

Proposed New Municipal Legislation.

At the coming Session of the Legislature many questions of municipal interest will be introduced. These should be discussed without reference to party considerations. Local government questions are of greatest importance and ample time should be allowed for their investigation and discussion in Committee and the House itself.

ASSESSMENT ACT.

The Assessment Act, as reported by the Provincial Commission, will be the most important matter to be disposed of by the Legislature this year. It is a complete revision and consolidation of the present law together with many amendments of a most important character. The principal recommendations are :

I. ASSESSMENT OF LAND.

That real property be assessed at its actual value, including mineral lands and the real property of all corporations.

That the right of use by any person of highways or other public places, in addition to the structures thereon, be assessed at actual value.

2. PERSONAL PROPERTY.

That the assessment and taxation of personal property *other than income* be abolished in all municipalities, and that in lieu of this, the following method of taxation be adopted in cities, towns, villages and police villages :

(A) BUSINESS TAX.

(In lieu of tax on personal property and income derived from business.)

Where a person is engaged in a trade, manufacture, financial or commercial business, tax the person by reference to the rental value of the premises occupied for the purpose of his business.

(B) CALLING TAX.

(In lieu of personal property and income derived from callings up to \$4,000.)

In the case of persons having or practicing or carrying on any office or profession, tax the person by reference to the rental value of the premises occupied for the purpose of his business or occupation.

Where the income of such person is more than \$4,000, tax him first, by reference to the rental value of the premises occupied, and tax him directly upon any income in excess of \$4,000 derived from his profession or calling.

(C) HOUSE TAX.

A supplementary tax is imposed on all owners and occupiers of houses (meaning by that term, buildings used as dwelling-places) by assessing them for the rental value of the house, subject to exemptions, graded according to the population of the municipality. The following are the

exemptions to be allowed in fixing the house-tax :

Where the population is \$4,000 or less, the assessed value of all houses up to \$1,000.

Where the population is more than 4,000, but not more than 10,000, the assessed value of all houses up to \$1,500.

Where the population is more than 10,000, but not more than 20,000, the assessed value of all houses up to \$2,000.

Where the population is more than 20,000, but not more than 75,000, the assessed value of all houses up to \$2,500.

Where the population is more than 75,000, the assessed value of all houses up to \$3,500.

3. INCOME TAX.

In the case of persons paying the business or calling tax and having income derived from other sources, tax them directly upon such income, without exemption. In the case of all other persons, tax them directly upon income, subject to an exemption of \$1,000.

4. ANNUAL VALUE AND RATE OF TAXATION.

For the purposes of these special taxes, the annual value is to be a sum equal to 7% of assessed value of the land occupied or used and the rate payable for the business and calling tax, is to be 7½ per cent. thereon. This rate may be increased to 10% by by-law of the municipality.

The rate for house tax is to be 5% on the annual value, which may be increased to a rate not exceeding 7½%, by by-law of the municipality.

The rate for income tax is fixed at five mills and this may be increased to seven mills by by-law of the municipality.

The special taxes referred to, including income tax, are not to be a lien upon land.

5. EXEMPTION OF MACHINERY.

One outcome of the abolition of the tax on personal property is a recommendation to exempt machinery used in any trade or manufacture. This was necessary to preserve equality as between merchants and manufacturers.

6. PROVINCIAL BOARD.

That a Provincial Board be appointed for the assessment of the lands of railway companies, income of express companies and the special franchises (which is the term applied to the right of use of highways or other public places) of other persons, together with the land used in connection with the special franchises.

7. ASSESSMENT OF RAILWAYS.

The land of steam railroads is at present assessed at the same value as other land in the neighborhood. The report

recommends that these assessments by, made by the provincial board and raised gradually for ten years, when the actual value of land and improvements is to be the assessed value.

8. DISTRESS.

Every person interested in the land, at the time of its assessment, as owner or tenant and every future owner is made liable to pay the taxes on the land. The owners' goods are made liable for distress to enforce payment and also the goods of the tenant, who is assessed for the land, but only to enforce payment of the tax, for the years in which he is assessed. The goods of a tenant are not to be liable to be distrained unless his name is on the collector's roll and all tenants are relieved of liability for arrears of taxes that accrued before their tenancy. It is also provided that any neglect, omission or error of officers and agents of the municipality, shall not affect the right of the municipality to collect the taxes.

9. ARREARS OF TAXES.

All of the municipalities are to handle their own arrears of taxes, but tax sales are to be conducted by the sheriff of the county or district, in which the municipality is situated, such counties or districts to be divided into tax-sale divisions, the sales for municipalities situated in each division to be held at the same place.

EFFECT OF RECOMMENDATIONS.

If there were no other ground upon which a rental value tax could be justified so far as merchants are concerned, justification is found in the fact that, in the province in which their competitors mainly are, that tax has been adopted with results most beneficial and encouraging to merchants, and without any counter-complaint on the part of other taxpayers.

The personal property tax, which it is proposed to abolish, is not large and it would be a hopeless task to attempt to perfect it by further legislation. The amount of tax paid on this class of property in 1898 was as follows :

	PERSONAL PROPERTY.		INCOME.	
	TAX PAID.	PERCENTAGE OF TOTAL TAXES.	TAX PAID.	PERCENTAGE OF TOTAL TAXES.
498 Townships ...	\$ 29,888	.67	\$ 2,364	.053
100 Towns.....	132,513	6.8	35,628	1.7
136 Villages....	34,825	6.1	5,309	.93
13 Cities.....	356,635	7.	1,931,06	3.8

The following necessary changes in the present law have been brought to our notice :

DRAINAGE ACT.

1. Provision should be made for appeal to Court of Revision against allowances