

JULIE GREEN—MLA YELLOWKNIFE CENTRE
Legal Registries Fees Increases
Committee of the Whole—2019-2020 Operating Budget Review
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MS. GREEN: Thank you. Okay, I understand that now. My next question is about an increase of \$500,000 worth of revenue in legal registries. Why is revenue going to increase by that much in that area? Thank you.

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

HON. LOUIS SEBERT: Yes. This is an increase in fees. It is under the Land Titles Act and the PPSA, Personal Property Security Regulations. Anyway, Members may recall there had been some discussion in the past about a land transfer tax. Anyway, what we have done is looked at, fairly, in my view, minor increases in the area of land transfers. That is where the majority of this money is going to come from, and mortgage registrations. Our estimate is that there will be increases in funds with the new fee structure. Again, land transfers average over the last three years have been \$483,000. We are talking about the land transfer itself. Estimated incremental fees will be \$168,000 to come up with \$650,000; mortgage registrations, \$460,000 over the last three years. Estimated incremental revenue with the new fee structure would be \$230,000 for a total of \$690,000. PPSA registration or Personal Property Security registration or renewals will be increased, also.

So, yes, those are these increases, and, also, so Members will recall, there was a good deal of discussion about a land transfer tax. What we have brought forward here is a modest, in my view, increase in the amount of fees. Most of this money will be obtained through the increase of fees on land transfers and mortgage registrations. Thank you.

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

MS. GREEN: Thank you. If I understand correctly, the land transfer tax has been scrapped and, instead, all the fees are going to go up. The Minister ran through a list, but one that I wrote down here is going up by 100 percent, from \$230,000 to \$460,000. So this is the case, that the land transfer tax has now been replaced by an increase in fees at land titles for land transfers and mortgage registration? Could he confirm that, please?

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

HON. LOUIS SEBERT: The mortgage registrations will go from \$460,000, average revenue, to \$690,000. Land transfer is from \$483,000 to \$650,000. So, if I might, if I could use an example, if your house of \$400,000 with a mortgage of \$300,000, currently, the fees on that would be \$1.50 on the \$400,000, which is \$600, and a dollar on the mortgage, which would be \$300. What we have suggested here is increasing those fees, the land transfer, going to \$2 per \$1,000, so that would be \$800, and the fees on the mortgage going from a \$1 to \$1.50. So, in the example I gave, that would go from \$300 to \$450. It is not a doubling. It is an increase, but it is not a doubling.

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

MS. GREEN: Thank you, Mr. Chair. I appreciate that it is difficult to keep all of these numbers straight when you are getting them in an audio way, but the fact is that they are all going up 25 percent according to what I have heard the Minister say, and this is in communities that have fee simple land holdings and mortgages. The last time that land transfer tax came around, it turned out that 70 percent of those places were in Yellowknife, 20 percent in Hay River, and 10 percent in Fort Smith. On what basis, other than trying to fatten the budget for roads, is the government imposing these new fees? What is the rationale for imposing these new fees? Thank you.

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

HON. LOUIS SEBERT: It is a revenue increase, but we are constantly under pressure for new programs for various worthy things. The land transfer tax, as Members may recall, would have been a much more radical change than this is. These are fairly modest increases in my mind. They will be borne by those who are buying houses or putting on mortgages, but I don't regard this as a particularly large increase. It is certainly far less than was contemplated under the land transfer tax, which was not popular.

I thought, since the rates had not been changed in many years, that a change was worthwhile. As I say, for your \$400,000 house with a \$300,000 mortgage, yes, you will pay more, \$350 or so more than you might have before. When you are talking about housing costs and prices, just an increase in the mortgage rates, for example, on that \$300,000 mortgage, if I can use that example of 1 percent, is \$3,000 a year; \$15,000 over a five-year term, if persons hold onto their house for five years, as many do. I mean, a \$350 cost, and that's not a yearly cost; that's simply when you register, in my view, is not terribly significant. As I say, we are constantly under pressure for many of the programs that we have discussed today and many of the programs that the government has entered into have, as I say, constant demands. My submission to you is that this is a reasonable increase, far, far less than the significant increase that we were contemplating under the land transfer tax. Thank you.