

## ORAL QUESTION—KEVIN O'REILLY, MLA FRAME LAKE

### QUESTION 131-18(3): AMENDMENTS TO THE CITIES, TOWNS AND VILLAGES ACT FOR A HOTEL TAX LEVY

FEBRUARY 20, 2018

**MR. O'REILLY:** Merci, Monsieur le President. My questions are for the Minister of Municipal and Community Affairs. The issue of changes to the Cities, Towns and Villages Act to allow tax-based communities to introduce hotel levies was discussed earlier in the sitting. The Minister responded and indicated that necessary consultations with the hotel industry stakeholders were causing the delays. These consultations have been going on since at least 2010, even before I became an MLA. I was involved in consultations that the Finance Department was undertaking at that point around a hotel levy. Can the Minister tell us what she heard from the hotel industry this time around? Mahsi, Mr. Speaker.

**MR. SPEAKER:** Masi. Minister of Municipal and Community Affairs.

**HON. CAROLINE COCHRANE:** Thank you, Mr. Speaker. I can't speak for Ministers from the other Legislative Assemblies. I'm not sure why they didn't move that forward. I'm sure that the honourable Member would have researched into that. However, I am committed to moving this forward within this Legislative Assembly.

Some of the feedback that we did hear right across was not only from the hotels, but there are a lot of stakeholders who we had to engage with. Some of the feedback that was voiced as concerns was: were territorial governments employees going to get taxed? Were municipal governments going to get taxed? Were the residents of the territory going to get taxed when they weren't coming here for tourism?

We heard concerns about the potential of dampening the tourism market and luring tourists away from the smaller communities. We heard concerns about tourism packages, a big one, that tourism packages that were already sold for this year and how that would impact the tourism operators. Those are some of the concerns that we heard. We did get support from the six tax-based communities to support this bill, although they stated that they wouldn't be looking at using it at this point. It would only be the City of Yellowknife that would be actually utilizing this at this point. Thank you, Mr. Speaker.

**MR. O'REILLY:** Thanks to the Minister for that information. I can assure her, though, that I don't think I heard anything new from when I was involved in consultations back in 2010. I'd like to know if the Minister is finally finished with these consultations and when we're going to see a bill on this in the House?

**HON. CAROLINE COCHRANE:** We have been working closely with the municipalities, and especially the City of Yellowknife, because it is a primary interest to the City of Yellowknife. We have not deviated from our timeline. We told them right through over a year ago that we would be introducing a legislative proposal in this sitting and that the

bill would be introduced in the House in the May/June sitting. We are still on that timeline.

**MR. O'REILLY:** I'd like to thank the Minister again for that. My statement earlier today referred to the fact that the GNWT has virtually withdrawn from tourism services in the GNWT's tourism capital here in Yellowknife and that, as of April 1, the city is going to have to continue to top up money to continue with the centre that is over at City Hall. This makes the creation of a hotel levy all the more urgent. I'd like to know: what is stopping the Minister from acting on this bill now and getting it before this House during this sitting in March?

**HON. CAROLINE COCHRANE:** We are working diligently on it. Like I said earlier, we are on the timeline that we had talked about with the City of Yellowknife and the standing committee. We've been putting that timeline forward for over a year now.

What is stopping it there? There is nothing stopping the bill itself. However, to meet the timeline that the Member is wanting, if he wants it introduced during this sitting, it will be of great difficulty. We are just finishing the drafting of the legislative proposal. At that point, it will go to standing committee to accept their recommendations, which are processed. After that is done, it comes back to me and then I give the drafting instructions to my department, and then we work with the Department of Justice to actually draft the bill. We are on time, and I do apologize if some of the Members feel that it's too much time, but we are on time with what we have been saying all along. We are meeting that commitment, and I am trying my best to make it happen. I promise it will happen during this Legislative Assembly.

**MR. SPEAKER:** Oral questions. Member for Frame Lake.

**MR. O'REILLY:** Merci, Monsieur le President. I'd like to thank the Minister for that list of reasons why we can't get the bill in this sitting, but I hope she can go back to her department and work again on this. Maybe I'll start with: we don't even have a legislative proposal yet. I've looked at the Cities, Towns and Villages Act. The legislative powers are laid out in section 70(1). All that needs to be done is add one line in there about hotel levy and give the tax-based communities the authority to do it. I don't understand what's so complicated around this. Everybody I've ever talked to has been in favour of this. Let's start with this, Mr. Speaker, or I'll finish with this: when is the Standing Committee on Government Operations actually going to get a legislative proposal for this change? Mahsi, Mr. Speaker.

**HON. CAROLINE COCHRANE:** I don't usually like to correct Members, but I do say that it's not only one simple line. The hotel tax levy is one piece of the puzzle that the City of Yellowknife has asked us to implement with this bill, and so due respect to the City of Yellowknife, we're doing the hotel tax levy; but we're also looking at the funding, the energy efficiency retrofits for homeowners, so there is more than just one line within this bill. As stated, we had promised that we would bring it forward in this sitting and within the next couple of weeks. The draft legislative proposal will be provided to standing committee or offered for them to review. Thank you, Mr. Speaker.