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Legislative Assembly of Manitoba

STANDING COMMITTEE

on

LAW AMENDMENTS

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Chairman
Mr. P. Eyler
Constituency of River East

MG-8048

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Second Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON LAW AMENDMENTS
Tuesday, 5 July, 1983

TIME — 10:00 a.m.

LOCATION — Room 255, Legislative Building

CHAIRMAN — Mr. Phil Eyler (River East)

ATTENDANCE — QUORUM - 10

Members of the Committee present:

Hon. Messrs. Evans, Kostyra, Lyon, Mackling, Penner and Plohman

Hon. Mrs. Smith and Hon. Mr. Storie

Mrs. Dodick, Messrs. Eyler and Filmon, Mrs. Hammond

Messrs. Harapiak, Hyde, Johnston, Kovnats, Lecuyer, Malinowski, Manness, Nordman and Orchard

Ms. Phillips, Messrs. Santos, Scott and Steen

Presentations were made on Bill No. 89, An Act to amend The Landlord and Tenant Act, as follows:

Mr. R.G. Smethurst, on behalf of the Manitoba Landlords Association Inc.

Mr. S. Silverman, President of the Manitoba Landlords Association Inc.

Mr. L. Rosenberg, Vice-Chairman, Professional Property Managers Association

Mr. A.A. DeLeeuw, President of the Winnipeg Real Estate Board

Members of the Winnipeg Tenants Union:

Barbara Westcott (Summerland Tenants' Association)

Larry Tallman

Aileen Urguhart (Wolseley Tenants' Union)

Linda Chochinov

MATTERS UNDER DISCUSSION:

Bill No. 89 - An Act to amend The Landlord and Tenant Act

Bill No. 57 - An Act to amend The Cooperatives Act

Passed without amendment

Bill No. 73 - An Act to repeal The School Capital Financing Authority Act; Loi abrogeant la loi connue sous le nom de School Capital Financing Authority Act

Passed without amendment

Bill No. 76 - An Act to amend The Crown Lands Act

Passed without amendment.

* * * *

MR. CHAIRMAN: Order please. The Law Amendments Committee has some 13 or 14 bills to consider today. We also have a list of six delegations who would like to make presentations on Bill No. 89, An Act to amend The Landlord and Tenant Act.

What is the will of the committee on how to proceed? Mr. Penner.

HON. R. PENNER: Mr. Chairperson, I think, in accordance with usual practice, we should hear the representatives or delegations first and, following their presentations, proceed down the list.

With respect to the list, however, I discussed some matters with Mr. Mercier, the Member for St. Norbert, and am recommmending that Bill No. 14, which is at the top of the list, be dropped to the bottom. There may be some persons who wish to make representation and who have not been properly notified.

Bill 17 is not being proceeded with and following that, then, following delegations, we can start from 20 and go down the list unless other members of the committee wish to do it otherwise.

Had we started with dangerous goods at all? No, we hadn't. Yes, okay.

MR. D. ORCHARD: I believe we passed the last bill.

MR. CHAIRMAN: Mr. Mackling.

HON. A. MACKLING: We had started The Crown Lands Act and I would appreciate being able to complete that because staff is now with me. We had started discussion of it.

MR. CHAIRMAN: Is that agreed then? We will listen to the delegations, then continue with the remainder of 76, and then starting with No. 20.

In that case, the first person on my list of delegations who wishes to make a presentation to the committee is Mr. Sidney Silverman.

MR. S. SILVERMAN: Mr. Chairperson, I requested that Bob's matter should be first, and I'm shorter than he is and I'll be next to him. Just change the numbers. Bob's matters first and Sid Silverman second.

MR. CHAIRMAN: Mr. Robert Smethurst.

MR. R. SMETHURST: Thank you, Mr. Chairman, ladies and gentlemen.

I believe you have copies of the brief, or I have given them to your Clerk and they will be distributed to you. I am presenting a brief this morning on behalf of the Manitoba Landlords Association with respect to Bill 89.

First of all, Mr. Chairman, may I say on behalf of the Manitoba Landlords Association Inc. that the association was very pleased to see that the Government plans to amend section 103, subsection (4) by removing the discriminatory words "or his married

son, or his married daughter" and by substituting therefor the words "or any of his adult children."

You will undoubtedly recall that our association first brought this matter to the attention of the government some years ago, and have continually requested that this inequity be corrected. We were delighted to see that you are now choosing to do so and we support this proposed amendment. That's the good news.

The bad news is that we strongly oppose the proposed amendment to the act by the additions of subsections 103(4.1) to (4.4) inclusive. Our reasons for doing so are as follows:

Section 103(4) applies to all residential tenancy agreements including those with no predetermined expiry date, verbal tenancy agreements, those on a month to month basis and written tenancy agreements that expire on a predetermined expiry date.

As you are aware, section 103(4) gives the tenant a right to continue occupancy of the premises except where the landlord requires possession of the premises for the purpose of demolishing the premises or for the purpose of major repairs or renovations or where he requires the premises for his own occupancy or for occupancy by his parents or his adult children, if the proposed amendment goes through. Those provisions are stringent enough in that they interfere with a property owner's use of his own building, keeping in mind the fact that these provisions apply to all residential rental premises, whether they be apartment buildings, townhouses, or single family dwellings.

Proposed section 103(4.1)(a) requires the landlord to give at least three months written notice of termination in all cases, regardless of whether it is a month to month tenancy or an existing tenancy agreement; and in addition by Clause (b) the landlord must provide the Rentalsman with a copy of the notice. This subsection does away with the normal one months notice of termination that has applied to residential tenancies, except as provided in The Landlord and Tenant Act, and substitutes a three months notice in all cases including month to month tenancies.

We fail to understand either the need for or the rationale of the three months notice of termination. Furthermore, we cannot understand the new requirement that a landlord in all cases must provide the Rentalsman with a copy of the Notice of Termination. Why burden down the Rentalsman's Office with more paperwork? We understand they are already overburdened in this regard. In the majority of cases, there is no dispute when the landlord requires possession of the premises. Surely it would be sufficient to require the filing of a copy of the notice only when requested by the Rentalsman's Office, and this would be the case only when a dispute has occurred.

Next we come to subsection 103(4.2), the effect of which in conjunction with subsection 103(4.4) is to require the landlord to give the tenant two months free rent in all cases where the landlord requires the premises for his purposes. First of all, we have had the double standard whereby a tenant can move out at the end of a rental period or by giving 30 days notice where there is no predetermined expiry date, or if he is on a month to month tenancy, whereas the landlord can only obtain possession of his own premises for the specified reasons set out in section 103(4).

Now you are proposing that the tenant is entitled to two months free rent because he is going to have to move for one of the reasons set out in section 103(4). We submit that this provision is absolute nonsense and is completely unfair to the landlord. Why should a tenant who has a predetermined expiry date on a lease or who is occupying the premises on a month to month basis be entitled to receive two months free rent, simply because the landlord wants his own premises back for his own use or for his family's use? The proposed provision would extend a tenant's rights quite unreasonably at the expense of the landlord.

With respect to section 103(4.3), we believe we understand the rationale for this particular subsection which, we understand, is intended to give the tenant, once he has received notice from the landlord that the landlord requires the premises, the right to an early termination of the lease. In other words, because the landlord is terminating the tenancy, then the tenant has to make other arrangements for accommodation and therefore has the right to terminate the tenancy without the usual thirty-day notice.

However, frankly, having read Clause (a) several times, we have been unable to determine whether the wording as used in the draft, or in Bill 89, will have the desired effect. In particular, we direct your attention to the words "terminating the tenancy at any other than a time during the last two months during the tenancy agreement." We ask you what these words mean and how they would work in practice. Is it intended that the tenant, having received a notice of termination from the landlord, can only terminate the tenancy during the first month of the three-month period? Otherwise, he has to stay during the last two months of the tenancy agreement. In any event, the meaning is certainly not clear to us and perhaps should be reviewed.

This brings us to section 103(4.4), which we submit is another section that is completely unfair to the landlord, as is the case with subsection 4.2. Under the proposed subsection 4.4, if the tenant moves out in advance of the last two months of the tenancy agreement, the landlord would be required to pay to the rentalsman, on behalf of the tenant, two months rent for the premises.

Our comments with respect to subsection 4.2 apply equally to subsection 4.4. It is beyond our comprehension why a tenant on a month to month tenancy or whose tenancy agreement has a predetermined expiry date should be entitled to be paid an amount equivalent to the last two months rent. To require the landlord to pay a tenant rent for not occupying the premises seems ludicrous and completely unfair. It adds greatly to the present burdens of being a landlord and we submit will be one more major reason why many people will simply choose not to be landlords. The present climate for landlords is bad enough. If these subsections are passed into law, they will make it even less likely that adequate rental accommodation will be available for the public in Manitoba in the future.

While we do not accept the view that the landlord should be a second-class citizen with respect to his own property, as contemplated by the present section 103(4), nevertheless realistically we realize that the government would not agree at this time to the removal of section 103(4).

That being the case, we strongly suggest that the requirement set out in the present section, namely, that the landlord give the tenant at least three months written

notice that he is going to have to vacate the premises, should be sufficient notice to the tenant to look for and acquire other accommodation. We submit that anything in addition to the three months notice is completely unfair to the landlord, who after all has all of the other obligations of ownership, including his own investment in the property, whereas the tenant has no investment and on the other hand has the right to move out at the end of the lease or on thirty day's notice without any other obligations.

Before leaving the subject of the proposed additional subsections 4.1 to 4.4 inclusive, we would like to add the following observations:

1. The Government of Manitoba, in its wisdom in approving the present provisions of The Landlord and Tenant Act has stipulated that tenancy agreements should contain certain provisions; as a matter of fact have specified a form of tenancy agreement to be used in all residential tenancies. However, having done that, the Government of Manitoba is now, by its own legislation, stating that in certain circumstances, the terms of the tenancy agreement must be changed and the provisions contemplated by subsections (4.1) to (4.2) inclusive, are to be substituted in place of the terms of a written agreement that had earlier been agreed to by both the landlord and the tenant. Surely it is wrong for the government to counsel the parties to an agreement that the terms of the agreement are not to have any effect and instead are to be replaced by certain new provisions in The Landlord and Tenant Act. In effect, the government is telling the parties to the tenancy agreement that the terms do not apply and are being supplanted by the new provisions of the act. The effect of this is to negate the terms of the tenancy agreements.

2. As you are undoubtedly aware, under the existing legislation by provisions of section 103(4)(g), the Government of Canada, Manitoba, municipalities or any of their agencies were exempt from the requirements of section 103(4) requiring the giving of notice to tenants that their tenancies were being terminated. We were pleased to see that the government now proposes to delete this exemption and intends to provide by section 103(4.5) that the governments or their agencies are subject to the same requirement giving notice where they wish to terminate the tenancy agreements.

However, interestingly enough, we see from the proposed legislation that although governments are now required, or would be required to give notice to the tenants, they are not under the same obligation to give the tenants two free months rent that an ordinary landlord would be required to do under the proposed legislation. We fail to understand why the government should be in any different position from an ordinary landlord in this regard and we suggest to you that this is further confirmation of the fact that the government is unfairly treating private sector landlords in this proposed legislation.

The third and last point that we would draw to your attention, with respect to these sections, is the effect on the landlord of subsection (4.4). If the tenant chose to move out during the third month prior to the end of the tenancy agreement, then the effect of subsection (4.4) would be that the landlord would not only lose the last two months rent for the premises, but he would have to pay the tenant two months rent. Thus, the landlord would be out of a total of four months rental. Surely the government, even with all its biases in favour of the tenants, cannot intend such a drastic consequence to a landlord under these circumstances. I can think, Mr. Chairman, and ladies and gentlemen, of many types of cases of tenancy agreements where they are for shorter periods of time, where people rent out their premises knowing, for example, that they may be returning to the city after a period of time. The proposed legislation draws no differences in any of these types of agreements and it applies it to all tenancy agreements, clearly overriding the expressed wishes of the individual and requiring, in certain cases then, the fact that a landlord would be penalized by having to not only give them two months free rent at the end of the period, but to pay this two months rental in the case of certain other types of agreements. In short, we submit that these proposed amendments are unconscionable and should be withdrawn.

With respect to subsection 103(5), we point out to this committee that the government proposes a number of important changes, which once again we submit, extend the obligation of the landlord too far. We agree with the basic premise of the subsection; namely, that a landlord who improperly terminates the tenancy should be penalized. However, we suggest that some of the proposed changes are unreasonable.

First of all, with regard to clause (c), we suggest that the substitution of a minimum one year tenancy by the landlord or his family in place of the present provisions that requires the landlord to occupy the premises "for a reasonable time" makes the clause unduly restrictive. It is easy to imagine that circumstances could occur, such as a death in the family, a job transfer to another location, etc., that might occur after the landlord or his family have moved into the premises. The wording of the present subsection 5 would allow the court to take those circumstances into consideration because that would be an occupancy for a reasonable time. However, under the proposed subsection 5, the court would not be able to consider those extenuating circumstances leading to the landlord or his family moving out within that one year period. Instead, the landlord or his family in such circumstances would be guilty of an offence and liable to a fine. That is one of the difficulties in fixing a specific period of occupancy. We suggest that it is better to leave the present provision of "a reasonable time" as set out in clause (c) of the present act.

There is a further subtle change proposed in subsection 103(5) and that is that the court will now also be obligated to order the landlord to pay to the tenant an amount equal to four months rent in the event that he is found guilty, and if he has failed to pay the two months rent required under subsection 103(4.4). We have already made known our objection to subsection 4.4 and merely point out that the present provision, giving the court discretion - in that I'm talking of the present provision in the act as it now stands - giving the court discretion is preferable to the mandatory provision contained in Bill 89. The landlord, I just refresh your memory, is of course liable in the event of being found guilty to a fine of up to $1,000.00. Now this would be adding an additional four months rent that he would have to pay. The present act contains a provision of one months rent and just gives the court

the discretion to award one months rent to the tenant where deemed necessary or advisable.

Further, we submit that the increase from one months rent to four months rent is completely unreasonable in that it is double the amount of free rent payable to the tenant as proposed in subsection 103(4.4). We fail to understand the rationale for a tenant being entitled to receive double compensation in a situation where a landlord fails to pay a stipulated amount to the rentalsman.

Mind you, we once again stress that our major objection here is to the proposed subsections 4.2 and 4.4.

Mr. Chairman, Ladies and Gentlemen, that concludes our remarks with respect to the proposed amendments to The Landlord and Tenant Act as contained in Bill 89. However, there are two other items with respect to The Landlord and Tenant Act and the regulations to which we would like to draw your attention. Both of these matters have been referred to in earlier briefs which we have submitted to the Minister responsible for the administration of the act, but which we note are not contained in the proposed revisions.

The first point is the recommendation that section 84, subsection 1 be amended to allow a landlord to require a security deposit up to one months rent instead of the present allowance of one-half months rent. It is our submission that the present restriction of one-half months rent is not adequate in today's circumstances. Frequently landlords are faced with repairing damages far in excess of the one-half months rent. To the extent that the allowance may be increased, a landlord would be able to better protect himself against the negligent or uncaring tenant.

The second point we would like to draw to your attention is the present requirement set out in the regulations which requires the landlord to pay interest on the security deposit and I believe the present rate is 9 percent per annum. Due to the recent drop in interest rates, the banks are presently paying substantially under 9 percent per annum on deposits and therefore it is our recommendation that the interest rate payable on security deposits be reduced, we're suggesting, 5 percent or some suitable amount that is more in accord with present day conditions.

In conclusion, Mr. Chairman, Ladies and Gentlemen of the committee, I wish to thank you for the opportunity given to us today to present to you this brief outlining the views of the Manitoba Landlords Association. If we can be of any further assistance with respect to the proposed amendments, we offer you our services.

Thank you.

MR. CHAIRMAN: Are there any questions for Mr. Smethurst?

Mr. Storie.

HON. J. STORIE: Yes, thank you, Mr. Chairman.

Thank you, Mr. Smethurst, for your comments. They're very much appreciated. I know that on a number of occasions I have met with the Manitoba Landlords Association and a number of their members, and had a number of the points that you've expressed to the committee today expressed to me personally.

I would just like to indicate that I will be responding to some of the comments that you've made in your brief today. I will be expecting to hear personally from representatives from the Landlords Association and certainly am willing to sit down and discuss some of the points that you raised.

MR. R. SMETHURST: Thank you, Mr. Storie.

MR. CHAIRMAN: Mr. Filmon.

MR. G. FILMON: Thank you, Mr. Chairman.

I just wonder if Mr. Smethurst could indicate, in your reading of the act with respect to the compensation - two months rents - for requiring a tenant to vacate the premises, is there any provision for exception? In other words, if there is a specific case of somebody going away on a sabbatical or being transferred away from the province, or from his home for a period of time of say a year, and they know that they're coming back, will this apply to them, or is there anything in there that might exempt them from the requirements?

MR. R. SMETHURST: As I read Bill 89, Mr. Filmon, there is no provision that would provide for any exceptions. It would seem that it applies to all tenancy agreements. In The Landlord and Tenant Act the definition of tenancy agreement includes all agreements whether written or verbal. So it would apply to month to month tenancies, those with a predetermined expiry date, those with no predetermined expiry date and so on. As I say on reading the sections I see no exceptions to the provision that I've set out in 4.2, or 4.4. That's one of the things, of course, that concerns us.

MR. G. FILMON: Mr. Chairman, as well I wonder if I could ask Mr. Smethurst in bringing in rent control legislation one of the provisions that the government pointed to with pride was that there was an incentive for people to upgrade and renovate their properties and not allow it to decay as has occured in many rent control situations in other centres in North America. That incentive was, of course, that after having renovated the property that the landlord could then achieve a period of time in which they were free of rent controls up to five years. Do you feel that this provision of having now to pay to the tenant two months rent in order to get the property back, in order to renovate it and upgrade it, is going to be a disincentive to this and cause properties to deteriorate?

MR. R. SMETHURST: Mr. Chairman, I certainly would agree with the suggestion that it would be a disincentive.

I point out to you that the association which I am representing here today is basically an association of small landlords. When I say, small, I don't mean in stature, but rather small in the size or the numbers of units that are under their individual control. We do have some members of the association who have fairly large blocks, but for the majority they are the smaller landlords.

Obviously, if you are going to impose on them a requirement that in all of these circumstances that they are having to give free rent for two months, and then in some cases where they are wanting to take over the premises for major renovations or for their own use, they are not only going to have to give these persons

two months free rent, but as well they are going to have to pay them an additional two months. Then, of course, you can appreciate that we're talking in fairly large amount. Any amounts that have to be paid out are out of the pocket of the landlord. He or she, therefore, is going to have that much less money available for the purpose of improving the premises and making them suitable for continued occupancy.

I point out to you as well, and this is a point that was not touched on in the brief, but there are many cases where landlords have financing arrangments, mortgage arrangements, which may be based partly on the terms of leases that they have in effect on their properties. You can appreciate again that this is going to further weaken the position of the landlord, because of the fact that he may, at some time, lose the last two months rent that he was expecting to receive and dgain in certain cases might be required to pay out that additional two months. So there is a possibility of four months rent. If a person is paying $300 a month, that amounts then to a possibility, in effect, he is foregoing of $1,200, either out of his pocket directly or by means of free rent.

MR. G. FILMON: Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Storie.

HON. J. STORIE: Mr. Smethurst, could you give us perhaps some idea of the number of instances where particularly section 103(5)(c) would affect landlords? How many instances of a landlord requiring the premises for the use of their adult son or daughter over the past year, say?

MR. CHAIRMAN: Mr. Smethurst.

MR. R. SMETHURST: I don't think I have any of that information available, Mr. Storie. I don't know whether the association does or not. I can certainly inquire. If we do have any statistics available, we'll be happy to make it known.

HON. J. STORIE: I would appreciate that. Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Santos.

MR. C. SANTOS: On Page 10, Mr. Smethurst, of your submission, you say that the interest rate prevailing in the banks is sometimes lower than the statutory interest rate that is provided here, which is 9 percent. Would you be agreeable, let's say just for an example, if the rate be adjusted as a floating rate, whatever is the prevailing rate in the banks?

MR. R. SMETHURST: Yes, I would think so, Mr. Santos. What we're getting at is that it is fixed right now, I believe. It is requiring, in effect, the landlords, if I understand the regulation correctly and I realize that isn't before you today in Bill 89, but I believe that the interest rate is a fixed rate and is higher than the banks now pay. So consequently, a landlord is now faced with, in effect, of having to add his own monies in order to make up that interest rate. He cannot take that security deposit and invest it and get the return that is specified in the regulations.

That is our concern. I think the amount should be whatever the banks are paying. The banks, I think, usually are fairly standard in this regard. If one bank changes their particular rate, then the others will follow shortly.

MR. C. SANTOS: Mr. Chairman, Mr. Smethurst certainly understands that the tenant has a leasehold interest, which is a kind of a property right of possession and other rights as well. If the landlord, let's say, for reasons of his own would like to occupy the premises, in effect the landlord is not only violating the contract but also invading the leasehold rights of the tenant. In that sense, the money that he has to pay out is in the form of a penalty for violation of that right, isn't it?

MR. R. SMETHURST: I guess you're taking the position that a tenant who has a lease for a period, or if in it's a month to month basis, has an inalienable right to continued occupancy. I guess that's where I would disagree with you, if that is in fact your assumption, Mr. Santos.

I think if a tenant with no investment at all - I'm speaking personally now, but I think that probably most members of our association would feel the same way, but if a tenant wants to commit himself, because don't forget he's committing himself by a contract, by a form of agreement, a tenancy agreement in a form that is stipulated by your government, and if a tenant commits himself to that period of time, that's the extent of his commitment really.

Now the government in its wisdom has extended that commitment by saying that a landlord has only the right to take back his own property under certain circumstances. That's where he wants it for demolition or for major renovations or for his own use or family use. So that's quite a restriction on an owner of property in the first instance.

Again keep in mind that this act applies to all types of residency, whether it's a single family dwelling. You may have your own dwelling and you may want to rent it out to somebody for a period of time, because you're going away, because you have other accommodation that you want to occupy for a given period of time. That situation is covered by this act just the same as the 200-suite apartment block. Again that's, I think, one of the problems with the legislation. It is that it lumps it all in together and says, in every case this is what applies.

Coming back to the main thrust of your question as I understand it, you're suggesting that a tenant does have this inalienable right to continued occupancy, subject to certain rights that are given to the landlord to take back his own property. I guess I would argue with that and say that I feel that the landlord, the owner of the property, who has an investment in it, whether it be large or small, but if it's a small investment, he has a large commitment and a future commitment either in connection with mortgage or other financing. I would think that would, to me anyway, appear to be, shall we say, a larger right than that of the tenant. I would think, therefore, that he should not be further penalized.

I would think that the present legislation as it provides for notice - and I don't take exception to the idea of

giving notice to the tenant so that the tenant has an opportunity to look for alternate accommodation. Present legislation covers that, and I don't think anything more than that is necessary.

MR. C. SANTOS: I have no intention to argue, but I am not assuming that the right of the tenant to hold possession of the leased premises is inalienable. All right is defined by statute. Precisely, that is what the statute is doing, is trying to define the limits of both the rights and the tenants in a way that the government or the state thinks is just and equitable considering the unequal economic situation between the tenant and the landlord.

MR. CHAIRMAN: Are there any further questions for Mr. Smethurst?

Mr. Filmon.

MR. G. FILMON: I wonder if Mr. Smethurst could comment on whether or not he feels that landlords and tenants are always in an unequal economic situation, or are there some instances in which people who are renting premises are in fact in better economic circumstances than the people who own the premises, but they just prefer for their own purposes not to make an investment in property, but to rent.

MR. R. SMETHURST: I'm sure that's the case. I can think of many apartment blocks in Winnipeg that are occupied on a rental basis by persons with substantial personal assets. I know of many people, I'm sure all of us in the room know of many people that would fit into that category. Again, that's one of the dangers of generalization in such matters; that it's applying it to everybody, whereas it's not everybody really that needs a protection through statutes such as this.

MR. CHAIRMAN: Any further questions?

Seeing none, I would like to thank you on behalf of the committee for making your presentation today, Mr. Smethurst.

MR. R. SMETHURST: Thank you, Mr. Chairman, ladies and gentlemen.

MR. CHAIRMAN: Mr. Sidney Silverman.

MR. S. SILVERMAN: Firstly, I would like to say good morning, Mr. Chairman, members of the committee. You probably all know that my name is Sid Silverman. I hold the position of the President of the Manitoba Landlords Association.

I am opposed to the following amendments, namely, 103(4.1)(a) and (b), 103(4.2), 103(4.3), 103(4.4) and 103(4.5).

I personally feel that they are preposterous and grossly unfair. It is unbelievable to even think that this government would come up with such amendments as these! It appears to me that the government must have hired a neurologist to find a person with such a brain as to think up these amendments! What institution did you find him in?

Why is government housing exempted from these regulations which govern only the private landlords? Why pick on the private landlord? Not only is The Landlord and Tenant Act biased and one-sided, but the officers of the Rentalsman are advising tenants how to get out of tenancies without proper notice, without paying the landlord, how to break a lease and how to get out of moving after receiving a notice. The Rentalsman holds hearings and runs like a "kangaroo court" and sets himself up as judge and jury and acts as "The Lord High Executioner."

Lately, new officers have been appointed who are giving wrong information to both landlords and tenants. In addition to the harassment by more senior officers, the landlord is forced to go to the court and to a great expense and loss of time in order to obtain possession of his premises.

Under the present act, the tenant can do no wrong. As a result, the government came up with the above amendments, compelled the landlord to pay the tenant two months rent in cash, because the tenant is innocent and he has done nothing wrong.

Ladies and gentlemen, when did you hear that the landlord should have to pay money to a tenant for being good? I've been good all my life. Nobody paid me 5 cents. Why should we have to pay a tenant two months rent?

However, I differ with the government in the manner that we have to pay the money to the tenant. I would recommend instead of sending the money to the Rentalsman that the landlord should take the money, put it in a leather bag, deliver it in a silver tray, and surround the money with a number of bottles which we call schnapps. Yes, I think that would be more proper.

This government is committed to do better than the Government of USSR. The Russian Government expropriated homes belonging to private landlords and gave them to the working class. This government forces the hard-working landlords to lose their properties, and then the government gives them to the non-working class, namely, the welfare recipients. As a result, the performance of this government will not only make the national news, but also the international news in the action that they are taking.

On the subject of welfare, it is known throughout Canada that if anyone doesn't have a job or does not feel like working, he can easily obtain welfare in Manitoba. That is the place to go and most of the unemployed people from different provinces come here.

It appears to me that the government is trying to choke the landlord, bit by bit. They are controlling the landlord's income with rent controls and The Landlord and Tenant Act, and now they want to give the tenant two months free rent. No other business is expected to subsidize their customers. If the government wants to run the landlords' business, why don't they buy the landlords' properties. Of course, we'll sell it to them wholesale. They don't have to worry - cheap, very cheap - and they can run the business as they see fit, whether they can give it away or charge the tenant rent or whatever they wish to do.

At the present, they are depriving the landlords of their livelihood. At the present time when the landlords give their tenants notice to vacate, many tenants cease to pay rent and try to defraud the landlord of their rent which is rightfully due to them, and the landlords must seek court action to recover their rent.

Now the government is passing laws to legalize fraud and cheating by tenants. The tenants are doing it now

without the blessing of the government. They know all the tricks. They are know to us as the "professional tenant."

The landlords are not going to stand idly by and see their investments being undermined and destroyed by a cold bureaucratic government.

Since this affects me as well as other landlords, if these amendments are passed, I shall use every cent I have to fight them, right up to the Supreme Court of Canada and seek justice as I have nothing more to lose. There certainly is no justice for landlords in this Province of Manitoba.

This, ladies and gentlemen, is not a threat. This is only advice.

I also will say should I run short of money, you'll see me making an application for a grant and I'm sure that you will grant me the grant because it's a good purpose, is to take the government to court.

Thank you, ladies and gentlemen. If you have any questions, I'll be glad to reply to them.

MR. CHAIRMAN: Are there any questions for Mr. Silverman?

Mr. Santos.

MR. C. SANTOS: On the first page about the sixth paragraph. It seems to me this is an accusation which requires some proof, that the officers of the rentalsman are advising tenants how to get out of the tenancies without proper notice . . .

MR. S. SILVERMAN: Correction.

MR. C. SANTOS: I'm just reading, Sir, your paragraph. Without paying the landlord, how to break a lease, how to get out of moving after receiving a notice. Is there any proof that Mr. Silverman wants to offer this committee?

MR. S. SILVERMAN: Well, did I ever lie to you before?

MR. C. SANTOS: Mr. Chairman, he has not lied before, because I had not asked him any question before, but I'm asking for proof, I'm not asking whether he is lying or not.

MR. S. SILVERMAN: If you're asking for proof, we haven't got it on tape, but in many cases the rentalsman's office suggested, don't move, wait until the landlord is going to take you to court. Now I think this is unfair to give such advice to the tenant, that he should stay there until he gets an eviction notice from the court. When a tenant comes to the rentalsman, he is treated well and he has always been right. He has the first word, the last word and all the words inbetween, and the landlord has no rights whatsoever. I can at any time specifically bring evidence of the statements that I have made.

MR. CHAIRMAN: Mr. Storie.

HON. J. STORIE: Mr. Silverman, I recognize that you have some strong feelings on this. I would just have one question. I wonder whether you would agree that providing three months notice was a necessary and a good thing to tenants who are vacating under the provisions of this section.

MR. S. SILVERMAN: Well, if I would go on record to say that if there is a tenancy agreement, there is no question that the tenant is to be given three months notice prior to the expiration of the lease. A lease, to my opinion, is a legal contract and once a tenant and a landlord sign this particular document, they are obligated to comply with everything that is stated in that lease.

So, therefore, it requires now that the landlord is to give three months' notice to the tenant, and the tenant has a month to make a decision and if he does not accept it, to give two months notice to the landlord. I think this is pretty well fair. If there is no agreement and if the tenant does not want to get into a lease or an agreement with the termination date, I think that both the landlord and tenant have a right to make that decision and run this on a month to month basis where it affects the tenant at the same level as the landlord. If the landlord wishes to give notice, he can give a full months notice. If the tenant wishes to give notice, he can give notice to the landlord - a month.

Now what's wrong with that? We make an agreement, we should abide by the agreement. Why should I make an agreement with the tenant for one full month and all of a sudden, well, I have to give you three months' notice, and basically you have to reply to me in 14 days and if he makes the decision within 14 days that he's going to move, the landlord under the new amendments will have to dish out two months' rent and give it to the tenant.

Now what happens if he has two tenants a year for the same premises, or three tenants? According to the way I read it - and you gentlemen can correct me if I'm wrong - then he'll have to pay every tenant, because they are new tenants. They are going to come in, stay a couple of months and what will happen if they receive a notice? What they'll have to do is that the landlord will have to pay them.

Okay, where there is a lease with a termination date under the lease that the tenant wishes to vacate the premises, then he has a right to sublet that suite. Now the question is going to remain, to who is the landlord going to have to pay the money? The first tenant? The second tenant? Or maybe the other tenant will sublet to a third tenant? We've had cases where there were two sublets within the year. It's all going to be a mixed-up affair.

If you want us to give tenants money, just say so. Every tenant is going to move in, give him two months free, or give him at the end of the termination contract, whatever contract you make, give it to him. It's so unfair. I can't imagine how anybody can come up with these ideas as to pay somebody money that he does not deserve. Ladies and gentlemen, you tell me why does any tenant deserve that we should give him two months' rent free, why? Do we get anything free from the city in realty tax? Do we get it from the Greater Winnipeg Gas Company? Do we get it from the Water Works Department? Do we get it from the insurance? Where do we get money? Who will pay us whether the premises are vacant, or the premises are occupied? I question that?

Everybody has a right to increase whatever they wish. Greater Winnipeg Gas Company, 1982, 33 percent; the insurance 20 percent; the Greater Winnipeg Water Works increased again 18 percent; the City of Winnipeg, although they keep now the realty tax a little less than usual, but then there's a school tax that they increase as much as they want. Everybody can increase as much as they want. Now we are limited to 8 percent.

Sure you've given us the privilege of making application to the Rent Regulation Bureau. Did you have it up here, any of you up here before the Regulation Bureau? Most of the time, I say most of the time, you're wasting your time. I have appeared there not only once, not only twice, but dozens and dozens of time. I haven't seen where the Rent Regulation Bureau is being fair.

We are talking about renovation. If you made renovations under The Rent Regulation Act any repairs you do to your building depends on what we say - capital expenditure. For an example, if you repair or spend $5,000 on a roof, and then you come up with a figure to the Rent Regulation Bureau and you say I spent 5,000 on the roof, and 2,000 for this, okay, so they take it apart. The roof is for five years, you only get $1,000.00. In the meantime, the landlord has paid out cash to the contractor and if he has to borrow the money he pays interest. The Rent Regulation Bureau doesn't look at that. It's capital expenditure.

You buy a fridge, six years, five years, by the time they get through with you you're under the same guideline, 8 percent or 9 percent. It was 9 percent, now it's 8 percent. Well, in some cases they give you 9.5 when they see you're really in a deficit position, where you are just about to lose your properties. There has been exceptional cases where the bureau has increased, a few landlords they've increased over and above the allowable 15 or 16 percent, but they're very limited, they're very few.

Speaking of repairs, these days to do any repairs, so in other words the interest that the landlord pays for obtaining the money to do the repairs, actually even if the bureau gives him an extra 1 percent or 2 percent, the interest is lost because the Rent Regulation Bureau doesn't look at the interest rates that he has to pay, only whatever he spent actually, but contractors don't want to wait five years for the work they have done, they request to get paid upon completion.

MR. CHAIRMAN: Are there any further questions?

Seeing none I'd like to thank you on behalf . . .

MR. S. SILVERMAN: I want to just make a small statement.

A MEMBER: Not political.

MR. S. SILVERMAN: I must leave you with that. One of our members passed away and he came to heaven, and they asked him his trade, and he says he's a landlord. I've got some news for you, they sent him back; they said go back suffer some more. We've been suffering quite a bit and I ask you, ladies and gentlemen, that I'd like to see these amendments rescinded if you feel that the landlords have a place to play in this community, but if you wish to destroy them, pass these amendments and you'll find out.

Thank you.

MR. CHAIRMAN: Thank you, Mr. Silverman.

The third person on my list is Mr. Tom Smith.

Mr. Lewis Rosenberg.

MR. L. ROSENBERG: Mr. Minister, committee members.

The Professional Property Managers Association welcomes this opportunity to comment on some of the changes proposed in Bill 89, An Act to amend The Landlord and Tenant Act.

The Professional Property Managers Association is an association whose membership includes 20 property management companies with responsibility for the management of more than 26,000 rental units in Winnipeg ranging in size from small structures with less than six units to high rise apartment blocks. We are concerned with the changes proposed in Bill 89 with respect to the termination of tenancy. We believe the proposed changes will make the landlord and tenant legislation unnecessarily rigid and might even have the effect of working at cross purposes with other provincial initiatives in the areas of renovation and job creation.

Under the current Landlord and Tenant Act, three months notice is required to terminate an annual lease at the end of the lease period unless the tenant is in violation of the lease. There are only three reasons which allow the property owner or manager to terminate the lease. Demolition of the premises, renovation of the premises where such renovations are of a nature that cannot be done while the premises is occupied, or occupancy of the premises by the owner or his family. We are of the opinion that the provision requiring three months' notice is adequate and gives the tenant ample time to make other arrangements.

We would also point out that the current Landlord and Tenant Act, subsection 103(9)(a), allows for mediation by the rentalsman of disputes relating to continued occupancy, thereby providing additional recourse, if warranted, by special circumstances. That same power to mediate will continue to be present in the act in somewhat broader form according to the wording of the amended subsection 103(9) proposed in Bill 89.

However, Bill 89 also proposes that property owners should automatically have to compensate tenants by providing two months free rent or two months' rent in cash at the tenants option after 14 days when exercising their option to terminate an annual lease three months prior to the lease period. This proposed amendment implies that hardships are created when leases are not renewed, when in fact only a handful of cases have any difficulty at all with the current application of the legislation. Traditionally, property owners and managers have bent over backwards to help those for whom the current process poses problems. In addition, we have already noted that there is ample scope to address these issues within the general mediation provisions of The Landlord and Tenant Act.

The negative consequences of the proposed amendment requiring automatic compensation could be substantial. As you are aware, the Residential Rehabilitation Assistance Program, known as the RRAP program, a joint effort of all three levels of government,

seeks to create employment through renovation of older rental housing units and apartments. If an owner wishes to take advantage of this program, create jobs and improve the overall conditions of the housing stock in Winnipeg, the proposed amendments will penalize him for doing so. The building trades have an abnormally high percentage of unemployment. It is recognized in the industry that renovation and rehabilitation is very labour intensive. Thus, the RRAP program was created as a job creation measure.

However, Bill 89 has the net effect of discouraging renovation and rehabilitation, thus becoming an anti-jobs bill. The Premier, just last week in the paper, stated that job creation was one of his most important priorities. However, the function of this act will be to discourage job creation as an aside; the average rent in these premises I have personally looked after, creating one of these programs, it's about $300.00. If half your tenants take the 14-day option and take the rent, and the other half decide to stay, you have to run the building for an extra two months; thus you're getting into an area where you're paying the tenants four months free rent.

The average cost of renovation is about $7,000 a unit; that's the maximum under the RRAP grant. So you're looking at about a 15 to 20 percent increase in the cost of renovation and rehabilitation. This is a serious increase. It's inflationary, as the new rents you will set - set by CMHC - will be increased and it's probably enough to make the projects unviable.

Equally, the current Rent Regulation Act encourages owners to rehabilitate and renovate. This was done to prevent what is going on in New York, in Paris and other cities where rent controls have been around for 30 or 40 years. The proposed Bill 89 will discourage owners from making such renovations in a number of cases because, as I have stated, it becomes uneconomical to do that. You're just raising the market rent that you have to get at the end of the renovations 15 or 20 percent.

Now, in the case of single-rental family dwellings, duplex property or condominiums, sales are often made to purchasers who wish to take possession for their own occupany. In many cases, leases are on a month to month basis agreed upon by the owner and the tenant in order to provide quick occupancy. To the extent that the proposed amendment impacts on those situations, it may very well impact negatively on the real estate market. This impact would be inflationary, so it would artifically increase the price of the affected home or condo by two months rent.

This amendment would also restrict the rights of homeowners if they wish to rent out their own home for a year or so to go on sabbatical, vacation, medical leave or temporary job relocation. On return, they would have to give the tenant two months free rent on top of three months notice. So when you get back into town, you'd have to give your tenant three months notice instead of one month if you are on month to month, move into a hotel and then give the tenant two months free rent. This would seem to be a very severe intrusion on property rights and the rights of owners to live in their own property.

Because of the negative impact on the proposed automatic compensation amendment is likely to have on job creation, upkeep of the housing stock, inflation and the homeowner's right to live in his or her own property, and because existing provisions already allow for mediation of true hardship cases, we would respectfully request the government to reconsider the amendment in question.

MR. CHAIRMAN: Are there any questions for Mr. Rosenberg?

Mr. Storie.

HON. J. STORIE: Thank you, Mr. Chairman. Mr. Rosenberg, you're of the opinion that agreements of the kind you were mentioning, whereby an individual would rent his premises for a specified period with the understanding that he would be back in a one or two year period, that it would not be possible for him to provide a tenancy agreement with a fixed date with the acknowledged provision that it is non-renewable?

MR. L. ROSENBERG: There is no provision in the amendment for that or in The Landlord and Tenant Act. The way it reads, you have to give them three months notice. Say you're in Ontario at a job and the job is finished, you don't know exactly when it will be finished; you come home, you have to give them three months notice in writing and you have to pay them two months rent. That's the way it reads.

HON. J. STORIE: I have asked staff whether that was possible. They have informed me, providing that there is a definitive agreement with an understanding that it is a non-renewable type of arrangement, that would not necessarily be so. Certainly, I would indicate that was not the intention . . .

MR. L. ROSENBERG: Well, then, are landlords allowed to make non-renewable agreements with tenants under The Landlord and Tenant Act? I don't see how that is possible.

HON. J. STORIE: Mr. Chairman, I would just indicate that the intention was to provide a degree of compensation, I suppose, to those situations where the tenant, in the first instance, was expecting to move into a premise with the right of renewal, with the right of continued occupancy. So if there are wording changes which would clarify that, or alternative amendments, then we'll certainly be prepared to look at that. I expect that I will have an opportunity to meet with your group prior to presenting any amendments to the bill that's before us today.

MR. CHAIRMAN: Mr. Filmon.

MR. G. FILMON: Thank you, Mr. Chairman. Mr. Rosenberg, in speaking to the bill on second reading, the Minister indicated that the principal reason for these amendments and the compensation clauses was the hardship that is created on long-term tenants, and particularly elderly people, in having to pick up and move.

Would you feel that the legislation would make more sense if it had some provision for taking effect for tenancies that were long-term, and certainly you could define better than I what is a reasonable length of term,

whether that be three years or five years or whatever, or something of that nature that restricted it to those people for whom it would be a hardship to pick up and move on short notice, rather than having such a broad sweeping provision that now applies to any tenancy, whether that be a month to month, one year, or whatever.

MR. L. ROSENBERG: We would have to set up a means test for tenants, to quote the former Prime Minister of Canada. Certainly, there can be hardships for long-term elderly tenants, and most of our members; in fact, all of our members are responsible property managers, and in those circumstances have bent over backwards helping these people to move. I know our own company has paid for moving vans and looked after the tenants.

I think that the act with the provisions for the Rentalsman to mediate disputes in this nature has already looked after this provision. To broadly give everyone two months free rent, month to month transient tenants included, it's absurd.

The members of our association have always felt that we are not in an adversary position with our tenants, but we are their property managers. We look after the care and the maintenance of their homes. We look for long-term relationships, because they make more sense to have a stable tenant population. We do look after them now, and the present Landlord and Tenant Act looks after special circumstances.

MR. CHAIRMAN: Are there any further questions?

Seeing none, I would like to thank you, Mr. Rosenberg, on behalf of the committee for coming here today.

MR. L. ROSENBERG: Thank you.

MR. CHAIRMAN: Mr. Bert DeLeeuw.

MR. B. DeLEEUW: Mr. Chairman, ladies and gentlemen, as President of the Winnipeg Real Estate Board, I appreciate this opportunity to appear before you to present our views concerning Bill 89, An Act to amend The Landlord and Tenant Act.

The Winnipeg Real Estate Board, established as the first Real Estate Board in Canada in 1903, is made up of some 1,600 registered real estate brokers and salesmen in the City of Winnipeg. Among its objectives are the following:

To safeguard and improve the conditions of home ownership;

To encourage an atmosphere which will attract investment in real estate;

To protect real estate against the undermining of values; and

To assist in the development of metropolitan Winnipeg and its environs in a manner designed to promote the prosperity and well-being of the metropolitan area and its inhabitants.

The Manitoba Real Estate Association, to which all our members belong, has a part of its objectives the following:

To advocate and promote the enactment of just, desirable and uniform legislation affecting real estate throughout the province; and

To encourage and protect the rights of private ownership of real property.

In reviewing Bill 89, it is clear that the suggested amendments to The Landlord and Tenant Act are contrary to the objectives of our associations, and we hope that you will consider our comments and recommendations as positive concerns for the preservation of fair and equal legislation for the rights of property owners.

The thrust of the proposed legislation appears to be the giving of notice and compensation to a tenant when a landlord requires possession of the rented premises for demolition, extensive renovation and occupancy by himself or members of his immediate family. It is our view that the existing legislation is adequate in most respects for the protection of tenants and ensures that they are not required to vacate the rented premises unreasonably. Therefore, no extension of their rights is necessary.

Section 103(4) of the existing act presently requires, under subsection (e), that the occupancy of the rented premises must be for the landlord, his parents, his spouse's parents, or his married son or married daughter. The suggested amendments would substitute "or any of his adult children" for "his married son or his married daughter." This would appear to be a reasonable amendment.

This subsection further states that, provided occupancy by the landlord is required for any of the allowable reasons, either 30 days or 90 days notice must be given to the tenant to vacate depending upon whether or not the tenancy agreement has no predetermined expiry date or where a tenancy agreement is or is not in writing, as the case may be.

It is our belief that, except in very rare or unusual circumstances, the present prescribed notice is adequate and the experience of members of our association would not suggest that the rights of tenants are unduly prejudiced. Proposed amendments to the act would require a minimum of three months written notice or termination of the tenancy, whether or not the lease was oral or written, whether or not it has a predetermined expiry date or whether it is on a month-to-month or long-term basis.

The giving of three months notice in itself, where it is not required under existing law, we believe, is an unnecessary and unrealistic extension of the existing regulations. The further suggestion that a tenant should also receive compensation in addition to lengthy notice is not only unrealistic, it is punitive.

The amendments suggest that where proper notice to vacate is given, a tenant will enjoy the last two months of tenancy rent-free and, in addition, should he voluntarily vacate the premises within 30 days of receiving notice to vacate, the landlord shall pay to him the equivalent of two months rent. This requirement suggests that the tenant has some kind of inalienable right to continuous occupancy and must be compensated for the inconvenience of being required to give up that right. No other class of tenant (office, commercial, etc.,) enjoys such consideration, in our view, neither should the residential tenant.

Whereas The Landlord and Tenant Act applies to all residential tenancies, the effects of the proposed amendments may differ, depending on whether the affected premises are single-family dwellings or multi-unit apartment buildings. We will attempt to identify these ramifications to the proposed amendments, depending upon the style of property involved.

With regard to single-family dwellings, before proceeding with any further comments, we believe that it is fair to say that no tenant believes or has reason to believe that his tenancy in any rented premises is without termination. Webster's New Collegiate Dictionary defines a tenant as "one who has the occupation or temporary possession of lands or tenements of another," and the same source defines tenancy as "the temporary possession or occupancy of something (as a house) that belongs to another."

The point we wish to make is that, unlike a person who owns his own home and therefore has the right to occupy it for as long as he wishes, a tenant occupies someone else's property, knowing full well that the time may come when he may be required to vacate it. As a matter of fact, there are a number of lease agreements prepared where the tenant knows in advance that his tenancy is limited to a specific period of time and will not be extended beyond that time.

There are many examples of this type of situation, but perhaps the most common are those in which an owner will be away from the city for a predetermined length of time and will require to take possession of his own home upon his return. Let us take the example of a university professor who takes a year's sabbatical and wishes to rent his home for the period that he is away, and advises his proposed tenant that the tenancy agreement will expire upon his return. Proposals under Bill 89 would require that, despite the knowledge beforehand of the limited tenancy and even with three months notice of termination being given as presently prescribed, the owner would be obliged to provide the last two months of occupancy rent free, or could be required to pay the tenant the equivalent of two months rent if the tenant voluntarily gave up possession prior to the date given under the notice. This would, in fact, put a severe financial burden on the owner in that there would not only be no income to cover mortgage and other regular monthly payments, there would be the cash outflow equivalent to two months rent. The net effect would be the loss of four months rent.

We would like to suggest another situation that causes grave concerns involves the sale of a single-family residence where the property is tenanted, and the purchaser wished to take possession of the property for himself or other direct members of his family. We believe that the imposition of the amendments contained in Bill 89 could increase the purchase price or cash required to purchase by as much as 2 percent. It is generally accepted that the rental value of a single-family dwelling is roughly 10 percent of the market value. That is to say that a house worth approximately $50,000 on the market would command a yearly rent of approximately $5,000.00 Because notice of termination of a residential lease must be given by a purchaser, he could be obliged to pay the tenant something in excess of $800 in the event that the tenant voluntarily vacated the premises as presecribed. In the same instance, the vendor would lose the two-months rent that he would have otherwise collected if closing date was three months beyond date of giving notice by the purchaser.

In making this observation, we admit to being unsure if section 113(6) exempts the provisions of section 103(4.1) to (4.4). Section 113(6) allows a purchaser to give only 30 days notice to a tenant where he plans to occupy the premises himself. This then would give preferential treatment to a purchaser who wishes to occupy a home over someone who had previously owned a property and wished to resume occupancy of it, such as in the previous example. We would, therefore, wonder in what way the tenant's rights are different if the home is to be occupied by a new owner or an existing owner who wishes to retake possession of his property.

When we review the proposed legislation as it affects the owners of apartment blocks, we are of the view that this legislation is inconsistent with other Federal and Provincial Government plans to encourage the upgrading and redevelopment of areas of substandard housing. In fact, the proposed amendments are in direct contradiction of The Residential Rent Regulation Act which encourages the refurbising of older and run-down apartment blocks by allowing rents to be adjusted according to the degree of renovations to be undertaken. It is our view that to require a landlord to give two months free rent to all tenants in order to demolish or substantially renovate the structure would be an impediment to such redevelopment and would be counterproductive of the espoused aims of this government.

It should be noted that in the instance where a tenant exercises his right to vacate the leased premises before required to pay the tenant an amount equal to two months rent, that combined situation has the effect of a loss of four months rent because, not only will the landlord lose the anticipated income, he will also have to pay out an equal amount.

We would like to suggest that there may, in fact, be some isolated instances where the elderly, infirm or impoverished may be placed in a difficult position and a long-term tenant may be inconvenienced by virtue of a landlord requiring occupancy. We believe that there are a far greater number of transient or short-term tenants who do not need the benefits of the proposed legislation. We are sure that it would be found upon investigation that in past instances where apartment owners have decided to demolish or substantially renovate their structures, their preferred tenants have been adequately taken care of.

We would also like to note the inconsistency in the drafting of the proposed legislation in that properties administered by or for the Governments of Canada or Manitoba or any agency thereof, notice of termination is substantially the same as presently exists in the act, and no reduction in rent or compensation to vacating tenants is provided. We find it difficult to understand how the rights of tenants and properties owned or administered by the private sector should be more favourably protected than those who occupy government housing.

Section 103(5) provides that a landlord who is guilty of an offence under this act is subject to a fine of up to $1,000 and, if the offence is a refusal to pay over the two months rent, then the amount to be paid over must equal four months rent. This, in our opinion, becomes a penalty upon a penalty, and is a further example of the punitive aspects of this bill.

We believe that the foregoing comments reflect our concerns over the effect that the proposed legislation will have on the real estate rental market. We do not believe that, in the vast majority of instances, tenants

are unreasonably inconvenienced by the requirement to vacate the premises in which they are living provided that they are given adequate notice. To require a landlord to relieve a tenant of the requirement to pay rent for the premises for which he continues to occupy and enjoy, or to compensate a tenant who voluntarily vacates a premises before he is required to do so is one further impediment to the upgrading of the standard of housing in Manitoba, and we would strongly recommend that all compulsory compensation as prescribed in Bill 89 be eliminated from the bill.

In a positive way, we would like to suggest that where a tenant believes that he may be aggrieved by a requirement to vacate, he may apply to the Rentalsman for an extension of possession sufficient to allow the obtaining of satisfactory, alternative accommodation. We would also suggest that instead of giving two months free rent or compensation equal to two months rent, a tenant may be permitted to terminate the lease any time within the three months notice and be excused from the balance of the leasehold agreement.

Mr. Chairman, ladies and gentlemen, we thank you for the opportunity to appear before you, and urge that you give favourable consideration to the concerns expressed in our presentation.

Thank you.

MR. CHAIRMAN: Are there any questions for Mr. DeLeeuw?

Mr. Storie.

HON. J. STORIE: Thank you, Mr. Chairman. Mr. DeLeeuw, I appreciate your brief, and I think you've made a number of substantive and constructive recommendations. I am interested in particular by the fact that you acknowledge that there are instances where tenants, long-term tenants, elderly tenants, are not only inconvenienced substantially by way of the fact they have to move, but there is also a certain degree of trauma attached with a move by, particularly, elderly people. I would suggest as well that there are many tenants with children in school who find a move at a particular time difficult because of the fact that they have to relocate and re-establish their children in a new school and that kind of thing.

In your wording, you suggested that property managers, that landlords in general recognize the cost in both terms to tenants by way of requiring them to move by asking them to vacate and, in your brief, you mention the fact that preferred tenants are looked after and I wondered what a preferred tenant is.

MR. CHAIRMAN: Mr. DeLeeuw.

MR. B. DeLEEUW: I can answer it, I believe, in this way. Our position is such that if it isn't broken, don't fix it. If there is a situation where a tenant is being unduly or harshly treated from the point of view of vacancy or being required to move, the proposed legislation should be to deal with specific instances and not an umbrella to cover everyone. In answer to your direct question, in my mind, preferred tenant would be a tenant that has occupied a premises for a long period of time under lease agreements and, in particular, applied mostly to apartment dwellings or multiple unit dwellings.

HON. J. STORIE: Well, in using your definition of preferred tenants, in terms of the problems that this location creates, is there any difference between a tenant who has been living in a particular unit for a year and someone who's been living in there 20 years?

MR. B. DeLEEUW: Not at all.

MR. CHAIRMAN: Mr. Filmon.

MR. G. FILMON: Mr. Chairman, I wonder if I could ask Mr. DeLeeuw if he would be satisfied, following on the recommendation that he has made, to have matters of compensation be referred to the Rentalsman's Office for decision with guidelines perhaps that would indicate that up to two months rent could be awarded, depending on the circumstances, so that we could avoid the case of specific tenancies of say a year or even two years, in which somebody is going away, being out of their home, and wanting to rent it out for a specific period of time, or any numbers of other things, rather than have a straight all-pervasive situation that exists in this act where there is no discretion, there is no opportunity to avoid it. It simply applies anytime an owner wishes to take back his property for any of the reasons that you have indicated. Would you be satisfied if the Rentalsman's Office had the power to adjudicate under these circumstances and could take into account all of the various factors in making an award?

MR. B. DeLEEUW: I would agree, Mr. Filmon. It's our belief that specific problems should be dealt with as opposed to in an all-encompassing amendment where the rule has to be dealt with on an individual basis, and as I take what you're saying, is that the exceptions should be dealt by exception and the Rentalsman should have the power to allocate certain amounts of rent, whether it be two months or three months rent, under hardship conditions.

MR. CHAIRMAN: Are there any further questions for Mr. DeLeeuw? Seeing none then, on behalf on the committee, I would like to thank you for taking the time to make a presentation to us today.

MR. B. DeLEEUW: Thank you very much.

MR. CHAIRMAN: The last group on my list consists of four people: Barbara Westcott, Larry Tallman, Ailene Urquhart and Linda Chochinov. Is there one spokesman for all, or are each one of you going to speak?

MS. B. WESTCOTT: We're all going to speak individually. My name is Barbara Westcott and I'd like to speak first.

Mr. Chairman, ladies and gentlemen, I haven't made an official brief and I came to speak specifically on an amendment that we would like to have included in this act, which is subsection 84(1). However, before speaking on that particular section, I would like to make a few remarks concerning the remarks that have been passed before by other people.

Concerning section 103(4)(1), I understand that the landlord has the right, or the proposed amendment is that the landlord would have the right to give the tenant

notice under (4)(c)(d) and (e). I understand that the proposed amendment is that the landlord can, or he does at the moment have the option to give notification to the tenant under 4(c)(d) and (e), and you are proposing that the three months notice should be given to the tenant.

One thing that comes to my mind, and a lot of people seemed to have overlooked, is the fact that ordinary everyday planning comes into the fact of whether or not the landlord would like to demolish his premises, renovate, or maybe put his family in occupany. Most people are on a month-to-month lease or 12-month lease and within this time, surely, the landlord could be a little bit patient and wait until the expiry of that lease before deciding he'd like to either demolish or renovate that premise.

103(4)(2) - We would like to concur with that particular point.

103(4)(3) - I agree with one of the previous speakers that this point needs clarificaton. There was some conflict between 14 days, and then on subsection (b), furnishing a copy of the notice to the landlord within five days of the date thereof; so I agree that needs some clarification.

103(4)(4) - Here again, the landlord can be patient and wait until the end of the tenancy agreement. He has no need to pay the tenant an amount additional to two months rent if you just surely wait until the end of the agreement. It's not putting any hardship on him to surely be patient.

Another point I would like to make that is related to these points and a lot of people seem to overlook. They talk premises of landlords and tenants, but what people seem to forget is that a person who is living in rental premises does not see this as a business. This is his home; and where it's a person's home, lots of other things should be taken into consideration before deciding to suddenly say, I'm sorry, you have to leave in two months. Certainly, monetary consideration should be given if the landlord should want to end that lease prematurely.

I believe it was Mr. Silverman - correct me if I'm wrong - who says that the Rentalsman's Office is telling tenants that they rightly or wrongly should stay in their rental premises until they receive an eviction notice. I know of many instances where the landlord evicts the tenant within the five days, and often the tenant feels so intimidated that rather than stay and fight what he feels is an unjust, and often is an unjust cause, he then takes flight and moves hurriedly out of his home in five days.

One of the consequences of this is that, quite often, when his new prospective landlord will then ask for a reference from his old landlord, he will then get an unfavourable one. This is something that I feel very strongly about. Why should the tenant have some sort of a black mark against his name when he's surely just been intimidated by the general bureaucracy?

I'm jumping about a bit now and I hope that you'll forgive me. There was a mention about roof repairs under The Rent Regulation Act as to some disagreement as to why the cost of, for example, a roof repair be spread over five years. I think that anybody who pays out for any roof would surely expect to see that roof last a lot longer time than five years. Having to wait some sort of short-term period to gain some of his money back as an investment is surely not wasted. That roof should last 25, 30 years, or in the case of the building I'm in, unfortunately it didn't last a week.

Another point the landlord fails to or seems to ignore is the fact that the tenant is paying money to him to rent his premise, but also he's helping the landlord to buy that premise.

Having made those few points, I would like to turn your attention to the suggested inclusion of an amendment to 84(1), to amend it as follows:

84(1) Security Deposits, amended to read:

A landlord shall not require or receive a security deposit from a tenant under a tenancy agreement entered into or renewed after this part comes into force.

Subsection 84(1.1) of the act is amended by deleting, and I quote:

"that exceeds one-half month's rent" from the first and second lines, by deleting the word "excess" from Line 3, and the words, "of the excess" from Lines 6, 9 and 12.

Subsection 84(2) Damage,

On termination of the tenancy agreement, the landlord may, after inspection of the premises, charge the tenant for costs of excessive repairs. Normal wear and tear shall not constitute damage to the premises.

Subsection 84(2.1) is further amended by adding Subsection 84(2.1):

In any dispute over damages, either landlord or tenant may appeal to the rentalsman to mediate.

That's the end of my submission if anybody has any questions. There are further submissions going to be given by other people in my group. Do you have any questions?

MR. CHAIRMAN: Mr. Filmon.

MR. G. FILMON: Thank you, Mr. Chairman.

I wonder if I could ask Ms. Westcott. She indicated in her presentation that she feels that there aren't too many circumstances under which a landlord might want to obtain back his premises for whatever purposes, certainly renovation, demolition, in which the landlord wouldn't be able to wait until the end of the lease. I think that's not an unreasonable position except where, I suppose, the leases all terminate at different months. If it was a major renovation to a number of suites in a block and they all terminated at a different time, they would all have to find some way of accommodating that.

In saying that the provisions of this act need never apply for compensation because the landlord just could be patient and wait to get the premises back at the end of the lease, I'm wondering if Ms. Westcott is aware that there appears to be from a reading of the act and from my reading and from the reading by some legal people who have commented, there are no circumstances under which the landlord can obtain back the premises without paying the two-month rent compensation. Does she feel that is a reasonable situation?

MS. B. WESTCOTT: Mr. Chairman, the way I understood it was that if the landlord were to terminate

the lease before the expiry date, then he should have to pay or recompense the tenant in the order of two months rental cost.

However, the way I understood it was that if at the end at that lease, the landlord decides not to renew which is his option, then I don't really see why that particular tenant should be reimbursed two month's rent.

MR. G. FILMON: Mr. Chairman, I think that's the point that is being made and I think is agreed with, that there should be a provision in the act for specific leases that terminate at a certain point and no compensation required. Unfortunately, the way it is worded, it appears as though there is no provision and even if you would have a lease that terminates at the end of a year, you still would have to pay the compensation in order to get the premises back for whatever purpose.

MS. B. WESTCOTT: Okay, I didn't perhaps read it that far.

MR. G. FILMON: Yes, I think that's the concern that has been expressed.

Thank you.

MS. B. WESTCOTT: Mr. Chairman, if I could make just one more point. I forget the particular. Oh, this one, 103(4.5). I concur with the previous speakers that certainly the government or any other housing agency should come under the same jurisdiction of any other landlord.

That's the end of my presentation.

MR. CHAIRMAN: Are there any further questions for Ms. Westcott?

Mr. Santos.

MR. C. SANTOS: Thank you, Mr. Chairman.

Ms. Westcott, do you feel that if the tenancy is for a fixed period, let's say for one year, and it is specifically stated in the agreement, in the contract, it will not be renewed after the period, do you think that there is still need for notice?

MS. B. WESTCOTT: If it's explicitly noted that it is going to end at that date, there still has to be a two-month period where either party can have the provision to negotiate for a renewal. Is that what you are asking?

MR. C. SANTOS: What I am asking is, in a special situation where, let's say, a family is moving out of the city just for one year. They know they are coming up to the end of that year and, right in the very contract, they stated, it will not be renewed. Do you think there should be any need at all for a notice from the landlord to the tenant that the lease will not be renewed when it's stated precisely in the very original agreement?

MS. B. WESTCOTT: Mr. Chairman, no. I don't think that is necessary. That is an unusual case. It's not the usual kind of tenancy agreement that is asked to be considered for renewal after a period of 12 months or whatever. So I don't think it is necessary myself that they should have two months notice, if it has been specifically specified.

MR. C. SANTOS: Mr. Chairman, in her proposed amendment, stated on the first page, 84(1), I wonder what her rationale is for removing the security deposit.

MS. B. WESTCOTT: Mr. Chairman, I'm very glad you have asked that, Mr. Santos, because there are so many instances where the landlord hangs onto that security deposit regardless of the legislation saying that there is 14 days in which that has to be repaid. I could probably fill your desk with a lot of papers in those instances. Because the landlord is failing in that particularly - lots of landlords, not every landlord is failing in that particular part, we feel that the abolition of the security deposit would certainly be to the benefit of the tenant, because the present legislation is not being forced to the full letter of the law. So something has to be done.

A MEMBER: Thank you, Mr. Chairman.

MR. CHAIRMAN: Are there any further questions?

Seeing none, I would like to thank you for coming to make a presentation today, Ms. Westcott.

MS. B. WESTCOTT: Thank you.

MR. CHAIRMAN: Larry Tallman.

MR. L. TALLMAN: Hello. What I'm about to present to you are amendments that do not correspond to a particular section in the act, some of which are specific, some of which would apply to the whole act and change the nature of the act. So we are presenting this in a somewhat separate section.

1. On any document serving as communication from the landlord to the tenant, all owners and management firms shall be listed.

I'm afraid I'm new to this. Are we supposed to explain why now? Okay. The reason for that being that when we have attempted to find out the owners or who is behind a particular action, the management firms can often put up quite a block to our finding out who is the person we're trying to deal with, who's behind it. We feel that, in a relatively free society, we should know who is doing what to whom. Therefore, we should know who the owners and management firms are.

2. We encourage the government to create a comprehensive translation of all of the relevant acts so that an ordinary tenant can understand the contents.

We have spent a fair amount of time going through the act and trying to interpret its meanings. We have had some difficulty with that, and several of us have degrees from university. We find that the act needs to be interpreted so that the ordinary tenant can understand it. That is to say that the brochures that have been produced so far are not comprehensive enough, and yet the act itself is in many ways incomprehensible itself. So we would hope that the government would be able to produce something that tenants can understand. It affects tenants. Tenants should be able to understand the act.

3. We feel that free legal services should be made available to tenants in regards to all matters relevant to being a tenant.

With our rent, we pay the landlords sufficient monies so that they apply their legal services against the rent.

In other words, we are paying for the landlords' legal services.

We find that in dealing with the Appeals Division of the Rent Regulation Bureau or the various bureaucracies that we have to deal with, we need legal opinion and advice as well. What we have had to do, personal experience is that we have had to go out and hire a lawyer and we're not rich people. So we are not only paying for our legal services. We are also paying for the landlords' legal services, and that tends to get on our nerves a little bit.

4. Write the act in inclusive, rather than male-exclusive language.

Throughout the whole act it's a "he" business, and I would think that especially this government would be open enough to write its act so that all people are not considered merely to be male.

5. We propose that the government buy out all existing rented premises with the exception of landlords living and renting in their own house, the goal of which is to create government-owned, non-profit, tenant-administered housing.

We feel that housing is an essential service. As such, there should be a security of that service to the tenants . . .

MR. CHAIRMAN: Order please, order please.

MR. L. TALLMAN: We do not necessarily see this as - we do not want to take away from those landlords who are trying to pay off their mortgage. We realize that there are some who are not trying to make a business and a large profit out of people's living space, but we feel that our apartments, the places we live in, are our homes; the places we eat in, the places we fight in, the places we make love in. There is a whole history of what home means, and we find that we want some security around that idea, that concept as well. So we encourage the government to create this kind of security of housing for us.

Our last point,

6. That, whereas legislation is useless unless enforced, it be made a policy of this government to enforce all statutes involved in The Landlord and Tenants Act.

We have found at various times that, for reasons we are not clear on, certain sections of the act are not enforced, specifically around penalties that should be going the way of landlords for either not informing the tenants of increases in rent, or the fact that they have the option of going to the Rent Regulation Bureau. Many of these things, the tenant is not being informed of from the landlord and the landlord should be doing this. The landlord can't be expected to do this unless there is some kind of penalty to it. We don't see the landlord as being evil, but the landlord is not going to do things that are unnecessary unless the government enforces the rules of the law. So we find this important as well.

Thank you.

MR. CHAIRMAN: Are there any questions for Mr. Tallman?

Mr. Santos.

MR. C. SANTOS: Just one, Mr. Chairman. Under your proposal which is rather radical, No. 5, in case it will be the government landlord, would the lifelong tenant who would stay there with security until the end of his life be willing to give a lien or some kind of a charge in favour of the government that he will leave the premises alone to the government so that the future generation can use it with the same right? In other words, there will be no property right that he can pass onto his heirs.

MR. L. TALLMAN: Oh, yes I agree.

MR. CHAIRMAN: Are there any further questions?

Seeing none, on behalf of the committee, I would like to thank you for coming here today, Mr. Tallman.

MR. L. TALLMAN: Thank you.

MR. CHAIRMAN: Aileen Urquhart.

MS. A. URQUHART: Good morning, Mr. Chairman, ladies and gentlemen.

MS. A. URQUHART: Good morning, Mr. Chairman, ladies and gentlemen. I'm speaking on behalf of The Wolseley Tenants' Association and The Winnipeg Tenants' Union.

I would like to start by making some comments on the amendments that have already been proposed. I am also in agreement that there should be a longer period in which the tenant is informed of a termination of the tenancy agreement. I think three months is good.

With respect to the two months rent rebate at the end, someone, I think it was Mr. Smethurst, made the comment that there is two months where rent is not applied and that also if the tenant leaves earlier, there is a further two months that is given back and that would amount to four months rent. In my calculation, it still only really remains two months, because the minute the tenant leaves the other person, who is presumably a member of the family will move in and either start paying rent or not, as the case may be. So, it's not four months rent ever as far as I can understand it, but only two months.

I would like to again say that the comments which have been made where the tenant has no investment, I do not think that is true. There is a great deal of investment in terms of that it is a home. There are a large number of tenants in the province. I'm not sure of the statistics as to, in particular in the city, as to how many people are homeowners versus how many are tenants, but I'm sure that the tenants form a very large proportion of the population. Although there are, I'm sure, poor tenants who do not take care of the property, as there are poor landlords who do not upkeep their property or provide adequate services, there are a large number of tenants who care for their places as their homes and put a lot of work into maintaining the property the way they would like to have it as their home.

The comment was made earlier that there are some tenants who are probably better off than the landlords and could afford to buy their own homes. Maybe there are a few, but I would suggest that the vast majority of the tenants in this province are not financially able to purchase their own homes, or not in the position

to. For example, in my own case, if I really scraped around perhaps I could put a down payment on a very small home, but I have a job that terminates this time next year and it's impractical to make that investment because unless you maintain a home for two or three years, you're going to lose out if you have to move and sell.

The objections to 103(4.2) and (4.4), much fuss has been made this morning that it is unfair to the landlord, but we're dealing here with a small number of instances, probably the majority of instances where tenants will leave an apartment building or an apartment in a house, they're leaving because they have chosen to do so, because they're moving to another part of the city, moving away from the city, wishing to move up or down in rental property. We are dealing with a small number of cases where a building has to be demolished or where a large number of units have to be renovated in the building, not necessarily a large number, but a few have to be renovated, or where a close relative of the landlord moves in. I think there are a limited number of sons and daughters, married or otherwise, that a landlord can have to move into an apartment building. So, it's not as if every termination of tenancy is going amount to a two-month penalty. It's only a few cases where the tenant is being basically evicted, and most tenants go into property with the idea that they are going to be there for a year or two years or maybe three, perhaps more in many cases and it is very disturbing to suddenly have yourself faced with being moved out of a home.

I'm speaking from personal experience because that did happen to me. My landlord decided that he was moving into my particular suite in the house and it was at a very inconvenient time of the year for me and I was not pleased about that, but I had not protection.

I would like to then turn to the amendments that we have proposed and this is subsection 98(3) and I believe you have copies of that. The way the act was worded 98(3) was, failure to fulfill obligation on both the part of the landlord and the tenant, and I have suggested that we split that up into two parts, so that 98(3) would read that where the landlord is failing to fulfill his or her obligations that the tenant may give notice to the landlord and also inform the rentalsperson of the reason for terminating. I'm suggesting that because this would be where obligations are not being met and I think that the tenant shouldn't just leave and not say anything about it. I think that something should be done and therefore the rentalsperson should be notified.

Then we would add 98(3.1) and this is where the tenant fails to fulfill obligations and this has to do with cleanliness, repairs, negligent conduct, damage and causing nuisance or disturbance — (Interjection) — yes disorderly - no I guess that's in the following one, but that should also be included in there too.

What we're suggesting is that as the act stands, as far as I can understand it anyway, that if the tenant has been negligent in any of these cases, the landlord can give five days notice to terminate the tenancy. What we are proposing is that if there is a problem that the landlord ask that the tenant stop doing whatever it is that he or she is doing that the landlord doesn't like; if that's not carried out the landlord, within 14 days, should give written warning and a copy of that should go to the rentalsperson. Then if that failure is still not made good or if it is made good but a subsequent mistake or failure of obligations is also perpetrated, then the landlord has cause to initiate proceedings to terminate the tenancy agreement.

Thank you.

MR. CHAIRMAN: Are there any questions for Ms. Urquhart?

Seeing none, I would like to thank you for coming here today and making a presentation.

MS. A. URQUHART: Thank you very much.

MR. CHAIRMAN: Linda Chochinov.

MS. L. CHOCHINOV: I'm also here as a member of The Winnipeg Tenants' Union and I feel that in regard to section 98(7) of the act, there should be a sentence added indicating that there should be a penalty against a landlord for failing to provide certain services that he is responsible for, the heating, the water, and electricity, if he is responsible for that. There should be a fine there, so that in section 117(1), it should be added in that 98(7) should be included in those for the offences and penalties. I also agree that as tenants we do have investments in the building, they are homes. If the landlord is not pushed, if it's not enforced that something be done about it, the tenant is living without those things that he is entitled to, because the tenant is paying for it.

MR. CHAIRMAN: Are there any questions for Ms. Chochinov?

Mr. Mercier.

MR. G. MERCIER: Mr. Chairman, this is a question that I could have asked any of the other representatives of the Winnipeg Tenants' Union, but I wonder for the information of the committee, could she describe what is the Winnipeg Tenants' Union?

MS. L. CHOCHINOV: We are an organization that represents a majority of tenants in the city, basically looking out for tenants' rights. I will read you - we have written out a brief here and I will tell you exactly what it is.

The Winnipeg Tenants' Union is a parent organization for the growing number of local tenants groups in the City of Winnipeg. Our aims are to promote tenant awareness by providing information, support, advocacy and education and organizational skills to all tenants by encouraging establishment of other local tenant groups.

Also to produce a Tenants' Rights Booklet interpreting the legislation in lay language and to compile a register of complaints filed by tenants and identify specific landlord-related problems to pressure the government into establishing legislation that is fair to all tenants and to pressure the government into enforcing existing legislation to its fullest; to encourage establishment of tenant representatives in all rented premises and to pressure the government into buying out all absentee landlords and creating government-owned nonprofit tenant administered housing.

MR. G. MERCIER: Mr. Chairman, I'm familiar with the Summerland Tenants' Association. Could you indicate

how many associations there are like that related to specific apartment blocks that belong to the Tenants' Union?

MS. L. CHOCHINOV: There are three local groups that come under the unbrella of the Winnipeg Tenants' Union and we're trying to encourage other buildings to organize groups, so that we can all be under this same umbrella.

MR. G. MERCIER: How many members are there?

MS. L. CHOCHINOV: . . . (Inaudible) . . .

A MEMBER: He's not following the rules.

MR. G. MERCIER: Mr. Chairman, I'm not trying to be difficult, just for my own information and perhaps for other members of the committee. I was just trying to get an understanding of what the Winnipeg Tenants' Union is and how many people it represents.

MS. L. CHOCHINOV: I feel that the number of members is not a relevant point.

MR. A. KOVNATS: It's not up to you to consider whether it's relevant or not.

MR. G. MERCIER: I'm not trying to be difficult. I hope the delegate understands that.

MS. L. CHOCHINOV: I don't understand why that is an important question though. What difference does the number of members make?

MR. G. MERCIER: Could the delegate indicate what the process is for approving the briefs that have been presented to the committee with respect to approval by individual tenants? For example, the previous delegate indicated she represents the Wolseley Tenants' Union and presented a brief - and I could have asked this about any of the presentations that have made - has the brief been submitted to the tenants in that area of the city?

MS. L. CHOCHINOV: Yes.

MR. G. MERCIER: And is there a process of approval or has there been a meeting called to approve the briefs?

MS. L. CHOCHINOV: Yes.

MR. CHAIRMAN: Are there any further questions for Ms. Chochinov? Seeing none, I would like to thank you on behalf of the committee for coming here today and making a presentation.

MS. L. CHOCHINOV: Thank you.

MR. CHAIRMAN: That completes the list of people I have who would like to make public presentations on Bill 89. Is it the will of the committee to proceed to Bill 76 first to complete The Crown Lands Act? I want to wait until it calms down.

Order please. Order. It appears to me that we were proceeding page-by-page last time and we had passed the first page. Is that correct? Mr. Mackling.

HON. A. MACKLING: Mr. Chairman, I don't know whether Mr. Downey is the one that will be charged with following the amendments. I know the Member for Lakeside was the person who had made concerns, articulate concerns about sections of the bill and I'm prepared to respond to them and then proceed with the passage of the bill. Was the Member for Arthur substituting for the Member for Lakeside, is that it? Well, I think we can wait a moment or two, Mr. Chairman. He's on his way, I guess.

MR. CHAIRMAN: Are there any other members of the committee who have concerns on this bill?

HON. A. MACKLING: I take it, Mr. Chairman, it's the Member for Arthur who has been designated by the opposition caucus to monitor this bill and I can understand that.

MR. CHAIRMAN: There are other shorter bills if you want to consider another bill first.

MR. C. SANTOS: Let's take a look at Bill 57, Mr. Chairman.

BILL NO. 57 - THE CO-OPERATIVES ACT

MR. CHAIRMAN: It's proposed that we consider Bill 57. Is that agreed? (Agreed)

Bill No. 57, An Act to amend The Co-operatives Act. Is the opposition critic present?

HON. A. MACKLING: While we're waiting for Jim Downey, are we prepared to go ahead with Bill 57, providing I can come back. I've got staff on this one.

MR. CHAIRMAN: Bill No. 57, page-by-page: Page 1—pass; Page 2—pass; Page 3—pass; Title—pass; Preamble—pass. Bill be reported.

Are there any other short bills?

NO. 73 - THE SCHOOL CAPITAL FINANCING AUTHORITY ACT

MR. CHAIRMAN: Bill No. 73. Is the opposition critic present? Page-by-page?

Page No. 1—pass; Page No. 2—pass; Page No. 3—pass; Preamble—pass; Title—pass. Bill be reported.

BILL NO. 76 - THE CROWN LANDS ACT

HON. A. MACKLING: Mr. Chairman, on Bill No. 76, the Member for Lakeside had, in his representation on second reading in the House, made some observations. I indicated I was concerned to be able to respond to those, and I'm in a position to do that now and I would like to provide some detail to the response.

The Member for Lakeside was concerned about agricultural leases, and understandably so, because we have a significant number of agricultural leases in

the Province of Manitoba, long-term Crown land leases. The proposed amendments are not primarily directed at the agricultural leasing of Crown land, but are directed primarily at the non-agricultural use of land. The only one of these amendments which significantly affects the present agricultural leasing is a change from three months to one months notice for official cancellation.

At the present time, our agricultural leases do provide for a 30 day notice and not 90 days as in the present act, so it is, in effect, putting in the act what has been in practice for some time. I might say that the 30 day notice is only actioned after the lessee has received repeated notices of monies owing and has had ample opportunity to pay. It does not preclude ministerial discretion or policy consideration in adverse economic times, but once a decision has been made to cancel a lease, it shortens the mandatory time from the formal cancellation notice after the formal cancellation notice is mailed. Because of the seasonal nature of farming, the three month mandatory notice is often administratively too slow to allow reallocation of the land for that season's use.

Now, in respect to the concerns about collection of taxes, agricultural Crown lands presently collect the municipal and the Local Government District or Northern Affairs taxes for Crown lands held under agricultural lease. The changes proposed in the act simply make the procedure universal for all Crown lands, both agricultural and non-agricultural. Because Crown lands cannot be sold for taxes, it is proposed that the Crown, as landlord, should incorporate the municipal service levy and all applicable school or educational tax levies into their annual billing and should pay these monies over to the appropriate taxing authority. This is a longstanding request by municipalities and the legislative change is being proposed now because computerized billing is recently in place and is, therefore, feasible to do that.

In respect to unauthorized use of Crown land, this problem is particularly evident in the non-agricultural areas of the province. Provincial cost of several repeat visits to many isolated or semi-isolated sites in the north is prohibitive, and it is necessary that an officer have sufficient discretionary authority to deal with situations which are causing serious resource damage, or where an occupant of Crown land is creating a nuisance or disturbance or is committing a trespass on Crown land that is leased or otherwise named for a specific use. In any such situation, the person is assured that charges will have to be laid and that he will subsequently have the right to defend himself in court.

The Lands Branch and departmental personnel are repeatedly asked to ensure that garbage is not dumped on Crown land and that no permanent buildings are erected on such areas as water power reserve lands which are below the required flooding elevations. They are also asked to facilitate the policing of lake front lands in public beach areas.

The Parklands Act provides the necessary authority to control such things as motorcycles on bathing beaches or camping areas, but there is inadequate authority on Crown lands outside of parks. These are just a few examples of the need for this change.

I might say that Jack Murray of Morris has brought to my attention, when we were negotiating in respect to the valley town dikes, a problem of policing uses of those dikes. Some of these all-terrain dirt bikes, and so on, can cause erosion and problems in the dike system and the town had no way of enforcing that, and apparently there was a gap in our law. This hopefully will redress that problem as well.

So, Mr. Chairman, I recommend the passage of these amendments. They are largely administrative. There are the few significant policy changes that I have indicated, but that is all.

The other day, some members also were concerned about the specifics in the act in this proposed bill, Bills 4 and 9, where there is provision for leases exceeding 21 years and leases not exceeding 21 years. The provision in Section 4 of this bill merely clarifies the power implied under 7(1) of the present act.

Under the present act, it says the Lieutenant-Governor-in-Council can determine the extent of leases and so on, but it doesn't actually say that the Lieutenant-Governor-in-Council can lease, and so this makes it clear that that is so. It's been interpreted that way by the department, they have done it, but their language wasn't specific; and the department says while you're doing it, clean up the act so it does confirm that it is specific.

9(1) of this bill is merely a repeat of 9(1)(a) of the existing act. There is no change in policy contemplated or being done here.

MR. CHAIRMAN: Mr. Downey.

MR. J. DOWNEY: In other words, the department told the Minister to clean up his act, Mr. Chairman. That's basically what he's telling us.

I think, Mr. Chairman, the bill that we're looking at, as I understand, the part on collecting of municipal taxation has been requested for many years by the municipalities and I think it will take some of the pressure off them and the concerns that they had, and I can see no difficulty in the responses that the Minister has given.

MR. CHAIRMAN: Pages 2 to 12, inclusive, were each read and passed; Preamble—pass; Title—pass. Bill be reported.

Committee rise.