



TOWN OF GANDER

OFFICE OF THE
MAYOR

February 19, 2018

The Honourable Eddie Joyce, Minister
Department of Municipal Affairs
Government of Newfoundland and Labrador
P.O. Box 8700 St. John's, NL A1B 4J6
Via Email: vglynn@gov.nl.ca

Dear Minister Joyce:

On behalf of my fellow Councillors, I would like to thank you for the opportunity to provide input on amendments to the *Municipalities Act, 1999*. While the *Act* itself is both extensive and comprehensive, Council would like to suggest changes that will improve our ability as municipal leaders to manage and govern our community.

The Town Council of the Town of Gander would like to propose that a section be added to the *Act* allowing municipalities to:

- i. Invoice the tenants of tax exempt properties directly for the water and sewer tax;*
- ii. Establish and charge an accommodation tax to hoteliers and other paid accommodation providers; and*
- iii. In lieu of the above, establish a single municipal taxation act like the current City of St. John's Municipal Taxation Act, which would include items i and ii above.*

While Section 116(1) of the *Act* allows a municipality to charge a property tax to the tenants of a tax exempt property, there is no such provision to charge water and sewer tax. The Courts have ruled that municipalities have the right to charge the property tax to the tenant, but do not have the right to charge the water and sewer tax to the tenant.

As a result of this decision, Council has to invoice the Federal government for the water and sewer tax for the spaces that their tenants are using on Federal property leased to Gander International Airport Authority. The Federal government in turn has to invoice the tax exempt property, which in turn, have to invoice their tenants. Ultimately the tenants are paying the tax, but it is a cumbersome process to get there.

The authority to introduce an accommodation tax such as that described in Section 28 of the *City of St. John's Municipal Taxation Act* would generate the option for much needed revenue. Accommodation tax monies can be used to maintain, enhance or build new event hosting, tourism and recreation infrastructure and to market same. This in turn helps sustain and generate significant economic activity. Without such authority, communities such as ours are at a disadvantage when competing for tourism and event hosting business opportunities.

100 Elizabeth Drive
Gander, NL A1V 1G7
CANADA
Tel: 709.651.2930
Fax: 709.256.5809
Toll Free: 1.877.919.9979
info@gandercanada.com

The Honourable Eddie Joyce

February 19, 2018

Page 2

The *City of St. John's Municipal Taxation Act* is a comprehensive piece of legislation that addresses taxation issues that are universal amongst provincial municipalities. A single *Act* applicable to all municipalities allows for the equitable taxation practices for all residents regardless of the size or location of the municipality in which they live.

Thank you for your time and consideration of this request. Please feel free to contact me at 709-651-5920 if you wish to further discuss.

Sincerely,
Town Council of Gander


Percy Farwell
Mayor

PF/sm

Pc Council
 D. Chafe, Chief Administrative Officer
 G. Brown, Director of Finance/Town Clerk

