document that the department provides on the program. The questions that I have is the 10 to 20 per cent allocation for cultural and recreation facilities projects, infrastructure supporting tourism, rural and remote telecommunications, high-speed Internet access, and affordable rental housing. So it's that component of the grant, the 10 to 20 per cent that's allocated there.

I'm asking questions on behalf of the community of Aberdeen. I know the department has received extensive presentations from the community of Aberdeen for their recreation community facility. And the minister should be well aware of the uniqueness of this facility, so much so that it has piqued interest from CANMET (Canada Centre for Mineral and Energy Technology) energy technology centre from Quebec, because they would like to see this facility up and running and use it as a protocol which would be a very unique opportunity for Saskatchewan.

There are issues. I understand, that they may lose that interest if this facility isn't completed, and they're only building it as they can afford to. So they have, the community has raised \$1.6 million towards this facility, which is quite phenomenal. Has the department allocated that 10 to 20 per cent allotment? Have those approvals already been done, and was Aberdeen included?

**Hon. Mr. Taylor:** — Mr. Chair, and to Ms. Harpauer, thank you very much for the question. As you're probably aware, the Canada-Saskatchewan Infrastructure Program is managed by a management committee. The criteria is set by that committee. The committee includes representatives of the provincial and federal governments, SUMA (Saskatchewan Urban Municipalities Association) and SARM (Saskatchewan Association of Rural Municipalities). And I have with me Russ Krywulak, who represents the provincial government on that

committee, and Russ may have some more specific information as to how the committee deals with the 10 per cent and the overall operating. So I would ask Russ to answer that question.

**Mr. Krywulak:** — Thank you, Minister. In the case of Aberdeen, that particular application is still on the table. These funds would probably be coming from our strategic portion of the program. We will be meeting with the federal government on June 17 for another management committee, and the Aberdeen file will be dealt with at that time.

As far as the 10 to 20 per cent is concerned, with the priorities in sewer and water, and transportation, the funding has been depleted before we could get to the cultural and the recreation type projects, because they're lower on the priority list. But this particular file, this particular project has a green aspect to it and would be able to be raised to the green section of the program.

As far as Aberdeen goes, the application looks good. The federal government has indicated interest in it. It's just the amount of money that they have asked for, I believe, is in the half a million dollar mark. Whether we'll be able to give them that much is to be known yet. But talking to the mayor of Aberdeen, he would be satisfied with any amount that we were able to provide and we are considering that.

**Ms. Harpauer:** — I thank you very much for that, and I know they will be extremely excited. Do you have any idea when they might know whether or not it's been approved?

**Mr. Krywulak:** — I would say after our meeting on the 17th. As you know the federal government has to send their recommendations to Ottawa, and with the federal election right now, it will have to be after that.

**Ms. Harpauer:** — Thank you, Mr. Krywulak, for that answer. The other area that I had some questions on is a fairly recent issue that came to my office. It actually is a letter from the Department of Highways, but when I had the opportunity to question the Department of Highways on this issue, they felt that it would be probably answered in your department.

It's a letter, and I'm just going to read part of it because I don't fully understand all the classification, but it's dealing with grid signs and municipalities, and:

In September of 2002, a new rural road classification system for the province was implemented to supplement the new road system, and in keeping with the municipal route identification, the Rural Road Classification Committee recommended the following changes:

Number one, the municipal classifications 2, 3, and 4 roads will be identified with green-white sheaf signs. These roads will be numbered using the 600 and 700 series route numbers in conjunction with P1 sheaf sign;

Number two, existing primary grid numbered routes that classified lower than class 4 will not be numbered; and,

Number three, the roads previously designated as grid roads are signed with a blue-gold sheaf route markers. The Rural Road Classification Committee decided to

discontinue using these road markers.

And the letter goes on asking that these signs be removed.

Now the concern that I had from a couple of our RM (rural municipality) reeves was questioning why. Number one, there's a fairly significant cost with signage.

The other concern that they had is, are we no longer designating these roads as grid roads? Are there going to be issues of the cost sharing that your department has with the municipalities for their grid roads? So those are the concerns that are being raised.

**Hon. Mr. Taylor:** — Mr. Chair, and to the member, thank you very much for that question. It is an issue that the department is aware of. And I think Doug Morcom is the intelligence in the office on that subject and I'd like to pass this over to Doug to answer that question. And then I may be able to fill in with any follow-up.

**Mr. Morcom:** — Thank you, Minister. The recommendation from the Rural Road Classification Committee which includes people from Highways, our department, and SARM is that those older blue and gold grid signs be removed. Now that's a recommendation. They are RM roads and if they choose to leave those signs up, they can do so.

What the committee has recommended is that the new green and white signs be used to designate the major routes through the municipalities in class 2, 3, and 4. And we are offering financial assistance to either relocate or replace those signs as required by the new rural route reclassification. So as part of the amendments to the rural revenue-sharing regulations this year, revision will be made to pay municipalities up to \$125 per sign to either replace or, if the sign's in good condition, relocate the signs.

**Ms. Harpauer:** — The suggestion that you gave, Mr. Morcom, is that this is voluntary. However the letter that the RMs received reads, and I quote:

We request that rural municipalities make every effort to have all sign changes completed by the end of 2004.

... which definitely indicates that it's mandatory, not voluntary. And I know some of the RMs have already acted on this and they're not really tickled pink with it by any means.

Will this affect the grids that are cost shared with the department?

**Mr. Morcom:** — There hasn't been conditional assistance specifically for the construction or maintenance or signing of a specific grid road since 1998. All of that has been rolled into the unconditional grants that rural municipalities receive. So no, they shouldn't see any change in their grants as a result of reclassification.

**Ms. Harpauer:** — Thank you so much for those answers.

**The Chair:** — Mr. Hermanson.

**Mr. Hermanson:** — Thank you, Mr. Chair. Just about three areas I briefly want to touch on.

The first question I've been asked to ask by a school board in my constituency. The school board is concerned about the residences that are constructed in provincial parks. Apparently in this case, and I would assume that would be the case in all provincial parks, there is a . . . where there is a housing development, school bus service is required because residents live in the park year-round and they are not paying any property taxes. And yet we know that in resort villages, you know, almost the other extreme, where they're concerned they're paying a lot of taxes even though they may even just live a short time in their summer residence.

Now can you tell me if your department is dealing with this issue, and what the school division in my constituency might expect to be coming down the pipe?

**Hon. Mr. Taylor:** — Thank you very much, Mr. Hermanson, for the question. It is an issue that is on the mind of government. The Department of Learning and the Department of the Environment, which is responsible for our parks, have been discussing the issue. And in fact if I'm not mistaken, there is a recommendation for some change that's currently going through the normal channels for consultation and discussion. And I do believe that there will be a more formal answer to your question, likely in the very near future.

**Mr. Hermanson:** — Okay, well thank you, Mr. Minister. In the near future, would they be expecting then something that would be in place before the new school year starts? Is that what you're suggesting to me?

**Hon. Mr. Taylor:** — It's my understanding that within a couple of weeks we should have some notice of some changes to the way in which the system operates.

**Mr. Hermanson:** — Okay thank you, Mr. Minister. The second question is just really an update. The last time I was able to talk to you in estimates, I raised an issue where property had changed hands. There was arrears on the property; the arrears have not been appealed as should have occurred. The property was in the Crown and was, I believe, sold to the private sector. And so those arrears are outstanding, and they're a considerable amount of money. Can you update me on the progress you've made on that file?

**Hon. Mr. Taylor:** — Yes I will. I just want to consult with John here for a moment first.

Thank you, thank you very much. I'm just . . . was consulting to see if there was any new information. The department has certainly discussed this issue with the RM in question. The basic advice . . . We were simply consulted on the basis of the steps that the RM can take. We have simply provided the RM with the advice that they are doing all the things that they are required to do under the Act. In terms of interpreting whether or not that Crown property is taxable or not is not a matter that we are in a position to advise. And it is our understanding or our opinion that should the RM feel that they have not received the response that they want from the corporation, that it will be a matter for the courts to decide.

**Mr. Hermanson:** — The last question I have, and I know you don't have your associate or your assistant deputy that covers this area, but just a brief update on the softwood lumber issue which we were involved with in a meeting a month ago or so in Ottawa.

I understand that the tariff has been reduced by half, and that's good news. I know that a meeting was scheduled, but I assume that . . . It was announced following the meeting in Ottawa. I assume that was cancelled because I haven't heard anything more about it, with the federal election, unless there was a teleconference. Is there just any new information that you can make us aware of?

**Hon. Mr. Taylor:** — I'm happy to inform the member and all of those who are paying attention to these proceedings — either on television today or by reading the *Hansard* of this committee meeting later — I'm happy to inform you and all that subsequent to the meeting in Ottawa the ministers have had a conference call and have agreed to continue the process of working towards a negotiated settlement as opposed to waiting for litigation.

The news today that the Department of Commerce has reduced the quota is good news in the sense that it will require the Americans to look a little more diligently at their request to carry on in the courts.

We feel that the news today enhances our ability to negotiate a settlement. And the provinces are strengthening their hand. As you know from the meeting that you attended with me in Ottawa, the provinces were looking at a couple of new scenarios for a negotiated settlement — one that could be very provincial specific. And the Department of Commerce has responded to that saying that they are prepared to deal with a province-specific intervention, and therefore we are now pulling together with industry the information that we need to be able to respond in a very Saskatchewan way.

The industry here would prefer, if we have to deal with a stumpage fee question or we have to deal with an export tax as an alternative to additional quota being assigned to us by the Americans, the industry has indicated that they prefer, you know, an export tax. However we are preparing documents with them that would justify either a review of the stumpage situation or an export tax, what effect it would have.

So there is progress on the file. Where this goes next, I think we will know towards the middle of June. The Department of Commerce in the United States has indicated that they want to have the provincial records completely clarified by June 18. And sometime following that, the provincial ministers should again have another conference call to discuss our collective wisdom for the federal government's negotiated . . . final negotiated position.

**Mr. Hermanson:** — Thank you, Mr. Minister. That's all my questions.

**The Chair:** — No further questions, we'll go on to consideration of the subvotes. Consideration of subvote administration (GR01) in the amount of \$2,890,000. Is that agreed?

**Some Hon. Members:** — Agreed.

Subvote (GR01) agreed to.

**The Chair:** — Accommodation and central services (GR02) in the amount of 2,149,000. Is that agreed?

**Some Hon. Members:** — Agreed.

Subvote (GR02) agreed to.

**The Chair:** — Intergovernmental Relations (GR04) in the amount of 3,671,000. Is that agreed?

**Some Hon. Members:** — Agreed.

Subvote (GR04) agreed to.

**The Chair:** — Aboriginal Affairs (GR05) in the amount of 45,397,000. Is that agreed?

**Some Hon. Members:** — Agreed.

Subvote (GR05) agreed to.

**The Chair:** — Municipal financial assistance (GR07). Now this subvote contains some statutory amounts. The amount that we'll be voting on is 128,278,000. Is that agreed?

**Some Hon. Members:** — Agreed.

Subvote (GR07) agreed to.

**The Chair:** — Municipal relations (GR08) in the amount of 4,809,000. Is that agreed?

**Some Hon. Members:** — Agreed.

Subvote (GR08) agreed to.

**The Chair:** — Provincial Secretary (GR03) in the amount of 2,851,000. Is that agreed?

**Some Hon. Members:** — Agreed.

Subvote (GR03) agreed to.

**The Chair:** — Saskatchewan Municipal Board (GR06) in the amount of 1,060,000. Is that agreed?

**Some Hon. Members:** — Agreed.

Subvote (GR06) agreed to.

**The Chair:** — Okay, we have a non-voting subvote, amortization of capital assets in the amount of 3,000,000 . . . 3,000, pardon me. But it's just money. It's just money. I was going to give you a little bit of a raise, everyone.

Resolved that there be granted to Her Majesty for the 12-month period ending March 31, 2005, the following sums for Governmental Relations and Aboriginal Affairs, \$191,105,000.

Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Would a member like to move that please? Mr. Trew.

**Mr. Trew:** — I so move.

**The Chair:** — Thank you.

Vote 30 agreed to.

**The Chair:** — So that concludes the estimates or the consideration of the estimates for Government Relations and Aboriginal Affairs.

### Bill No. 44 — The Municipal Revenue Sharing Amendment Act, 2004

#### Clause 1

**The Chair:** — The next item of business before the committee would be the consideration of Bill No. 44, An Act to amend The Municipal Revenue Sharing Act. I'll invite the minister to bring us his opening remarks.

**Hon. Mr. Taylor:** — Thank you very much, Mr. Chair. Did you call The Municipal Revenue Sharing Act? Is that correct?

**The Chair:** — Yes. Bill No. 44, The Municipal Revenue Sharing Act.

**Hon. Mr. Taylor:** — Okay. The Municipal Revenue Sharing Amendment Act, 2004, just by way of introduction, and I expect there will be a number of questions, and I don't want to go through my second reading speech all over again. I think the members have probably read that many times and . . . Many times, says Ben. I appreciate that, appreciate that.

These amendments, Mr. Chair, are necessary to implement the 2004-2005 budgetary decisions of the government to increase the total amount available for urban revenue sharing by 7.395 million, and for rural revenue sharing by 1.605 million. The amendments also determine the split in funding within the urban pool between cities and towns, villages, and resort villages.

This, Mr. Speaker . . . or Mr. Chair, is part of the government's good news side of the budget. We all know that there were some difficult decisions that were made. One of our difficult decisions this year was continuing the funding to municipalities under revenue sharing, and the government's commitment of \$10 million increase this year, following up on 10 last year and 10 the year before, making a 54 per cent increase in revenue sharing over the last three years.

We recognize and understand municipalities have got a lot of financial stresses in their systems, just as the provincial government does. And so what this Bill does now is set in place the way in which that money will be divided through the various pools. There have been a couple of changes there, and if there are any questions, we'd be prepared to talk about that.

**The Chair:** — Thank you, Mr. Minister. Ms. Harpauer.

**Ms. Harpauer:** — Thank you, Mr. Chair. We understand that the granting section is subject to a new section, 3.98, which gives you the authority to make adjustments and reallocate grant amounts to municipalities that changed their status. For the purpose of clarification, other than a population drop, what other conditions might exist that would prompt an urban municipality to change its status?

**Hon. Mr. Taylor:** — That's a good question. Other than population drop, I'm not really sure. Maybe one of my officials might be able to answer that question further. A suggestion has been made to me by Mr. Morcom that one of the influences might be a voluntary dissolution of a community — a village or a resort village or something like that — is one such thing.

**Ms. Harpauer:** — I'm assuming then that that doesn't happen very frequently.

**Hon. Mr. Taylor:** — I'm advised that you're absolutely correct; that doesn't happen very often. And perhaps last year there were five dissolutions of villages in the province. It's not unusual, but it's not a high number I think.

**Ms. Harpauer:** — I also noticed that the wording has been changed from maximum to total, which I would interpret as . . . that you mean that you cannot exceed the grants that are permitted in any fiscal year. Is that correct?

**Hon. Mr. Taylor:** — Yes, that is correct.

**Ms. Harpauer:** — I have no further questions on this Bill.

**The Chair:** — Seeing no further questions, the committee will consider the Bill. Short title, is this agreed?

**Some Hon. Members:** — Agreed.

Clause 1 agreed to.

Clauses 2 to 5 inclusive agreed to.

**The Chair:** — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: An Act to amend The Municipal Revenue Sharing Act. Is this agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Now I will invite a member to move that we report the Bill without amendment. Ms. Morin.

**Ms. Morin:** — I so move.

**The Chair:** — The member has moved that we report the Bill without amendment. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

The committee agreed to report the Bill.

## Bill No. 45 — The Planning and Development Amendment Act, 2004

### Clause 1

**The Chair:** — The next item of business before the committee will be the consideration of Bill No. 45, An Act to amend The Planning and Development Act, 1983. I'll invite the minister to bring us his remarks on this Bill.

**Hon. Mr. Taylor:** — Thank you very much, Mr. Chair. Taking a look at the Bill, The Planning and Development Amendment Act, 2004, again just to clarify for the benefit of the committee.

The purpose of the Bill is to exempt surface leases for a well site, roadway, battery site, compressor site, or sites for related equipment, pipelines, and power lines used in connection with the drilling for, producing, or recovering of or gathering of petroleum, natural gas, and related hydrocarbons from the need for subdivision approval under The Planning and Development Act, 1983.

The amendments apply to those leases where landowners have reached an agreement on surface access.

The Surface Rights Acquisition and Compensation Act applies when a landowner or occupant and an oil/gas operator are unable to reach an agreement.

**The Chair:** — Thank you. Any questions? Mr. Heppner.

**Mr. Heppner:** — This particular agreement, what kind of retroactivity is involved with it?

**Hon. Mr. Taylor:** — Thank you very much, Mr. Heppner. There is some retroactivity involved here. Maybe I can explain that with a little broader explanation.

The amendments exclude those leases, easements, or amendments for right-of-way where prior to March 1, 2004 a court ruling has invalidated a lease, easement, or agreement for a right-of-way; or where a party to a lease, easement, or agreement for a right-of-way has commenced legal action on the basis that the lease, easement, or agreement for a right-of-way does not comply with the requirements respecting subdivisions pursuant to the Act or a former Act.

The amendments ensure that every lease, easement, or agreement for right-of-way registered prior to March 1, 2004 is deemed to have been approved. The intent is to ensure that existing leases, easements, or agreements for right-of-way are valid, notwithstanding that they were not approved pursuant to the current or former planning Act.

**Mr. Heppner:** — Okay. That basically clears up some of my questions as far as retroactivity because everything before that particular date now is deemed to have been approved. Okay.

Have you been working closely with the oil and gas sector on this particular Bill, or is it something that you've worked through because your department saw the need for it and you're now going to inform them? Or what has been the interaction between the oil and gas sector and your department?

**Hon. Mr. Taylor:** — Thank you very much, Mr. Heppner. I have always said since I took this position that consultation and co-operation is the way in which I want to do business. We did do considerable consultation, both with industry and with the municipal sector, prior to putting this together, and the response from both industry and the municipal sector was very favourable.

Our consultations included the Canadian Association of Petroleum Producers, Saskatchewan Association of Rural Municipalities, Saskatchewan Urban Municipalities Association, Saskatchewan Land Surveyors' Association, the Surface Rights Board, Industry and Resources, Information Services Corporation, and individual industry representatives.

On the municipal side, when we discussed this with the SARM and SUMA people, they did not identify any concerns. Municipalities can continue to address servicing requirements through their heavy-haul agreements under The Rural Municipality Act and also through the authority of the other provisions of The Planning and Development Act, 1983.

**Mr. Heppner:** — Okay, I'll pass it over to my colleague.

**The Chair:** — Mr. Hermanson.

**Mr. Hermanson:** — Thank you, Mr. Chair. Just one question for the minister. I did a quick review of the Bill and I didn't notice that there was any provision made when these properties were being developed for petroleum reasons for lessees of Crown land. I know that's a concern.

Can you tell me if it's not in this legislation, why it isn't in this legislation? There's a concern that oftentimes there is cost and inconvenience to lessees of Crown land when these properties are being developed and it seems like they have no recourse.

And this legislation doesn't seem to give them any recourse to any kind of financial compensation for inconvenience for loss of production on agricultural leases when there are developments in place. The surface right monies go to the Crown, in the case of Crown land, and the lessee is kept out of the loop.

Could that have been put in this legislation? If not, why not? And could it be put in some other type of regulation or legislation?

**Hon. Mr. Taylor:** — Thank you, Mr. Hermanson. And, Mr. Chair, I'll just consult briefly here to make sure that we have the correct answer for the . . . not the correct answer, the full answer for the member. Thank you.

Thank you very much, Mr. Chair, for your indulgence here. I've just had it clarified that indeed the Crown sector in this same area would likely be affected under The Provincial Lands Act, and that Act is likely under the auspices of Sask Ag and Food.

I anticipate that there's some consultation between Government Relations people on The Planning and Development Act and the Ag and Food people dealing with The Provincial Lands Act.

**Mr. Hermanson:** — Thank you, Minister. And I see the

Agriculture minister is sitting across there nodding. Could either your department or perhaps you could pass it on to the Agriculture minister who's listening, could he respond or could you respond with some kind of an answer as to whether this situation is being addressed or whether the government is content to just leave that situation the way it is?

**Hon. Mr. Taylor:** — The Minister of Agriculture and Food isn't winking at me but he seems to be coming over here. Excuse me for one moment.

Thank you very much, Mr. Chair. And I've just learned how extraordinary these new provisions in the legislature are. We can actually have some significant interdepartmental consultations right here in the middle of a committee meeting and I'm not sure that that could happen on the floor of the Chamber. I'm quite impressed with these new rules and I'm grateful for them.

I think we're going to need to do a little further consultation — not to exploit the time of the committee — to fully answer the member's question. But the Minister of Agriculture and Food has indicated to me that, under The Provincial Lands Act and dealing with the Crown sector, there are payments that are made to leaseholders in certain circumstances in consideration of some of the inconveniences that are there.

It is possible that some changes may have to be made as we take a look at how, how these dollar values compare to the inconvenience it's caused. But we will consult further and provide the member with additional information in the near future.

**Mr. Hermanson:** — Thank you. I have no more questions — just an observation that they seem to be rather minute in size, these compensations, and I would suggest that it does need review.

Thank you, Mr. Chair.

**The Chair:** — Seeing no more questions, we'll consider the clause of the Bill. Clause 1, short title. Is that agreed?

**Some Hon. Members:** — Agreed.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

**The Chair:** — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 45, An Act to amend The Planning and Development Act, 1983. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — I'll invite a member to move that the committee report the Bill without amendment. Mr. Wartman. Is that agreed?

**Some Hon. Members:** — Agreed.

The committee agreed to report the Bill.



**Bill No. 46 — The Northern Municipalities  
Amendment Act, 2004**

**Clause 1**

**The Chair:** — The next Bill before the committee is Bill No. 46, an Act to amend the northern municipals Act. I'll invite the minister to give us some comments on his opening remarks.

**Hon. Mr. Taylor:** — Thank you very much, Mr. Chair. Indeed on Bill No. 46, The Northern Municipalities Amendment Act, basically for the benefit of those who are watching the purpose of the Bill, as committee members will know, The Northern Municipalities Act provides the legislative framework through which northern municipalities exercise their powers and provide services. It also provides statutory authority for northern revenue-sharing grants. The amendments proposed in this Bill relate to the payment of revenue-sharing grants and have been identified by the department and the Department of Justice.

The need for these amendments was identified last year when The Northern Revenue Sharing Grants Regulations were being updated. During that process it was determined that the legislation that existed at that time did not provide sufficient authority to make the regulations retroactive. Justice recommended that amendments be made to the legislation to clarify both the capacity to make payments to the northern settlements, and at this time to add in the ability to make the regulations retroactive to the beginning of the fiscal year.

I also might add in this regard that northern municipalities receive their revenue-sharing grant payments on a quarterly basis, with the first payment being made on January 1 of each year. The amount allocated prior to the regulations being amended is based on the previous year's grant amount. Cash flow has not been identified as a problem by northern municipalities, as they are able to operate in the interim period on short-term borrowing, until they receive grants and collect taxes. However this amendment will assist municipalities in decreasing dependence on short-term operating loans.

**The Chair:** — Mr. Heppner.

**Mr. Heppner:** — So this deals, as I understand it then, mostly with revenue-sharing payments. So what had been happening in the past? Were the payments that made improper, or were the payments not being able to be made because there weren't sufficient regulations or things in effect?

**Hon. Mr. Taylor:** — Thank you very much, Mr. Heppner, for that question. Again it comes as a result of consultations with Justice to clarify the way in which the payments should be made. We take a look . . . there's only a couple of sections in the amendments — section 286, the amendment here will add authority to enable northern revenue-sharing regulations to be made retroactively, as is the case currently for southern municipalities. So in other words, what we're going in the South, we're clarifying to make sure we can do the same thing for the northern municipalities.

Currently regulations to the Act come into effect when they are registered with the registrar of regulations. Adding the specific ability to make regulations retroactive to the beginning of the

fiscal year will ensure that any revenue-sharing payments made to the northern municipalities prior to the regulations being registered are properly authorized. It's not that the money isn't supposed to be there. It's just the way in which they are recorded and registered.

The amendment will further ensure that payments can be made in a timely manner. The other section, 291 — this amendment clarifies that northern revenue-sharing grants may be paid to both northern settlements and northern municipalities because they are identified differently. And it provides specific authority for the minister to make grants to both.

The legislation has always contemplated that northern settlements were entitled to receive revenue-sharing grants, and this amendment will merely remove any possible ambiguity about the province's intentions. In other words, the word settlement doesn't appear in the current Act, only northern municipalities, and we have to recognize that what we've been doing and what our intention is is fully clarified.

**Mr. Heppner:** — Has there in the past been situations where monies that were supposed to flow north were late or didn't get there at all because of some of the difficulties?

**Hon. Mr. Taylor:** — I'm not aware of any, and my staff indicates that no, it has not been that way.

**Mr. Heppner:** — So can you clarify for me two terms that you used: the difference between a northern municipality and a northern settlement.

**Hon. Mr. Taylor:** — I'm going to ask that Randy Braaten, the director in the North, answer that question just to ensure that for the record the language that they will understand in the North and in legal circles is used and not my colloquial response. So, Mr. Braaten.

**Mr. Braaten:** — There is a difference. The northern municipal Act establishes northern municipalities are just like a southern urban municipality. They're a corporate body with an elected council entitled to make their own bylaws and make their own decisions.

But within the North, we have a large number of small areas that don't have an adequate population base to elect their own council, like they're, you know, 40 or 50 people. So what these are set up as within the legislation are a northern settlement. And what they have is a local advisory committee to provide recommendations and advice on what the local needs are in that area. And in that way they are very similar to, I guess, an organized hamlet or in a hamlet within an RM.

They don't have . . . They are not an incorporated body, so they don't have the legislative authority to pass bylaws and things like that. But they still do have to maintain things like community hall, streets, street lights, street signs, and things like that. So they are entitled to receive the revenue-sharing grants to maintain the community operations.

**Mr. Heppner:** — The northern settlements then are basically fairly permanent but just small.

**Mr. Braaten:** — Yes, they're permanent settlements, year-round residents in there, but they're just small populations. And in most cases there's not enough of a population really to have an elected council in the community. In fact we've had in past years some of the northern hamlets — there is a category of a municipality called a hamlet — and they have been unable to elect a council, so they've made application to revert to settlement status just because nobody was willing to run for municipal council.

**Mr. Heppner:** — In the southern area, I believe there is some movement happening where smaller hamlets get taken over or are adopted by an RM. Is there similar situations that could be developing in the North where you have the settlements, when they become fairly small, as I think you said 40 and less generally, that they could be sort of adopted by a northern municipality?

**Hon. Mr. Taylor:** — Mr. Heppner, in answer to that question, I think really the northern municipality is the province. The Minister of Government Relations takes on that role as the reeve of that municipality, so in a . . . because of distance. There's just so much distance in between these groups of people. And as a result, I as the minister have certain responsibilities for governance and revenue sharing to them to ensure that some of those basic needs provided by an RM are met, are met by the department.

**Mr. Hermanson:** — Thank you, Mr. Chair. Just a couple of questions to try to clarify some things following Mr. Heppner's questions. There is real concern in many northern communities, both in northern municipalities and in northern settlements, that the Act that they live under does not give them all of the abilities to make decisions on their own behalf that southern municipalities enjoy. And of course you certainly would be aware of that, given your history both federally and provincially.

Is there anything in this Act, other than the retroactivity which you already mentioned, that would bring more powers of decision making to northern municipalities and northern settlements in this Act?

**Hon. Mr. Taylor:** — Thank you very much, Mr. Hermanson. Once again you're fitting very well into some of the longer term planning that the department is getting involved with. And I appreciate that thought process that extends us beyond where we are today.

For all intents and purposes this Act does not address specifically what you're talking about. However we are in the process, working with the urban, rural, and northern municipalities, of bringing in what we would call a consolidated municipal Act. And that consolidated municipal Act currently is being worked on by the urban and rural municipalities. We have not yet brought the northern municipalities into the mix. But once we have a consolidated Act into place, we will then look at how the collective wisdom of the SUMA and SARM people have come to bear on the process. And then we will involve the northern communities, the New North, etc., in developing an inclusion of the North in the consolidated municipal Acts.

**Mr. Hermanson:** — Mr. Chair, now I wish I could revert back

to estimates because I have about 1,000 questions, but we won't go there.

Just one other question. Section 3, clause (e), the wording is a little frightening. Can you assure me that, "prescribing any other matter or thing required or authorized by this Act to be prescribed by the Lieutenant Governor in Council" is not an unreasonable blank cheque?

**Hon. Mr. Taylor:** — Thank you very much. Just again in consultation with the officials here I'm informed it's a very standard clause. You will find it in all the municipal Acts of the province, and is standard for the regulation-making powers for this and other Acts.

**Mr. Hermanson:** — Mr. Chair, to the minister, are there other then restrictions within this Act or other Acts that would prevent abuse from taking place because it says anything, you know, any other matter can be authorized?

**Hon. Mr. Taylor:** — I suppose that's a question would flow from the wording there, and I'll have to take a good look at that. I don't know the correct answer to that other than the fact that it certainly hasn't proven to be a problem in the past. It is very standard. It does appear in the other Acts, never been abused by anyone including representatives in government. But I'll just have the legal people ensure that we can be comfortable with it.

**Mr. Hermanson:** — So while this is not . . . while this in the amendment, it is not new to the existing Act; it's just being copied in again.

**Hon. Mr. Taylor:** — That is correct, Mr. Hermanson; it's not one of the amendments we're bringing forward.

**Mr. Hermanson:** — That's all, Mr. Chair.

**Mr. Heppner:** — One more question. You referred to yourself before in a way as a reeve of the northern municipality. And in the question I had . . . So basically there is one northern municipality. Is that correct? Or are there numbers of them and you would . . .

**Hon. Mr. Taylor:** — Thank you very much. The answer is basically yes, The Northern Municipalities Act describes something called the northern administration districts and appoints the minister as the responsible authority in the northern administration districts.

**Mr. Heppner:** — Thank you, Mr. Chair, that's the last of my questions.

**The Chair:** — Not seeing any more questions, the committee will consider the clauses of the Bill. Clause 1, short title, is that agreed?

**Some Hon. Members:** — Agreed.

Clause 1 agreed to.

Clauses 2 to 5 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. 46, An Act to amend The Northern Municipalities Act.

Is that agreed?

**Some Hon. Members:** — Agreed.

**Mr. Trew:** — Mr. Chair, I move that this committee report this Bill without amendment.

**The Chair:** — A member has moved that the committee report the Bill without amendment. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

The committee agreed to report the Bill.

**The Chair:** — That concludes the agenda for the committee today, so I'll invite a member to move adjournment. Ms. Morin.

**Ms. Morin:** — I so move.

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

The committee adjourned at 12:26.



