

THIRD SESSION - TWENTY-SEVENTH LEGISLATURE

of the

## Legislative Assembly of Saskatchewan

# DEBATES and PROCEEDINGS

(HANSARD) Published under the authority of The Honourable Dan D'Autremont Speaker

N.S. VOL. 56 NO. 18A MONDAY, NOVEMBER 25, 2013, 13:30

### **Bill No. 100 – *The Assessment Management Agency Amendment Act, 2013***

**Mr. Forbes:** Thank you very much, Mr. Speaker. It is a pleasure to enter into the debate on Bill No. 100, an Act to amend the Saskatchewan . . . or *The Assessment Management Agency Act*. And it is an important piece of legislation. It does provide the vehicle for how municipalities and part of our education system is funded. And so it's something that we really need to take some time to reflect on and think about.

And I know one of our audience members in the gallery knows an awful lot about assessment because of her role in municipal affairs. The folks from the theatre world may find this a rather tedious discussion, but I'm afraid that that's our duty here. And it's close to the end of the day, but we pick it up after 7 if you're interested, but it may be the same type of speech.

But I do want to say how important this is and what this really means to a lot of families and people in Saskatchewan. You know, as you're buying your first property or you're a senior and you're worried about the cost of living and how things, how property taxes are eating into your disposable income, this kind of topic really matters an awful lot.

Unfortunately though for so many people, and sometimes I find myself in this, I don't really grasp or many people don't totally grasp the significance or the language because it gets very, very technical. And tax assessment can be that way. And I think one of the things we often hear, I know — I think I can speak for many people in the House — that if there was a way that we could use plain language in this, it would go a long way for people understanding what their tax bills, their property tax bills really, really mean because it's critically important. How do we pay for our schools? How do we pay for the streets that we drive on? How do we pay for the fire fighters? How do we pay for our police protection? That's critical, hugely important. But do we understand the system of how we arrive at that?

And we know other provinces do a much better, much better job than we do. But we

seem to be stuck in that technical language, and it is very hard, very hard for people to get excited about it. In fact actually I know many people, their eyes will glaze over once you bring up assessment, and they give up. They give up on trying to understand this.

So, Mr. Speaker, I will make a few comments right away, but I think I do want to speak a fair bit about this because I think this is this is an important, an important topic. And right off the bat I want to say, I want to ask the minister of Municipal Affairs, when he brings this forward in committee it will be an interesting discussion because I will want to know who did he consult with. He did make a point that he consulted with SUMA and SARM. And those really are the two primary stakeholders in this discussion because this is how they derive so much of their income.

But I think we're forgetting about the other side of the equation, those people who are paying the taxes. And was there consultation with those folks? I think that's critically important as we see growth in our province and people coming in and people who are here who are buying properties and saying, this is a good time. This is part of the good times that are here. We're buying new homes and buying new cottages. Farm land is being sold. But what is the method of which we do our assessment? And is it as efficient or as effective as it can be?

And I think people have a lot of questions about that, and I would have a question. And when we were in government, I know when we went through some of the taxation issues, there were groups who were very interested in this kind of work. And I think particularly chamber of commerce, chamber of commerce is one group that raised this issue because when they're talking about how do we tax, how do we arrive at property taxes, they would have opinions about that. And of course they're looking across the country and saying, how do we do it the best way? How do we do it the best way?

And I know this is an issue that the city of Saskatoon is wrestling with right now. And it's an issue of cost of living. When rents are high and the cost of mortgages are high because of the value of the houses that are becoming more and more the norm in Saskatchewan, people want to make sure that they can afford their properties, but they live in the neighbourhoods that they thought they were going to be living in. And of course we're having a big debate in the House, in the legislature right now about P3s. And P3s anyways go to the heart of this issue because what we're trying to do and what they've seen in other provinces where they've tried to put the debt or the costs somewhere else because . . .

**An Hon. Member:** At a higher cost.

**Mr. Forbes:** At a higher cost at the end of the day.

And as we heard today earlier, there were questions from the taxpayers federation about saying, are we delaying costs for our kids further down the road? So we want to make sure the taxes are fair and reasonable but they meet the needs that we expect from our communities. And that's both schooling and also our communities. And whether that be the most basic things, about streets being paved, sidewalks being built, fire protection,

police protection, our libraries, you name it, it's a wide range of services that we expect, that we expect. But we cannot delay, we cannot delay the payment of it. And it should be in a fair and a reasonable way, but it should be in a manner that we can, that we can understand.

And so I'm pleased to get into this discussion. And I want to take a moment to review the minister's comments from November 12th, 2013, when he introduced this bill. And he recognized the fact that of course that we raised about \$1.52 billion in 2012. That was the amount that the annual property taxes were generated from the assessment system — a very, very important amount of money. Nine hundred, over \$900 million went to the municipalities, and about 600 million went to the education system. So you can see that this is a very, very important process, and it's critically important, critically important that we get it right.

It talks about the consultations with both, with SARM and SUMA, the Saskatchewan Urban Municipalities Association and the Saskatchewan Association of Rural Municipalities, and it goes without saying it's key that they be included. But I would think that the net should've been cast much farther and broader because I know there are groups out there, particularly in cottage country, particularly in maybe the small acreages, that I think would have an opinion about some of these things, about what's really important with SAMA [Saskatchewan Assessment Management Agency], and how do we make it the best assessment agency that it can be, that it can be?

So they said there were no objections. My question would be, did they offer any other comments? Were those comments acted on or were they dismissed? Because we see often with this government that suggestions that make a lot of common sense are dismissed. And it doesn't matter from which side it can be, whether — and I go back to the discussion around P3s — whether it's the construction association, whether it's the taxpayers federation, whether it's school boards, whether it's parents.

We see in Alberta, comments are coming from all different directions, but this government is saying no. We think we've got it right, and they're dismissing those comments. So I'm hoping that's not the case in this, in this legislation where they're narrowly focused on the items they put forward in this bill because again, as I said, this is a hugely, hugely important issue.

So it talks about greater flexibility that the SAMA will be given because of the legislation making it more administratively efficient for government to make its financial payment to SAMA, that type of thing. It will also make miscellaneous amendments of a non-financial nature, reflecting the agency's present roles, responsibilities, and practices and respond to the change in responsibilities of the ministries of Government Relations and Education respecting the education funding system.

So that sends up some flags for me, Mr. Speaker, because are they saying that we're going to see more changes in the education funding system? What's going to be happening with that? Are we going to be seeing more changes with the Government Relations? What's happening with that? Those kind of things should be laid out. I mean

it's a bit of a flag. It's a bit of a worry when they're saying they're changing responsibilities. Usually you think the responsibilities of the government and their ministries are pretty fixed. They don't change an awful lot. So this is kind of an omen, and I'm worried about what that might mean, you know.

He goes on and he talks a little bit about the school divisions and municipalities. Both may end up forgoing increased property taxes because I think this is in relation to the formula. He talks about in 2012 property tax revenues were split with 61 per cent going to municipalities, 39 per cent to education. They're going to change this. The amendments relate to fair balances of financial responsibility for assessment services to the municipalities and to the province.

So we're not sure what the impact will be when it comes to the municipalities and education. I know that particularly . . . Well I think for both of them, they're very sensitive to any kind of change at all, and we've seen that just recently. My colleague, the critic for Municipal Affairs, raised the issue around the change in the funding formula that the cities had been looking for, the municipalities had been looking for. And they've found that apparently, according to the government, there's been an error in the process, the formula, and so the different municipalities will not be getting as much as they had been planning on and . . .

**The Speaker:** It now being after the hour of 5 o'clock, this House stands recessed to 7 p.m.

[The Assembly recessed from 17:00 until 19:00.]

[The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Reiter that **Bill No. 100 — *The Assessment Management Agency Amendment Act, 2013*** be now read a second time.]

**The Speaker:** I recognize the member for Saskatoon Centre.

**Mr. Forbes:** Thank you very much, Mr. Speaker. It is a pleasure to stand again and continue my remarks on Bill No. 100, *An Act to Amend The Assessment Management Agency Act*, and I appreciate the opportunity. I may repeat some of the things I wanted to say because there's some things that I want to really reinforce. And I think that it's important, as I said, that assessment is one of those things that eyes may glaze over when we start to talk about this. This may be one of the more difficult ones, so we don't nod off, fall out of our chair. But it's an important one. It's critically important because this is how we get things done. Maybe if I talk long enough about this we'll all fall . . . [inaudible] . . . but I don't know.

But at any rate, this is an important topic, Mr. Speaker. I do want to say that because this is how we get...this is one of the most important vehicles that we have in terms of getting the work that we want to see done in our province. And whether it's in the education system or with the municipal level, it's critical that the job gets done and we have the resources to do it.

And people have high expectations, and rightfully so. We should have a high expectation of our education system and work that gets done in the schools and our province. And that's only reasonable throughout the 100-plus years of our history of Saskatchewan that we've come to expect that. We've come to expect that, and we've evolved to a state where we rely heavily on the Assessment Management Agency, often referred to as SAMA, the Saskatchewan Assessment Management Agency.

I wonder why that's left out of the Act title, actually when it probably should have been called the Saskatchewan Assessment Management Agency Act. I'm not sure why they left that out because we do refer to SAMA and SUMA [Saskatchewan Urban Municipalities Association] and SARM [Saskatchewan Association of Rural Municipalities]. They all have the S in it, so I'm not sure why that's not there.

But at any rate, we have work to do at our municipal level. And whether that's roads . . . We know how important roads are in Saskatchewan when it comes to transportation, both in terms of recreation or our personal use, whether it's going to the library, going to the rink, going to our work. Roads are critically important, critically important when it comes to getting our goods to market. And we know that. I mean we know that on all our roads, but particularly in rural Saskatchewan, roads are huge, huge issues.

Roads, health care, the other goods and services that municipalities deliver — whether that includes police service, protective services, fire services — all of these things have to be paid for. And there are other things we just take for granted, whether that be library services, recreational services, our rinks, our baseball diamonds. All of those things we just take for granted.

So all of this happens because we have to pay property taxes. But I'll get to the point . . . [inaudible interjection] . . . You know, I did that, Mr. Speaker. There were people in the audience earlier, before 5, said it didn't seem people were listening to you. And I said, I think maybe they were hanging on every word I was saying, particularly when . . . [inaudible interjection] . . . And they said I know they're listening to me. They're acting like they're not. They'll read about it later. Or maybe if I just say one thing, all of a sudden, things will flare up. Obviously sometimes people do listen to the most interesting parts, I guess, the things that really matter in the speech at hand.

And so that's why this Act is so critically important. And I know it's also important, so when we talk about the levels of government, whether it be municipal or the education sector who receive the funding, but it's critically important to those people who actually pay the taxes, pay the property taxes, that their assessments are fair, they're done well, they're done professionally, and there's some reasonable way to question how the assessment's done. And so that's why it's important the Saskatchewan Assessment Management Agency or SAMA has the resources to do it.

So as the minister talked about he had several reasons to do the bill. The first of course was that the “. . . repeal provisions relating to the 65/35 per cent split sharing of SAMA funding responsibility between the province and municipalities.” So this will be interesting to see how that plays out.

“Second, to make related financial amendments that provide SAMA greater flexibility respecting increases to municipal requisitions, provide timelines that are achievable . . .” and making sure the agency is properly funded and that it’s efficient. That’s straightforward.

“Third, to make miscellaneous amendments of non-financial nature.” And of course that’s to “. . . better reflect the agency’s present roles, responsibilities, practices, and respond to the change in responsibilities of the ministries of Government Relations and Education respecting the education funding system.”

And we’ve had . . . I made comments earlier because we were curious if there were flags going up that there’s more to come down the line in terms of those kind of changes. And we’d be curious about that and need to know how significant they are.

Are they tweaking the system or are there major overhauls in the works? I don’t know. We need to be aware of that. And so we’ll have questions about that in terms of the changing responsibilities that he alluded to. What does he mean by them?

And of course then he talks about the government having a direct interest in the delivery of the services in a timely, accurate, professional, consistent way and ensuring public confidence is there in the property assessment taxation system.

So I think that’s very accurate. That’s very true. But not only does the government have that, so do the people who are paying the taxes, people who’ve been here for many years, many generations, and those who are just coming now and those who are maybe buying a home for the first time. And, of course, assessment is something that they may or may not ask about or may or may not understand. And it’s important that this kind of work be done in a way that’s clear and understandable. And as I said earlier today, it’d be interesting to take a plain language or plain English approach to some of this stuff so that people can understand this because these are some of the highest taxes that people will pay. And many people talk about how this is probably one of the most visible taxes that you pay.

And particularly now, when we’re having more and more of our wages being — and any kind of income — put directly into our banks, and we’re not really as aware maybe as we used to be when we would get our cheques and our banks and our statements and we would know what our deductions were. That may not be the case with a lot of people now. Their wages go directly into their bank accounts and they’re not aware, whereas property taxes is something I think a lot of people, a lot of people think about.

I do want to take on a moment to talk about the . . . And I’m not sure about this and whether this will provide some conversation in committee. I think it’s an important area, and it’s one that we’ve been hearing a lot about when we know that there are stakeholders that take a look at what’s happening across Canada. And they look at other jurisdictions where they’re able to do their assessments much more quickly sometimes.

I understand Alberta may be even doing it once a year. And they are much more flexible and on top of the growth of the property values, and they do it in a much more

transparent, accountable way. People know what their properties are worth and how much they're paying for taxes, whereas we do it every four years. And then sometimes you're faced with very large property tax increases or the potential for that. Sometimes it's interesting because you think you're going to get a big property tax increase because you've read your assessment, but there's another step in between and it adds more confusion.

And so I think this is going to be an interesting conversation because this Act is open. And I know that there are stakeholders that would be very interested in having some input in this. So I think over the next few months as we do our job as the opposition, asking those questions and casting our net among the stakeholders, and I can think of one. The chamber of commerce has often raised this issue about doing annual property assessments and how they could be facilitated and what that might mean in a Saskatchewan context. I think that's something that we should be looking at, taking a look at the pros and cons. What would be the cost implications? How efficient would this be? What would be the impact on the taxpayer, the property owner, and in the implications of that?

I think that's something we need to do. And so when I looked through the explanation notes and it wasn't as clear . . . Okay, there you go, I'm on. Okay. My voice was fading there. Thank you . . . [inaudible interjection] . . . The aerial people cutting me off, no.

I think that it's critically important that we take a look at that, and when we have the discussion in the spring about this bill, that we take some time to discuss those issues. And I wouldn't be surprised if we get some correspondence back saying that this is something we should be raising in the House because with *The Assessment Management Agency Act* open, this would be the time to have that conversation, I think. Now it may be that the Minister of Government Relations can correct me on that and say that no, there's a better time and it's actually in the works. Maybe they have a plan for that. We don't know, but I think this is really critically important.

So, Mr. Speaker, I know that many of my colleagues will want to have a chance to enter into the debate on this. There will be comments that they will want to make. We want to make sure that there is proper consultation and that the government is actually listening to them. They did say, they referenced it as the SARM and SUMA had no objections. Our question is, did they have other suggestions? Maybe they had other suggestions. And how were they dealt with or were they dismissed in a summary fashion? That happens way too often, Mr. Speaker. And we need to make sure that their concerns are dealt with and that's really, really important.

You know and, Mr. Speaker, I do want to say that our leader has said if it makes sense to do this we will support it, and if it's the common sense thing to do, then we're there. But the goal will be to make sure it's open, transparent, and accountable. Unfortunately we haven't seen that an awful lot from this government, and we've seen them be secretive and dismissive.

And as I said earlier, the biggest concerns we have, we've been talking a lot about the

P3s [public–private partnership] and the funding of that, how that will be played out. And how that, you know, connects with property taxes because we do not want to see future generations saddled with a bill that really we should be paying for ourselves. The province is doing well. This is a time to get the job done, and we think we have the resources to do that if we set the priorities right.

So, Mr. Speaker, people are doing their part. They're working hard to buy their first home, that kind of thing, but we need to make sure that the process is going to work for people, the process is going to work for people.

So with that, Mr. Speaker, I would like to move Bill No. 100, *An Act to Amend the Assessment Management Agency Act*. I'd like to adjourn that debate. Thank you, Mr. Speaker.