

New North



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October 2014

Tax Enforcement Dynamos Assemble in La Ronge

When a municipality has a debt it needs to collect, it generally falls to municipal administrators to do the dirty work.

Things got very grimy indeed at the recent Northern Administrators Conference in La Ronge, as around 30 people gathered to brush up their knowledge on the tools municipalities have at their disposal to get what's owing to them when property owners default on their taxes.

The Tax Enforcement Act and The Northern Municipalities Act are the places to look for the rules. But sometimes what we really need is someone just to talk us through it all.

Sandra Galambos from Northern Municipal Services, and **Ann Nostbakken** from Information Services Corporation, recounted the steps you need to take as outlined in the legislation, from the time a council decides to act on a defaulting property, to the registering of the lien using ISC's online submission process, to title acquisition and disposal.

Tax enforcement is not easy, and it's not pretty. Sometimes some subtle mind games can go a long way. Threatening to put a lien against a property may be all that is needed to persuade a taxpayer to come good. Municipalities can also seize other property belonging to the taxpayer—a car, furniture, anything lying around in the yard; but not the family pet.

When a lien is registered against a property, there is only one way to get it lifted: by the taxpayer fronting up with the cash. A council cannot, at this point, simply vote to have the lien removed. Once the proc-



Kim Anderson, QC, just before demonstrating "a little move" he likes to call "the taxpayers remorse"

ess has gotten to the lien stage, the legislation has already kicked in.

From discussion, it was apparent that some elected officials may not necessarily know this.

Going to "small claims court"—either the Provincial Court or the Queen's Bench, depending on the debt—to make a non-title claim against a taxpayer is perhaps the easiest way for a municipality to get a debt repaid. This was the gist of the presentation by **Kim Anderson**, QC, one of the few lawyers in Saskatchewan specialising in the municipal enforcement procedures available through the courts. He explained that whereas tax enforcement against title first requires you to register a lien against the property six months before you can resolve to move against it, no lien is required to take non-title proceedings. This is great if you think the defaulter is planning to go to ground.

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We also heard from **Doug Jameson** of the Provincial Mediation Board. A remnant of the Great Depression, the PMB can act as the middle man between municipalities and tax defaulters. The PMB's involvement is mandated by *The Tax Enforcement Act*. A municipality cannot take a title without the approval of the Provincial Mediation Board. Prior to this happening, the purpose of the Board's involvement is to help the taxpayers and the municipality come to a satisfactory resolution regarding the payment of taxes. This will quite often involve a payment plan that can also include the payment of current taxes as well as those in arrears.

Councils Need to Have Fair and Equitable Policies Around Tax Abatement...

Not only do municipalities face the challenge of enforcing the payment of outstanding property taxes, they also have the problem of figuring out the circumstances where it is appropriate to waive the payment of taxes. When a council decides that, for whatever reason, a taxpayer doesn't have to pay taxes, this is called abatement.

Hasan Akhtar of Northern Municipal Services gave a run down on what *The Northern Municipalities Act* says about abatement.

Councils have the power to cancel or reduce tax arrears, cancel or refund taxes, or defer the collection of taxes, which they can do on a single property or class of properties. But importantly, as Hasan pointed out, the *Act* also tells councils they can only do this if it is "equitable to do so."

Because municipalities collect taxes on behalf of other authorities (ie, School Boards), the circumstances in which a municipality might abate property taxes are also effectively set out in the legislation. One reason a council might abate taxes is because they consider the taxes to be uncollectable due to "unforeseen hardship" to the taxpayer. Councils can also abate taxes if it is considered in the community's interest to do so.

In the case of the latter we see many municipalities using tax abatement to lure business by offering tax breaks. Communities can abate the property taxes of churches, schools or non-profit organizations. Even the Roughriders, which has made about \$6 million in profit in the last few years, doesn't pay property taxes to the city of Regina (worth about \$55,000 annually).

As with any council decision, of course, figuring out when to abate just comes down to good governance. If a council has a policy that is ultimately geared to serving the public interest, is applied fairly and without fear or favour, can stand up to scrutiny, and is financially sustainable, then abate away.

The Gas Tax Fund is Here to Complicate Everyone's Life with Due Dates, Money

Municipalities should have received their **Gas Tax Fund Agreements** by now.

One of the things you need to do under the agreement is submit an Infrastructure Investment Plan (IIP). You have until **June 1, 2015** to do that.

If you don't get an IIP to the government before **March 31, 2016**—the last day of the financial year—the government has the power to direct the municipality's allocation.

We don't know what that means—maybe a whole lot of "Government of Saskatchewan" bumper stickers will land on your doorstep? A life-sized statue of the Premier embracing the people of Saskatchewan will suddenly appear outside the village office? As tantalizing as that thought is, you should probably still get your paperwork done by the due date.

Northern Symposium for Safer and Healthier Communities

Until the 1960s, status Indians could not legally drink in Saskatchewan. “Bootlegging”—which is essentially just the illegal sale of alcohol—was everywhere and out of control. In 1952 a beer parlour opened in La Ronge, but many communities didn't need their own legal premises because they'd already figured out how to make the stuff themselves. People in Sandy Bay reportedly had access to one of the most potent homebrews going around.

The government's solution to dealing with the problem of alcohol was simply to ban it. Because the sale of alcohol was illegal in most of the north, the government of the day didn't think it had to provide treatment or educational programs either.

“Bootlegging” is still a problem in the north, of course; and it is one of the topics on the agenda at this year's Northern Symposium.

The symposium, since it first began in 1999, demonstrates one of the important ways that approaches to social reform have changed since the 1960s. If governments used to think it was OK to impose a policy on northern people without asking them how they felt about it first, it is best practice not to do that now.

The Northern Symposium is a chance for people in the north to talk about issues related to what we might loosely call the “justice system.”

Of course, even before the Commission on First Nations and Metis People on Justice Reform in 2002, it had long been considered pretty important to think about “justice issues” in a holistic way; to see the reasons why people come into contact with the justice system as rooted in failures in education, health, economic development.

So, for example, last year's symposium had a heavy focus on mental health and cognitive disabilities. We also saw sessions on bullying and lateral violence.

The agenda for this year's event is now up on New North's website.

Of real interest to many people will be Provincial Court Judge Morin's thoughts on Community Sentencing Options.

there is a move in the province at the moment for municipalities to be hooked into a Community Safety Officer program—possibly to be shared with First Nations.

Given movement by the province on this lately, there will be a break-out session for everyone to get a sense of what Alternative Policing Models look like. On the final day is the Policy Forum, where representatives from government ministries, the RCMP and New North answer questions about policy from symposium delegates.

Should I go to this thing?

The question you're probably asking yourself is whether you should be there or not? Municipalities cannot, on the whole, make too many laws that influence law and order outcomes. But municipalities do pay for policing costs, either directly or indirectly, and are stakeholders with a critical interest in how their communities are policed. From a wider perspective, the Northern Symposium for Safer and Healthier Communities has always been an event focussed on community inclusion—which is why New North is involved. With their focus on dialogue, the symposiums are a way for you to be informed about and provide important feedback on the policies and strategies around justice issues that might be affecting you and your community.

The Northern Symposium runs from November 25-27th, and is at the Art Hauser Centre in Prince Albert. Registration forms are available from the New North website, **newnorthsask.ca**, or you can get one by calling our office on **306 425 5505**.

From the CEO: Al Loke

Kim Anderson, QC, was a very entertaining guest at October's Administrators Conference in La Ronge.

He told a number of interesting and illuminating stories about how municipalities have gone about collecting outstanding debts. One story involved seizing the truck of a gravel contractor who wasn't paying his royalties on the gravel he was collecting from a private property. The cheque arrived the next day.

Another story was a little more troubling—at least to me.

The story went that a municipality was having trouble getting a local business to pay its taxes, and council didn't know what to do about it. What made it complicated, for the council, was that it happened to be the hotel that they liked to frequent after council meetings. The council didn't want to lose the business by closing it down or taking an interest in the title—because then where would they drink?

The story is troubling because the council's reasons for keeping the business in the community didn't seem like very good ones.

Would their reasoning be the same for a business they didn't have a personal interest in? And how would non-drinkers in the community feel about losing a business they had no interest in?

As it turned out, Kim found an inventive way for the council to get the money owed, and the hotel is still there—although apparently it is defaulting once again.

The real issue for me, though, is the kind of policies councils have in place to deal with enforcement and abatement. The bottom line is this: tax enforcement is not just about knowing what tools to use, it is also about good governance. And this should not be about personal relationships. If I was in that community, even if I did drink, I'd be thinking carefully about whether I'd still want that council around.



Despite no mid-morning muffin service, Administrators still generally enjoyed getting together to talk about what they'd like to do to tax defaulters.

New North Executive

Chair: Mayor Georgina Jolibois · West

Board Members:

Councillor Al Sayn (Vice Chair) · Far North

Mayor Gordon Stomp, Village of Air Ronge - Central region

Mayor Val Deschambeault · Eastern Region

Mayor Kelvin Roy · Member at Large

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New North Mission Statement

New North - SANC Services Inc. (Saskatchewan Association of Northern Communities) through strength in unity is organized to advocate, negotiate and initiate, improvements for the interests and concerns to the Local, Provincial and Federal Governments to enhance the quality of life for Northern people within the Northern Administration District (NAD) of Saskatchewan.