

and are now renumbered 9 and 10. What I am about to read are the preceding sub-clauses.

8. (1) A grant may, pursuant to this section, be made to a municipality in respect of real property that is

- (a) owned by Her Majesty in right of Canada,
- (b) leased to or occupied by a person who is an employee of Her Majesty in right of Canada or a member of the Canadian Forces, and
- (c) is used by such person as a domestic establishment.

(2) Subject to sub-section (3) the amount of a grant made pursuant to this section shall not be greater than a fraction of the accepted value of property in respect of which a grant may be made under this section, such fraction to be determined as follows:

- (a) the numerator is the total amount of the real estate tax levied in the appropriate tax year, and
- (b) the denominator is the assessed value of all taxable property in the municipality.

(3) Where in preparing its budget for any tax year a municipality has not taken into account the amount of a grant that may be paid under this section the denominator of the fraction referred to in sub-section (2) shall be the assessed value of all taxable property and the accepted value of the property in respect of which a grant may be made under this section in the municipality.

(4) The Minister may, in determining the amount of a grant under this section, deduct from the amount that might otherwise be payable an amount that, in his opinion, represents the value of a service that would customarily be furnished by the municipality to the property in respect of which the grant is made and that Her Majesty does not accept in respect of that property.

(5) No grant shall be made under this section in respect of

- (a) property in respect of which a grant has been made under section 5,
- (b) property described in subparagraph (iv) of paragraph (c) of section 2, or
- (c) property in respect of which a real estate tax has been levied on a person described in paragraph (b) of subsection (1).

(6) In applying paragraph (a) of section 2 to this section, the words "federal property" shall be construed as meaning property in respect of which a grant may be made under this section.

Mr. FLEMING: It would be easier to understand if it were in Greek.

Hon. Mr. HARRIS: I am not expecting you to pass on it.

The CHAIRMAN: Can you tell us what it means in a sentence or two?

Mr. FULTON: Let us carry the rest of the Bill and have this later?

The CHAIRMAN: Let us hear from Mr. Deutsch.

Mr. DEUTSCH: This amendment in simple words would authorize the government to make grants in lieu of taxation on residential property owned by the Crown which is occupied or leased to employees of the Crown. That is what it means.

Mr. MACDONNELL: Couldn't you have said it in those words?

Mr. DEUTSCH: In respect to this property, residential property owned by the Crown in which its own employees reside, the grant will be made without the two per cent floor limitation; in other words, there will be a full payment. The grant will be made in respect to the full taxes on such residential property.

Mr. MACDONNELL: Are they taken into account in making up your general calculation as to the percentage, or are they to be treated separately?