

Second Reading of Bills

Bill 18, An Act to Amend the Cities, Towns and Villages Act October 30, 2018

MS. GREEN: Thank you. Mr. Chair, one of the challenges of this job, as a Yellowknife MLA, is that Yellowknife is usually considered in this legislature as just one of 33 communities, and of course, it is, but on the other hand, half of the population lives here, and it is the major economic driver of the entire territory.

Along comes the City of Yellowknife, and they want some independence to raise money, to market tourism, to grow that sector of our economy, and they do not get a lot of love from this government. Independence is to be frowned on. Being a tattle is the way of the future. They are completely hobbled by this ridiculous list of exemptions.

This list is not like the Alberta list. The Alberta list takes into account things like rental accommodation, nursing homes, hospitals, staff housing, and other things which are obviously not rented to tourists, but it doesn't try to exempt every person or activity in the province of Alberta. My first question for the Minister is: how was this list of exemptions created? Thank you.

CHAIRPERSON (Mr. Simpson): Thank you, Ms. Green. Ms. Young.

MS. YOUNG: Thank you, Mr. Chair. As the Minister has already noted, we did a series of engagements with stakeholders from municipalities, from tourist accommodation locations, as well as the Chamber of Commerce, the Tourism Association.

We received input from all of them on what types of consideration should go into the bill, as well as looking at what other jurisdictions have put in the bill in terms of exemptions, and we tried to strike a balance of that across all of the different feedback that we received. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. Ms. Green.

MS. GREEN: Thank you, Mr. Chair. Can the Minister tell us which of the list that the deputy just provided recommended that GNWT be exempt? Thank you.

CHAIRPERSON (Mr. Simpson): Thank you. Minister.

HON. ALFRED MOSES: Thank you, Mr. Chair. As my deputy minister had mentioned, there was a very long consultation process that we had with a lot of stakeholders.

In terms of the GNWT exempt, that came from the GNWT. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. Ms. Green.

MS. GREEN: Mr. Chair, I am really hoping third time lucky with this question. Yes, they did consultation. Who among those consulted said, "You should exempt the GNWT," in any form or fashion? Thank you.

CHAIRPERSON (Mr. Simpson): Thank you, Ms. Green. Minister.

HON. ALFRED MOSES: Thank you, Mr. Chair. None of the stakeholders said it. It came from us, the GNWT. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Minister. Ms. Green.

MS. GREEN: I think the term for that is "self-interest."

The next thing I want to ask about is why the Government of Canada wasn't exempted. In Alberta, the Government of Canada is exempted from hotel levies. Thank you.

CHAIRPERSON (Mr. Simpson): Thank you, Ms. Green. I have stopped the clock while the Minister and his team gather the information. We might have an answer. Ms. Young.

MS. YOUNG: Thank you, Mr. Chair. It is unfortunately not in my notes, but my recollection on this one is that we did look at this issue with the Department of Justice and the Department of Finance with regards to the ability to tax a higher level of government and whether it needed to be included in the bill.

If I recall correctly, and I would need to go back and just confirm this, but I believe the understanding we were left with was that we did not need to specifically exclude Government of Canada in the bill, that they could opt out because they are a higher level of government, but I would want to go back and confirm that and send that back.

CHAIRPERSON (Mr. Simpson): Thank you for that. Ms. Green.

MS. GREEN: Thank you, Mr. Chair. I appreciate the answer to that. It is interesting that this government took that approach, and the Alberta government decided that Canada needed to be specifically excluded from paying the tax. From the small amount of information that we have received, what the GNWT wants to do is save \$250,000 a year by not paying the hotel tax in Yellowknife. Is that a correct summary? Thank you.

CHAIRPERSON (Mr. Simpson): Thank you. Minister.

HON. ALFRED MOSES: Thank you, Mr. Chair. Even with the preliminary numbers that we do have, the initial work that was done, we don't have a concrete set of numbers right now. However, that is funding that can go into other areas as we do program services within the government.

In short, we just wanted to look at ways that, as the GNWT, there would be some savings.

CHAIRPERSON (Mr. Simpson): Thank you, Minister. Ms. Green.

MS. GREEN: Thank you, Mr. Chair. Mr. Chair, I don't find saving \$250,000 on a \$1.8 billion budget a very compelling reason to exempt the GNWT from paying this hotel tax, whereas it could provide a valuable economic driver for the City of Yellowknife to bring more tourists here, and as you, yourself, have pointed out, when Yellowknife is thriving, it tends to float more boats than just the City of Yellowknife. My next question is about the levy at the airport. I don't recall that there was any discussion about having exemptions there. So why are there no exemptions at the airport, but there is this list of

exemptions for the hotel tax? Thank you.

CHAIRPERSON (Mr. McNeely): Thank you, Ms. Green. That's beyond the scope of this review. Ms. Green.

MS. GREEN: Okay. Those are all my questions on this section. Thank you.