



MAY 18 2018

MR. KEVIN O'REILLY
MLA, FRAME LAKE SOUTH

**Oral Question 131-18(3) Amendments to the
Cities, Towns and Villages Act for a Hotel Tax Levy**

This letter is in follow up to the Oral Questions you raised on February 20, 2018 related to amendments to the *Cities, Towns and Villages Act (CTVA)*. You asked questions about the timeline for the project, the consultation that had taken place, when a legislative proposal would be submitted and when a draft Bill could be anticipated.

The Department of Municipal and Community Affairs (MACA) received confirmation that the legislative proposal to amend the CTVA was approved by Cabinet on April 26, 2018. Proposed amendments to the CTVA would allow municipal corporations established under the Act to:

1. Levy a tax on tourist accommodations within the boundaries of the municipal corporation; and
2. Pass a bylaw allowing property owners to finance energy retrofits or the implementation of renewable energy technologies through a local improvement charge on their property.

Efforts to complete the drafting of the Bill are now nearing completion, and MACA anticipates introduction of *An Act to Amend the Cities, Towns and Villages Act* in the May/June sitting of the Legislative Assembly.

This project has involved consultation with the six communities established under the CTVA and in particular ongoing consultation with the City of Yellowknife. MACA also reached out to tourist accommodation operators in each of the six CTV communities and financial lenders within the territory. Efforts were also made to communicate with Northwest Territories Association of Communities (NWTAC) and the Northwest Territories Tourism Association (NWTTA).

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In addition to stakeholder consultation and given the fact that the proposed Bill deals with the delegation of taxation authority by the Legislative Assembly, engagement with the Department Finance and the Department of Justice has been necessary to ensure that this delegation is clear and unambiguous and that the Government of the Northwest Territories has been diligent in ensuring a smooth, effective and responsible delegation of this authority.

Thank you for raising this important topic.



Alfred Moses
Minister of Municipal
and Community Affairs

- c. **Minister of Finance**
Minister of Justice
Clerk of the Legislative Assembly
Legislative Coordinator
Deputy Minister, Municipal and Community Affairs