



LEADERSHIP, ADVOCACY AND SERVICE FOR MANITOBA'S PUBLIC SCHOOL BOARDS

September 5, 2024

Honourable Nello Altomare
Minister of Education
and Early Childhood Learning
Room 162 Legislative Building
450 Broadway
Winnipeg, MB R3C 0V8

Honourable Adrien Sala
Minister of Finance
Room 103 Legislative Building
450 Broadway
Winnipeg, MB R3C 0V8

Honourable Ian Bushie
Minister of Municipal and Northern Relations
Room 301 Legislative Building
450 Broadway
Winnipeg, MB R3C 0V8

[by email only: mineec@manitoba.ca; minmnr@manitoba.ca; minfin@manitoba.ca; dmedu@manitoba.ca;
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Dear Ministers Altomare, Sala and Bushie,

Manitoba's public school boards have long advocated for meaningful change to our province's taxation framework in order to promote sustainable and affordable revenues to provide our schools and communities with affordable and equitable programming, supports and services.

One item of long-standing challenge to the above priority speaks to the current authority maintained by municipal government, under *The Municipal Assessment Act*, to impose municipal property taxes upon non-school properties, as well as the continuing municipal authority to impose Special Service Levies upon all school division properties.

Accordingly, at our annual convention held this past March, all members of the Manitoba School Boards Association voted to pass Resolution FFM-04-24 – Municipal Property Tax Exemption, which reads as follows:

BE IT RESOLVED THAT the Manitoba School Boards Association lobby the Manitoba Government to amend The Municipal Assessment Act to remove the collection of tax and eliminate special service levies on all school division owned properties.

Section 22(1)(d) of *The Municipal Assessment Act* currently exempts properties that are "used for a public school" from taxation. This exemption fails to account for the reality that non-school facilities operated by public school divisions, such as education resource centres and administration offices, are necessary components of a high quality and inclusive public education system. However, the Act also further removes any exemption in respect of Special Service Levies (SSLs). All divisional properties, regardless of "school" or "non-school" designation, are subject to assessment of such SSLs.

Our association would like to address both of these realities in turn.

In respect of general property levies upon "non-school" properties, recent developments have emerged that give school boards hope for the future. Following from passage by the City of Winnipeg Council of an EPC Motion on 9 March, 2022 (Councillor Brian Mayes), the City of Winnipeg has granted back to all metro school divisions any property tax assessed on properties used by school clinicians. This motion was in fact passed in advance and in anticipation of the subsequent decision made by the Court of King's Bench (2022 MBKB 184) in that, while it is very clear that municipalities retain authority under *The Municipal Assessment Act* to levy property taxes on non-school properties, the ethical dimension of continuing this practice must receive due and fair consideration.

We were greatly heartened by the Manitoba Government's decision not to appeal this decision, concurrent to the same direction taken by the City of Winnipeg. The reality remains however, that this distinct tax framework applies only within City

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of Winnipeg boundaries. For the “non-school” properties situated beyond the perimeter of Winnipeg, these same properties remain subject to property tax assessment. We would hold that the observations submitted by Justice Edmond ought apply universally across Manitoba, in keeping with the spirit of the decision. Your support in operationalizing universality through amendment to *The Municipal Assessment Act* would provide significant benefit for the sake of our members’ operations province-wide.

Secondly, it is necessary to describe the overall impacts of Special Service Levies. When a municipality resorts to use of SSLs in their local community, the same ratepayer can be assessed the same proportionate SSL obligation multiple times, based on the combination of their residential, commercial and/or agricultural interests. As a home-owner, business entrepreneur or ag-producer, the same ratepayer is subject to a doubling of SSL obligations in their community. This is due to the inability of local school divisions to absorb the expenses required to finance the SSL from within. No other option therefore exists but for school boards to raise their own property levies commensurate with the financing of the Special Service Levies. Add SSLs to existing property taxation on “non-school” properties and the circumstances faced by public school boards comes into proper perspective. It is for these reasons that our members passed Resolution FFM-04-24 this spring. We are under no illusion when it comes to the rationale for use of SSLs by our municipal counterparts to raise revenues in support of compelling community-focused requirements. Our objective is not to annul municipal authorities to rely upon this tax mechanism to do so when needed. In respect of how it becomes applied to public school divisions however, there is need for sober, second thought. We certainly trust that our efforts to bring these concerns to your attention receive the audience that they rightly warrant.

Lastly, by way of this general correspondence, we would also like to engage with you around the distinct topic of Tax Increment Financing (TIF) under *The Tax Increment Financing and Community Revitalization Act*. Since the inception of this legislation, our Association has voiced its concern over the operationalization of TIF given its impact of freezing property levies on significant commercial and industrial developments in communities that must accommodate school-aged enrolment growth along with its attendant expansion of programming, supports and services. Under the previous Government, plans were announced that would have placed major focus on TIF to realize community economic development across Manitoba. Apart from such a strategy, our concerns have largely gone unmet when it comes to community revitalization using TIF. Under the Act, municipalities are obligated to engage and consult with local school divisions prior to approving any project or initiative under the scope of the Act. That this has not taken place in any meaningful way given the few instances to date where TIF has been granted by municipalities to corporate interests, provides cause for concern on the part of our members. As you are now nearly a year into your mandate as our new Government, we wished to use this occasion to once again express our concerns and to encourage the new Government to design a more intentional consultation framework to ensure that any future TIF initiative will rightly and duly involve consultation with local public school boards, as is clearly provided for under the Act.

We thank you in advance for your consideration of our concerns and look forward to working with you to achieve constructive outcomes for the sustainability of school programming, supports and services to meet the needs of all Manitoba students and communities.

Should you have any questions or wish to discuss this matter further with us, please know that we would sincerely welcome such an opportunity. Please feel free to arrange a meeting with our Executive Director, Josh Watt, who can be reached at jwatt@mbschoolboards.ca at any time.

Sincerely,



Sandy Nemeth, President

cc: Brian O’Leary, Deputy Minister, Manitoba Education and Early Childhood Learning
Silvester Komlodi, Deputy Minister, Manitoba Finance
Bruce Gray, Deputy Minister, Manitoba Municipal and Northern Relations
Josh Watt, Executive Director, Manitoba School Boards Association