

## Standing Committee on Private Bills

8:32 a.m.

[Chairman: Mr. Renner]

THE CHAIRMAN: Good morning, everyone. I'd like to call this meeting to order. This is the regular meeting of the Standing Committee on Private Bills. The first item of business is the approval of the agenda. It has been circulated. I would entertain a motion to approve the agenda. Mr. Nicol. Any discussion? All in favour? Opposed? Carried.

We have two petitioners that we'll be hearing from: Bills Pr. 3 and Pr. 4. Since both of these Bills are substantially the same and they are both represented by the same counsel, I would ask permission of the committee to have both petitioners come at the same time.

HON. MEMBERS: Agreed.

THE CHAIRMAN: Just a clarification. There was a handout from advanced education distributed – does everyone have that? – and the final version of the Bills. You'll remember in the original notes everyone had, we had a draft of the Bills. The Bills have now all been introduced in the House, and the final version you should have as well. If you don't, you can pick up copies at the table.

MR. TRYNCHY: When was the draft circulated? I don't seem to have it.

THE CHAIRMAN: It should be in your binder.

MR. TRYNCHY: Okay. I found it. Thank you.

THE CHAIRMAN: There was also a handout distributed from Evangel Bible College as well.

With that, then, Mr. Reynolds, if you would bring in the petitioners and swear them in.

[Mr. Harmon, Mr. Crocker, Mr. Roberts, Mr. N. Henry, and Ms Richardson were sworn in]

THE CHAIRMAN: Good morning, everyone. I'd like to welcome you to the committee this morning. We had an opportunity to discuss earlier this morning some of the process. I just want to reiterate that the purpose of this meeting is for you to have an opportunity to express to the committee the reasons why you're requesting this Bill and explain the Bill to the committee. As well, the committee will have an opportunity to ask any questions of you. We also have representation from advanced education this morning, and I'll be asking them to give the committee some background and also be available for any questions.

Just before we get started, the committee itself is an all-party committee. It consists of both government and opposition members. We actually have a very good geographic cross section on the committee as well. I would like to have the committee members introduce themselves. I'll also introduce the Table officers to you, and then I'll ask you to introduce yourselves to the committee as well.

We'll start with Mr. Nicol.

DR. NICOL: Ken Nicol from Lethbridge-East.

MS HANSON: Alice Hanson from Edmonton-Highlands-Beverly.

MR. JACQUES: Good morning. Wayne Jacques, Grande Prairie-

Wapiti.

MR. TRYNCHY: Peter Trynchy, Whitecourt-Ste. Anne.

MR. HERARD: Denis Herard, Calgary-Egmont. Welcome.

MR. WHITE: Lance White, Edmonton-Mayfield.

MR. PHAM: I'm Hung Pham. I'm not a member of the committee, but I'm here as sponsor of the Bill.

MRS. FRITZ: Oh. Welcome, Hung.  
Yvonne Fritz, Calgary-Cross.

MR. STELMACH: Ed Stelmach, Vegreville-Viking.

MRS. SOETAERT: Colleen Soetaert, Spruce Grove-Sturgeon-St. Albert. Welcome.

MR. BRACKO: Len Bracko, greater St. Albert. Welcome.

MR. VASSEUR: Léo Vasseur, Bonnyville.

THE CHAIRMAN: I'm Rob Renner, chair of the committee.

Just for the information of both the committee and petitioners, Mr. Pham, as he mentioned, is the sponsor of this Bill. Standing Orders regarding attendance at committee meetings of the Legislature indicates that any member of the Legislature may attend any meeting and may participate in the meeting, but only members of the committee may vote. So, Mr. Pham, you're certainly more than welcome to participate to any extent you like.

At the Table, I would like to introduce Parliamentary Counsel Mr. Rob Reynolds and Earl Evaniew. We also have Wendy Quach and Janis Kiddie from the Leg. Counsel office.

With that, if you would like to introduce yourselves, you can then just proceed into a brief presentation. I've already advised committee members that we're dealing with both Bills, the Evangel Bible College Act and the Bethesda Bible College Act, and we can discuss both of them. They're almost the same. There are some minor wording changes between the two.

MR. HARMON: Good morning. My name's Jeff Harmon. I'm the dean of Bethesda Bible College. I should give you some information about the college. Our inception was 1987 as an extension college of a theological college in the United States, down in Florida, and we proceeded to offer a biblical, theological program in a correspondence fashion to the residents of our local church as well as other churches we were related to. Since 1987 the evolution has occurred within our program to commence moderating and then lecturing and then into a full-time day college that we ran for a three-year program. We ran our first three-year program ending in 1995. Since that time, over the years we have continued to build a relationship with local churches, primarily many of the independent churches within the Edmonton area, and we've received leadership support as well from the lay ministry.

We've had over the years a number of graduates that have gone through our program as well as through the college in the States, receiving a bachelor program. We've found within our local church as well as our relationships the demand to be able to look toward having a full-time day college program on a continuous basis that would be able to offer bachelor and certificate degrees in theology, divinity areas. Many in our own local congregation have sought to go elsewhere outside the province, to Saskatchewan and B.C. as well as down to the States, Portland, and other colleges. To respond to that, we felt it was primarily our purpose to perhaps offer a college program here that can meet the needs of local members of our

church as well as the churches within our area.

8:42

MR. ROBERTS: Good morning. My name is James Roberts, and I'm the director of admissions and also the dean of students at Evangel Bible College. As you know, our Bills are fairly similar because our schools are fairly similar. Our objectives meet very much the same as Bethesda's does. Our history goes back to 1994 when we began our full-time day program, our day Bible college program in Calgary. Currently we have just over 100 students taking one or more classes in our day and evening programs. Our affiliations are one and the same with Bethesda. We are a recognized extension college of Christian international in Florida. We are also a recognized extension college of Portland Bible college in Portland, Oregon, which is recognized and accredited by the government of Oregon and the United States.

To this date, our teachers are all certified with a bachelor degree, and we have two in the master candidates' program for a master of divinity and one in a doctorate. Our objectives are to provide ministry for the local church raised up by the local church. Both colleges are in a local church, one in Edmonton and one in Calgary. We've seen a need in the last few years for people being raised up so that they can go back to their own local church and work as they learn rather than having to go out of province or out of country for a number of years and then coming back.

MR. CROCKER: My name is Jim Crocker, and I'm the solicitor on behalf of both petitioners for the private Bills. Essentially, just as a bit of background, both colleges were established as a result of demonstrated needs within their communities. There weren't any colleges that provided the particular theological instruction that their congregation and similar congregation members in their community could attain. They had to in many cases go out of province or to the United States to receive this sort of instruction. As a result of, as it were, a ground swell from their congregations and others, they established their colleges. At this time, they're wanting to establish it further by an Act pursuant to a private Act.

THE CHAIRMAN: Thank you very much.

We also have representatives from advanced education, Mr. Henry and Ms Richardson. I would ask that you make any comments you might have of a general nature now as well.

MR. N. HENRY: From the department's point of view, I might say generally we don't see much point in Acts of the Legislature used as a means of incorporation. I recognize that as one exception to the utility of these Acts. They don't seem to us to do anything that can't be done by other means, either incorporation under the Societies Act or incorporation as a business under the Business Corporations Act. So we think that incorporation in the Legislature suggests a number of things may be happening that are not in fact happening. There's no form of accreditation involved. It's simply an act of incorporation.

The second general concern we have had from time to time, but I have to say explicitly is not a problem in these two Acts, is that there is a suggestion or an intent to confer the right to grant degrees that goes beyond the limitations identified in the Universities Act; that is, a degree in divinity. The Universities Act sort of divides degrees into two broad categories: degrees in divinity and everything else.

Finally, the intent stated in these two Acts to offer education that goes out beyond Bible and theology, beyond the realms of what we regard as divinity, seems to suggest that in due course degrees in education or degrees in arts and science might be offered. So I think from our point of view, first, if I can sum up, we don't see why

private Acts of the Legislature are used to incorporate when there are other ways of doing it; and secondly, a little bit of concern about the sweeping nature of the powers that seem to be granted under these two Acts – seem to be granted, because I don't think in fact they are granted.

THE CHAIRMAN: Thanks very much.

Mr. Herard.

MR. HERARD: Thank you, Mr. Chairman. Mr. Crocker, you represent both these colleges, and from what I understood from what was said, both colleges are affiliated with either the same college in the United States or the same plus others. Why do you need two separate Bills to do this? Why couldn't you do it with one Bill? That would be my first question.

MR. CROCKER: Although they are affiliated in some circumstances with the same colleges outside the province, they are still two independent colleges, and in fact until recently their paths hadn't crossed. It was just recently that the two colleges joined together to proceed, and it was more by happenstance as opposed to a concerted effort at one time. So they are independent.

MR. HERARD: My second question would be: given the ability to incorporate or to establish yourselves under the Societies Act or the corporations Act, why are you choosing this particular avenue?

MR. CROCKER: Well, sir, until recently the Universities Act defined a private college as a college incorporated by private Act. In 1995 there were amendments to the Act broadening the definition of a private college to mean any college other than a college established under the Colleges Act. In fairness to the petitioners, they see the need for a private Act basically for three reasons, the first reason essentially being that all Bible colleges to date have been enacted by private Act. So they're saying: we see a marked difference, because all these other Bible colleges have that opportunity.

Secondly, both started the process prior to the amendment, so they've incurred cost and expense towards this process and very recently have been advised: well, you could have done it a different way. They were starting this process and, you know, drafting the Act or investigating the process well in advance of the amendment, so it would be a little unfair or unfortunate at this time for advanced education or the committee to say: "Well, go another way now. Sure, you've incurred expense, but now you can find another way."

Thirdly, under the Municipal Government Act, student dormitories can receive tax concessions or tax rebates only if the college is incorporated pursuant to a private Act. So if these parties or the petitioners were to incorporate under any other Act – the Societies Act, Business Corporations Act, or Companies Act – they would not even have the opportunity to receive the chance of a tax concession for their student dormitories. Now, there's no guarantee to those tax concessions, but without the enactment of a private Act, they can't even get in the door. So on three grounds, sir, it would seem it would be more favourable for them to continue under a private Act.

MR. HERARD: My last question would be to Mr. Henry. We've seen a number of these Acts over the last three years, as I recall, and some of these were in fact changes to allow degree granting status and so on. We didn't hear the particular arguments that you were making this morning in any of those petitions, and I'm wondering what the difference is between these particular Acts and those that have come before with respect to your argument that perhaps some

other vehicle should be chosen and it perhaps may be too wide-sweeping in terms of powers.

8:52

MR. N. HENRY: You're asking me to defend statements that I'm not sure I particularly played a part in. I think we have used the argument that private Bills of incorporation don't accomplish anything that couldn't be accomplished otherwise. In fact, I think that was raised in the debate about the changes to the Universities Act.

The other concern I registered, a concern about a sort of seeming ambition to move out well beyond the divinity field, I think is dependent on the particular wording of these Acts and not necessarily true of all Acts that have come to this House. I don't know. From my point of view, the view that this form of incorporation doesn't do anything for anybody – I accept and understand the argument about the Municipal Government Act. That exception seems to me the only concrete reason for doing it.

THE CHAIRMAN: Thank you.

Mr. Trynchy.

MR. TRYNCHY: A question, Mr. Henry, also following up on my colleague's question. How many of these colleges do we have under the private Act in Alberta? Do you have that? Is there a percentage?

MS RICHARDSON: If I may, Mr. Trynchy, we have a report from 1990. It's not completely up to date, but at that time there were – we don't have a total count here – about 30 different private colleges. Now, these are not all private Bible colleges, and there have been about five or six added, I think, since 1990. Of those, probably in the range of about 20 would be private Bible colleges.

MR. TRYNCHY: My follow-up question then: if we have that many, and you suggest that these could be incorporated under the Societies Act, should we look at changing all those that we have in place now from private Bills to societies under the Societies Act? Is that the route we should be looking at?

MR. N. HENRY: I don't know that I particularly have an answer to that. It is certainly a form of incorporation. I mean, nobody's denying that. I wouldn't see any particular purpose in trying to go back and change all those. There were good reasons in the minds of the proponents, I think, until the changes to the Universities Act and now, of course, the business of the Municipal Government Act for incorporating under an Act of the Legislature. A good part of that has now been removed with the changes to the Universities Act. It left one last lingering reason to do it in the Municipal Government Act.

MR. TRYNCHY: My last question, then, is on taxes. If we suggest that these people here should be under the Societies Act and be eligible for taxation, are all those other colleges, the 20 or 30 you mentioned, exempt from taxation?

MS RICHARDSON: I believe it has more to do with whether or not they have a student dormitory and whether or not that dormitory might be eligible for an exemption from taxation or a grant paid to a municipality.

MR. TRYNCHY: But the school itself is tax exempt? If they have a church or a school . . .

MR. N. HENRY: I stand to be corrected.

THE CHAIRMAN: I can have Mr. Reynolds address that.

MR. N. HENRY: Yes. He probably knows better than I do. Thank you.

MR. REYNOLDS: Well, of course, tax assessment and taxation is a very complicated issue, but it would appear, depending on just a reading of the statute, which of course would be subject to what assessors in the various municipalities say – under section 362(k) of the Municipal Government Act, it stipulates that

property held by a religious body and used chiefly for divine service, public worship or religious education and any parcel of land that is held by the religious body and used only as a parking area in connection with those purposes

would be “exempt from taxation under this Division.” Of course, much would depend upon the actual circumstances and the type of property interest the different colleges hold at their locations, which I'm not aware of. Certainly there is the exemption for religious properties in the Municipal Government Act right now.

THE CHAIRMAN: Does it require a private Bill?

MR. REYNOLDS: No, that doesn't require a private Bill.

MR. TRYNCHY: I'm not against a taxation exemption, but I just heard that a dormitory could be taxed. If it's on the same lands, does it contradict what you just read out?

MR. REYNOLDS: No. I believe a student dormitory is separate from the religious property and is covered by a separate exemption under the Municipal Government Act in section 363.

MR. TRYNCHY: Okay. Good enough.

THE CHAIRMAN: I have Mr. Bracko and Mrs. Fritz.

MR. BRACKO: Thank you. I have a couple of questions. One, the taxes are dealing strictly with the Municipal Government Act. Is that correct? Strictly? How does this differ from a public institution like the U of A or Grant MacEwan College? Is it on the same basis? I need clarification on that, please.

MR. CROCKER: I'm not fully familiar on how the public institutions would be taxed or not. I had some brief discussions with Mr. Henry this morning, and he advised that some of the public institutions are now being taxed. Our concern is that under the more private Bible colleges, those that are enacted by a private Bill have the opportunity for their student dormitories to receive either tax concessions or tax grants for the land on which the dormitory is. If we were not enacted by a private Bill, we wouldn't have that opportunity. Honestly, I'd be speculating to say how the public colleges and universities are treated.

MS RICHARDSON: I think that's correct. The student dormitories or residences for public institutions are treated in the same fashion in that a municipality could exempt them from taxation by bylaw. It's a permissive section. So it's really up to the municipality how they treat student dormitories, whether they'd be a public postsecondary institution or, the way the Act reads now, if they're a student dormitory for a college that is incorporated under a private Act.

MR. BRACKO: My second question is to Mr. Crocker. They're not accredited degrees. Is that correct?

MR. CROCKER: No, sir. They're not accredited degrees from the private colleges or accreditation board at this time.

MR. BRACKO: My question is: are you planning to move in that direction? I guess it always concerned me when friends went to a college and it wasn't accredited or approved in public. Why wouldn't you have an accredited degree, where it could be used either for church work or mission work or whatever work as well as being utilized if they want to use it in education or so on? Wouldn't it be a wiser use of time and dollars, whether it's the student's dollars or the community's dollars?

MR. CROCKER: I appreciate that, sir. I've had discussions with both petitioners here, and there is some move and they've taken some steps to be affiliated with some of the institutions so that some of their courses would at least receive accreditation on a piece-by-piece basis, because they see the need also that if there are going to be moneys spent by students, they receive a benefit beyond the graduate degree they'll receive in divinity. So there are steps being taken. I believe to a certain extent they will be doing that, but they don't want to get the cart before the horse as it were. They want to be established and continue on prior to going too far.

MR. BRACKO: My third question. The precedent has been set, the tax exemption with, I believe, 30 other Bible institutes. If that precedent has been set, what is your rationale for not wanting to pay taxes or, rather, to be exempt from taxes from the Christian or from the college perspective?

MR. CROCKER: Well, sir, I guess the rationale would be that the colleges would be benefiting the community and there would be a contribution towards the community. Perhaps that would be a basis upon which there can be a tax exemption. The colleges are seeking to provide education and the betterment of their communities.

9:02

THE CHAIRMAN: Thank you.  
Mrs. Fritz.

MRS. FRITZ: Thank you, Mr. Chairman. I was looking at both Bills, and I want to address page 3, about 5(1)(a), and the differences I know we're all familiar with that are here today. I understand there's an amendment that had been discussed. Mr. Henry had put forward a bit of a change that was being looked at. I would just like to ask for your comment on that amendment. I know you're familiar with the amendment.

MR. CROCKER: I discussed the amendment yesterday with Ms Richardson and with Mr. Henry today. We're not averse to the amendment. The petitioners are in no way attempting to do indirectly what they can do directly. They want to be limited to the theology degree area and the offering of diploma and certificates in other areas. I might add that the wording was essentially taken from another private Act of this Legislature. So there were no major amendments. It was essentially taken from the Rocky Mountain College Act.

MRS. FRITZ: The wording that you originally had?

MR. CROCKER: Yes.

MRS. FRITZ: But the proposed amendment still accommodates the needs of both colleges.

MR. CROCKER: Yes.

MRS. FRITZ: Thank you.

Mr. Chairman, I just want to make a comment, because it had come up during questions about having two Bills. Quite frankly, I think there is a need for two Bills in that they're located in different municipalities. With what we've heard in regard to colleges perhaps even going to the municipality for exemption in certain ways with taxation, each municipality may actually handle that differently. So I can understand the need for two Bills. Although I see they're virtually identical, I'm pleased to hear that the group would see the amendment as being still accommodating to each. Then they'd be virtually the same Bill.

Thank you.

THE CHAIRMAN: Thank you.

I have no further speakers. Mr. Jacques.

MR. JACQUES: Thank you. I just want to follow up. We have a memo from advanced education, more specifically from a deputy minister. One of the issues they raise in here as a suggestion is that they make the observation that the powers that are proposed are set out in very broad terms. More specifically, they're referring to the section of the powers, and I quote:

establish and conduct a Christian College to afford instruction in the Bible, Theology, education, arts (and sciences) and such fields as the Board may from time to time determine.

The observation of advanced education was that it did not restrict the programs that could be offered at a degree level, and they suggested, for example, that perhaps the wording could be:

to provide instruction in degree programs in divinity, and in certificate and diploma programs in education, arts, science and such other fields as the board may from time to time determine.

My question is twofold: whether (a) you've had any discussion with advanced education on that possibility, and secondly, what is your reaction, at least your initial reaction, if you haven't had a discussion?

MR. CROCKER: Again, I've discussed it briefly with both representatives of advanced education, and our reaction is that we're open to the amendment because we want it clarified that we're not attempting to do something indirectly. We want to be limited to degrees in divinity and then, if there are certificate or diploma programs, other areas.

THE CHAIRMAN: Thank you.

Mr. Pham.

MR. PHAM: Mr. Henry, with the amendment that you propose, if the petitioner is willing to accept that amendment, will you still have any concern about the implication of the view about any powers they are trying to get from you that you are not aware of?

MR. N. HENRY: No, I don't think so. One might question – because it's not possible in this province to have a certificate in education and teach – about the value of having words like that, but not seriously, no.

MR. PHAM: Thank you, sir. Would that amendment clear away all the concern that you have?

MR. N. HENRY: The specific concerns, yes.

MR. PHAM: Thank you.  
That's all I have.

THE CHAIRMAN: Thank you.  
Mr. Vasseur.

MR. VASSEUR: Yeah, just a confirmation of some of the questions that were asked before. I'd like to direct a question to Mr. Reynolds, the Parliamentary Counsel. The tax provisions here are totally at the discretion of the municipal body, from what I understand in the existing municipal Act. Now, would the proposed legislation then supersede the municipal Act? Could I get Mr. Reynolds to expand on that and give me an answer?

THE CHAIRMAN: Actually, I'll answer that. The legislation, the Municipal Government Act, states that one of the definitions of a student dormitory is a facility that's used in conjunction with a private college incorporated under a private Act. So the fact that the college is incorporated only gives them the opportunity to go to the municipal council and ask for the exemption. In no way is this binding the hands of the municipality. It only gives the private college the opportunity to go to city council and say, "We qualify for this exemption." In fact, the exemption is granted, and the city council would actually pass a bylaw which would bring the taxation forward. It goes in reverse.

MR. VASSEUR: So the assent of this proposed private Bill would then still be subject to the discretion of the municipal body?

THE CHAIRMAN: Yes. Now, my understanding is that neither one of these colleges at this time has student dormitories anyway, so it's rather a moot point. But at some point in time, should they establish a dormitory, they would be eligible for exemption unless city council passed a bylaw making them ineligible.

MR. VASSEUR: Okay.

MR. REYNOLDS: That's correct. The only thing I would add, Mr. Chairman, is that some of the committee members were saying it was discretionary on the municipality. It's almost that the municipality has to take away the tax exemption for student dormitories. That's what they can do, but as the chairman pointed out, it's somewhat moot in this instance because there are no student dormitories that exist. However, if there were student dormitories, they could only qualify as having been incorporated by private Act. With respect to the other exemptions, I referred earlier in answer to Mr. Trynchy's question with respect to religious bodies and the exemption from taxation that exists for them.

THE CHAIRMAN: Okay. I have no other speakers.  
Mr. Reynolds, you have a couple of points of clarification?

MR. REYNOLDS: Thank you, Mr. Chairman. With respect to the letter from advanced education, I just want to clarify a few points. There is a reference in the letter to a typographical error in section 5. I believe that related to a draft that was sent to your office before the Bills were actually introduced here. The section you refer to is now section 6 in the Act, and from my discussions with you, I think you'd agree there are no typographical errors left in that. That would be my first point.

We've discussed the proposed amendment at some length. I just want to clarify that in the second last paragraph I think there is a miscommunication. I don't believe we'll be having an informal meeting between us after this hearing. We may talk on the phone, but there is no informal meeting scheduled. I just want to confirm that.

MR. N. HENRY: Unless you want one.

MR. REYNOLDS: Thank you.

THE CHAIRMAN: Thank you.  
I have no further questions from the committee. Mr. Bracko.

MR. BRACKO: It's not a question. In closing, I just want to thank them for the good work they do in the communities in our province.

9:12

THE CHAIRMAN: Fine.

Well, the process the committee follows is that we do not make the decision with respect to the petition the same day we have the hearing. We will be meeting as a committee to discuss all the Bills that have come forward, and that meeting takes place, I believe, on about the 23rd of April. At that point the committee will be asked to make a recommendation to the Legislature. We can recommend one of three things. We can recommend that the Bill proceed as is. The Bills, by the way, have had first reading in the Legislature now, so if the committee recommends it proceed, that means it would go to second reading, committee, and third reading and ultimately be passed. The committee can recommend that the Bill not proceed, at which point that's the end of the process, or the committee can recommend that the Bill proceed with amendment. I suspect the committee will be considering the amendment that has been brought forward by advanced education. One way or the other, you will be advised, and you'll know exactly what the status of the Bill is once the committee has made its recommendations.

With that, then, I thank you.

The committee does not to my knowledge have any other business, unless any members would like to bring some forward.

MR. TRYNCHY: I move we adjourn.

THE CHAIRMAN: We have a motion to adjourn. Mr. Trynchy. All in favour?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

[The committee adjourned at 9:15 a.m.]

