

March 29, 2021

MR. RYLUND JOHNSON
MLA, YELLOWKNIFE NORTH

Oral Question 664-19(2): Devolving Powers to Municipal Governments

This letter is in follow up to the Oral Question you raised in the House on March 11, 2021, regarding legislation to devolve additional powers to municipal governments.

The Department of Municipal and Community Affairs (MACA) regularly engages with the NWT Association of Communities (NWTAC) to discuss and identify the concerns and priorities of Northwest Territories communities. This engagement informs MACA and the Government of the Northwest Territories (GNWT) on how to best focus on the issues that are of most importance to community governments. Through MACA's engagement with the NWTAC, the kinds of increased administrative authority, which have been linked to the provisions of a city charter, have not been brought to the forefront of discussions on overall community government priorities. While engaging on legislative priorities for the 19th Assembly, the NWTAC prioritized legislation such as the *Property Assessment and Taxation Act* and the *Fire Prevention Act* over other pieces of legislation such as the *Cities, Towns and Villages Act*, which have been more recently amended.

The *Cities, Towns and Villages Act* was last amended in 2018 to enable cities, towns and villages in the Northwest Territories (NWT) to charge a tax on local hotel rooms and use local improvement charges to assist residents and businesses to implement energy efficiency retrofits.

These amendments were fulfilled as part of direction provided by the Mandate of the 18th Legislative Assembly, and at the direct requires of the City of Yellowknife (the City), as well as a long history of requests by the NWTAC for legislation to enable municipalities to establish, charge, and administer a tax on hotel rooms. These amendments were an example of a time where the GNWT and the NWTAC could align their priorities efficiently in order to make a positive change for community governments.

Prior to that, the previous comprehensive review of all municipal legislation was completed in 2004 just prior to implementation of the New Deal for NWT communities in 2007. That legislative update significantly broadened the scope of municipal authorities. That legislative work was done with full engagement of NWTAC and member communities and at the time brought NWT legislation in line with municipal legislation across the country. The 2004 updates did, for the first time, allow for the devolution of authorities to community governments where the authority fits within a “municipal purpose”. There are three considerations, however, which are part of the conversation around devolving new authorities.

- a) capacity of the community to sustain the operation of the new authority;
- b) adequate budget transfer for the community government to operate the new authority; and
- c) limitations to the authority created by other pieces of legislation. The GNWT cannot devolve authority beyond that which it has itself which often means that the community government has a limited ability to make significant changes to the delivery of a program or service.

MACA and the City are continuing discussions about their interest in a Charter and its operational realities within current territorial legislation. I can confirm that staff from MACA will be meeting with officials from the City at the end of March 2021 to better understand their interest and priority in the establishment of a Charter, with particular focus on c) above to understand what legislation is creating specific barriers to the City in advancing their interests. I will be happy to share the outcome with Members of the Legislative Assembly if these discussions indicate a renewed interest at the community government level.

As mentioned in the House, MACA also maintains an awareness through its work with the Department of Executive and Indigenous Affairs (EIA) relative to ongoing negotiations of self-government arrangements and potential impacts on community government legislation. We need to be aware of how that may impact some of the specific items that the City has raised in relation to their Memorandum of Understanding with the Yellowknives Dene First Nation.

Thank you for your interest and advocacy on this topic.

Sincerely,

A handwritten signature in black ink, appearing to read "Paulie Chinna".

Paulie Chinna
Minister
Municipal and Community Affairs

- c. Clerk of the Legislative Assembly
Legislative Coordinator, Executive and Indigenous Affairs
Deputy Minister, Municipal and Community Affairs