

SENATE

Tuesday, May 01, 2018

The Senate met at 1.30 p.m.

PRAYERS

[MADAM PRESIDENT *in the Chair*]

**PAPERS LAID**

1. Audited Consolidated Financial Statements of the Trinidad and Tobago Bureau of Standards for the year ended September 30, 2015. [*The Minister of Trade and Industry (Sen. The Hon. Paula Gopee-Scoon)*]
2. Audited Unconsolidated Financial Statements of the Trinidad and Tobago Bureau of Standards for the year ended September 30, 2015. [*Sen. The Hon. P. Gopee-Scoon*]
3. Report of the Auditor General of the Republic of Trinidad and Tobago on the Public Accounts of the Republic of Trinidad and Tobago for the financial year ended September 30, 2017. [*The Minister in the Ministry of Finance (Sen. The Hon. Allyson West)*]
4. Public Accounts of the Republic of Trinidad and Tobago for the financial year 2017. [*Sen. The Hon. A. West*]

JOINT SELECT COMMITTEE REPORT

(Presentation)

Public Accounts (Enterprises) Committee

Sen. Wade Mark: Madam President, I wish to present the following report:

Twelfth Report of the Public Accounts (Enterprises) Committee, Third Session (2017/2018), Eleventh Parliament, into the Examination of the Audited Accounts, Balance Sheets and other Financial Statements of the National Training Agency (NTA) for the financial years 2008 to 2011.

UNREVISED

URGENT QUESTIONS

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Madam President, I want to apologize for the absence of the Leader of Government Business at this time. We expect that he would arrive shortly. In the circumstances, I am asking for urgent question No. 2, directed to the Minister of Energy and Energy Industries, if it could be stood down for later in the proceedings?

**National Insurance Board
(Recovery of Missing Funds)**

Sen. Wade Mark: Thank you, Madam President. To the hon. Minister of Finance: In view of an audit of the National Insurance Board whereby the sum of \$3 million has been discovered missing, what action has been taken to recover the moneys and to hold any person(s) involved to account?

Madam President: Minister in the Ministry of Finance, you have two minutes.

The Minister in the Ministry of Finance (Sen. The Hon. Allyson West): Thank you, Madam President. [*Desk thumping*] Madam President, the National Insurance Board takes a zero tolerance approach to fraud, and recently would have developed a robust fraud control framework. All allegations are thoroughly investigated using best-practice methods, experienced and expertise, a combination of well-trained in-house investigation, external consultations and support from the Trinidad and Tobago Police Service Fraud Squad where necessary.

Regarding the allegations of maternity benefit fraud—this relates to fraudulent or invalid claims to maternity benefits—this matter was discovered in September 2017 and the NIB immediately launched an internal investigation and a report was simultaneously made to the TTPS Fraud Squad. NIB's investigations thus far have confirmed that the total possible exposure is significantly less than \$3

million. NIB would have also engaged an independent external consultant to conduct further investigations and review the internal findings. Internal claims processing procedures at the NIB have been reviewed and additional internal controls were also implemented. Thus far, disciplinary action has been taken by way of suspension of four staff members.

On completion of investigation, the results would form further other necessary actions. The NIB continues to follow up with the TTPS Fraud Squad. The NIB has given its commitment to fully cooperate with the Fraud Square to ensure that any attempts to defraud the NI Fund are prosecuted to the fullest extent of the law. The release of any further information at this time is not recommended as it may compromise the integrity of the process and/or the expected deliverables of the ongoing review. Thank you, Madam President.

Sen. Mark: Madam President, could the hon. Minister advise why it took so long for a robust anti-fraud policy to be effected at NIB?

Sen. The Hon. A. West: Madam President, the board of the NIB was fairly recently changed. The new chairman and her team have been very actively pursuing this matter and have put the system in place as soon as they thought it was ready to be released and implemented.

Sen. Mark: Could the hon. Minister indicated whether she is aware prior to this effort whether there was any anti-fraud policy in existence at the NIB?

Sen. The Hon. A. West: I am unable to confirm that one way or the other, Madam President, but I would think that if there was the current leadership was of the view that it was inadequate, which is why they would have implemented a new system.

Madam President: Hon. Senators, I will therefore stand down, for answering, question No. 2 on the list of Urgent Questions. It would be stood down to later in

the proceedings.

ANSWERS TO QUESTIONS

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Madam President, there are four questions on the Order Paper for oral response and the Government intends to answer all four questions.

ORAL ANSWERS TO QUESTIONS

Hyatt Regency Trinidad

(Profits and/or Losses Realized)

95. Sen. Saddam Hosein asked the hon. Minister of Trade and Industry:

Can the hon. Minister inform the Senate of the profits and/or losses realized by the Hyatt Regency Trinidad over the last five years?

The Minister of Trade and Industry (Sen. The Hon. Paula Gopee-Scoon): Thank you, Madam President. The Hyatt Regency Trinidad has made a profit every year for the last five years. The profits realized by Hyatt based on audited account are as follows:

For the year 2013, TT \$75.7 million;

For the year 2014, TT \$76 million;

For the year 2015, TT \$66.3 million;

For the year 2016, TT \$51 million;

For the year 2017, TT \$60 million;

All told, TT \$329 million.

Sen. Hosein: 2017?

Sen. The Hon. P. Gopee-Scoon: 2017, TT \$60 million.

Sen. Obika: Thank you, Madam President. Could the hon. Minister indicate to this House if that profit figure for those years is operating profit or bottom line, which would be net profit after tax?

Sen. The Hon. P. Gopee-Scoon: It is to the best of my knowledge net profit after tax. I cannot see why we would quote net profit before all of the operating expenses. So I would confirm this is the net profit after tax.

Sen. Hosein: Thank you very much, Madam President. Having regard for the decline in the profits from the period 2013—2017, can the Minister indicate what is the reason for this?

Sen. The Hon. P. Gopee-Scoon: I am not able at this time to give any concrete reasons as to why, but you should note as well that between 2016 to 2017 there has been at least a 20 per cent increase in the profits.

Sen. Hosein: Madam President, to the hon. Minister: Can the Minister indicate whether or not any subventions were applied to the income of the Hyatt Regency Hotel; any subventions were given by the Government to Hyatt?

Sen. The Hon. P. Gopee-Scoon: No subventions were given by the Government to the Hyatt.

Sen. Obika: Thank you, Madam President. Could the hon. Minister inform the Senate what dividends—because we have the profit figure, we understand the Government being a shareholder—applied to the Government for the respective years?

Madam President: No, I would not allow that question. Next supplemental question.

Sen. Mark: Could I ask the hon. Minister of Trade and Industry whether these net profit figures represent from your perspective, as the Minister, adequate returns on our investments at that particular enterprise?

Sen. The Hon. P. Gopee-Scoon: That evokes a subjective answer from me and I am not prepared to do that.

National Building Codes

(Compliance with)

100. Sen. Wade Mark asked the hon. Minister of Planning and Development:

In light of reports that poor construction led to the collapse of the wall which resulted in the death of a five-year-old boy in Fyzabad in March 2018, what measures are being implemented by the Ministry to ensure compliance with the National Building Codes?

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Thank you, Madam President. I respond to this question on behalf of the Minister of Planning and Development. Madam President, the unfortunate circumstances which led to the death of a five-year-old child and, of course, similar incidents resulting in fatalities or serious injuries due to the collapse of walls, gates and other fencing structures, are a clear signal to the Government that more stringent measures are needed to create and/or implement standards for these types of structures that are integral to the use and enjoyment of land and real estate.

The Town and Country Planning Division of the Ministry of Planning and Development is the implementing arm of the Ministry to guide and manage the development process to the creation of development planning policies and applications of spatial plans through its development control system. With regard to walls and fences, the Town and Country Planning Division is tasked with regulating the height of walls under the Town and Country Planning Act, Chap. 35:01 of 1969. The (General Development) Order and the Act states and I quote:

“The erection or construction of gates, fences, walls or other means of enclosure not exceeding 4 feet in height where abutting on a road or 7 feet in any other case, and the maintenance, improvement, or other alteration of any gates, fences, walls, or other means of enclosure.”—are considered permitted development.

Madam President, it should be noted that the development standards regarding the construction and installation of gates were recently approved by the Trinidad and Tobago Bureau of Standards. The process to enforce and monitor the implementation of these standards by the regulating agencies including the Town and Country Planning Division is currently ongoing. What this means is that traditionally, unless the proposed enclosure such as a fence or wall exceeds four feet next to a road or seven feet in all other places, it is considered as permitted development and would not require planning permission and, therefore, falls outside of the regulatory planning framework. Madam President, there are other pieces of legislation that do identify enclosures as structures such as the Municipal Corporations Act, Chap. 48:50 of 1990.

In relation to the National Building Codes, the Small Building Guide known as the guide to the design and construction of small buildings is considered as the national standard. The Small Building Guide prepared by the Trinidad and Tobago Bureau of Standards was facilitated under a multisectoral building codes committee and was declared the national standard in November 2016. These standards incorporated relevant elements of the Caribbean Union Uniformed Building Code as well as the International Building Code and the International Residential Code produced by the US based International Code Council.

It was intended that this national standard would have been implemented through the regulatory agencies. This expectation, however, was not realized and by Cabinet Minute No. 3112 dated November 12, 2011, Cabinet agreed to the establishment of a multidisciplinary committee within the Ministry of Housing and Urban Development to oversee the development of a national building code for Trinidad and Tobago, parts of which included the conversion of the Small Building Guide to a small building code.

Madam President, due to various operational and administrative issues, the national building codes committee was curtailed and subsequently this continued in 2014 without fulfilling its mandate. In 2016, the Ministry of Planning and Development restarted the process to develop modern, relevant national building codes for Trinidad and Tobago. I thank you.

Sen. Mark: Madam President, could the hon. Minister indicate to us where are we with the development of those modern development building codes?

Sen. The Hon. C. Rambharat: Madam President, as I indicated, a process was started in 2011 with the establishment of a multidisciplinary committee. Unfortunately, that was discontinued in 2014, and where we are, we are in the period where the work has been restarted. As I said, in 2016, the Ministry of Planning and Development restarted the process and work is ongoing to develop modern relevant national building codes for Trinidad and Tobago.

Sen. Mark: Can the Minister indicate when that process is expected to be completed, the development of these modern codes?

Sen. The Hon. C. Rambharat: Madam President, I am not in a position to give a time frame, but I know that my colleague, the Minister of Planning and Development, has placed priority on this exercise and I am sure that the Government will work towards having it completed as soon as possible.

Sen. Mark: Madam President, I know that the hon. Minister indicated that more stringent measures are needed in this country to deal with construction matters, could the Minister indicate whether among those measures would be the one that he has identified that is being pursued by this committee under the chairmanship of the Ministry of Planning and Development?

Sen. The Hon. C. Rambharat: Madam President, as indicated, the more stringent measures relate to small buildings and things which would not have been

traditionally dealt with, and these are gates and walls and fences particularly in residential properties, and those are the areas that have been targeted by the current exercise. Thank you.

Sen. Ramkissoon: Thank you, Madam President. Can the Minister indicate if this is all local committee or is there expert advice being given to this committee?

Sen. The Hon. C. Rambharat: Madam President, this is a multidisciplinary committee which existed before and has been restarted as I indicated in 2016, and as with all these committees established by Ministries and by Cabinet, they have access to expert advice, whether the expert advice is local or outside of Trinidad and Tobago.

Trade Imbalance Between T&T and Jamaica

(Details of)

101. Sen. Wade Mark asked the hon. Minister of Trade and Industry:

In light of reports that Jamaicans are concerned that a Trinidad and Tobago favoured trade imbalance exists between Trinidad and Tobago and Jamaica:

- i. has the Minister engaged in discussions on this matter with Jamaica; and
- ii. if the answer to (i) is in the affirmative, what has been the outcome of the discussions?

The Minister of Trade and Industry (Sen. The Hon. Paula Gopee-Scoon):

Thank you, Madam President. To Part (i) of the question: At a recent meeting between the Ministry of Industry, Commerce, Agriculture and Fisheries of Jamaica and the Trinidad and Tobago Trade Delegation headed by the Permanent Secretary in the Ministry of Trade and Industry, the issue of a trade imbalance between our two countries was discussed.

Part (ii): Both countries agreed to explore ways in which Jamaica's products

such as agricultural products can be utilized as inputs into the manufacture of Trinidad and Tobago products. In particular, Jamaica outlined its interest in supplying specific products to Trinidad and Tobago. In addition, attention is to be paid to the removal of regulatory obstacles which may be restricting trade between the two countries. Further collaboration between the private sectors and the public sector agencies of both countries will continue in this regard.

Sen. Mark: Could the hon. Minister share with us what could be some of the obstacles that may be inhibiting further trade relations between Jamaica and Trinidad and Tobago?

Sen. The Hon. P. Gopee-Scoon: Thank you. Some of these obstacles—and it is not specific to Jamaica alone. You would have it with regard to trade within most countries and those kinds of obstacles would be, for instance, with regard to phytosanitary issues, and in the case of Trinidad perhaps regulations laid down by the Chemistry Food and Drugs Division. Those are the kinds of examples that you have, but we always find ways to collaborate and work through the issues that are before us, and there are issues on the other side as well that would relate to some of the regulatory agencies in Jamaica and in other countries as well, but as we all have a commitment particularly in the region to working together to resolve these types of issues.

Sen. Mark: Madam President, could the hon. Minister indicate, having regard to the sometime strained relations between Trinidad and Tobago and Jamaica and in light of this development here, can the Minister indicate to this Parliament that everything is going to be done to ensure that we seek to improve the relations on the trade front so that, for instance, both countries' interests can be secured?

Sen. The Hon. P. Gopee-Scoon: Thank you. Madam President, you would recall the visit of the hon. Prime Minister to Jamaica in July 2016, when in fact we

addressed a number of issues which were of concern to both countries. So it went a little bit wider than trade, much wider than trade, but clearly a framework was laid for collaboration and on a multiplicity of issues. With regard to trade matters, we agreed to have further collaboration and cooperation with regard to trade and to always finding and exploring new ways in which we can facilitate trade between the two countries.

T&T Family Detained in Jordan

(Status of)

102. Sen. Wade Mark asked the hon. Minister of Foreign and Caricom Affairs:

In light of reports that a Trinidad and Tobago family has been detained in Jordan since January 2018, can the Minister indicate the following:

- i. the number of persons that comprise the family being detained;
- ii. the reason(s) for their detention;
- iii. what, if any, interventions have been made to ascertain whether the individuals concerned are being properly looked after; and
- iv. what assistance, if any, is being given to the family toward having them return to Trinidad and Tobago as soon as practicable?

The Minister of Foreign and Caricom Affairs (Sen. The Hon. Dennis Moses):

Thank you very much, Madam President. In respect of the first part of the question, the Republic of Trinidad and Tobago and the Hashemite Kingdom of Jordan do not have formal diplomatic relations. However, the Ministry has been able to confirm that the family that was allegedly detained consisted of four persons. Relative to the second part, the Ministry has not been able to determine the reasons for their alleged detention.

Thirdly, despite efforts made to ascertain whether the individuals concerned were being properly looked after, a former response from the Jordanian authorities

has not yet been received. And lastly, the fourth part of the question, the Ministry has been advised that three members of the family, the mother and the two minor children, have returned to Trinidad and Tobago.

Sen. Mark: Could the hon. Minister indicate having regard to three out of the four members having returned to Trinidad and Tobago, can the hon. Minister advise what steps are being taken by the Government to have the final person return to the Republic of Trinidad and Tobago?

Sen. The Hon. D. Moses: Madam President, we continue at the level of the Ministry to persevere in seeking out the responses from the authorities concerned who should be in a position to render such information. Thank you.

Sen. Mark: Can the hon. Minister indicate as to the reason why this individual continues to be detained in Jordan?

Sen. The Hon. D. Moses: No, Madam President, I am not in a position to respond to that question.

Sen. Ramdeen: Thank you, Madam President. Madam President, through you, to the hon. Minister of Foreign and Caricom Affairs: When was the last time that the Government pursued this matter and made a request from the Jordanian authorities with respect to the remaining person that is detained there in Jordan?

Sen. The Hon. D. Moses: I undertake to furnish that bit of information on a subsequent information since I do not have it at present. Thank you.

Sen. Mark: Before you go Public Business, Madam President, could you advise me as to where we are with our written questions that have been languishing for a long while on the Order Paper?

Madam President: Acting Leader of Government Business.

Sen. The Hon. Rambharat: Thank you, Madam President. Madam President, the Government has not responded to question No. 78 to the Prime Minister. I am

requesting a deferral of the response to question No. 118 to the Minister of Education.

Sen. Mark: Madam President, in terms of question No. 13, you would like to advise the honourable Senate as to what is the current status of this question?

Madam President: Minister, are you in a position to provide an update in respect of question No. 13?

Sen. The Hon. Rambharat: Madam President, my most recent information is that the Government has sought legal advice on the issue and has not received that advice.

Sen. Mark: Madam President, I would like to seek your guidance on this matter. The Government can in fact hide behind legal advice and come to this Parliament and simply say to you, and to this Senate, that they are seeking legal advice, but there must be a time frame in which that advice must be proffered and at least bring to the attention of this Parliament. We just cannot go on open-endedly on this matter. So I would like, through you, Madam President, to give us your guidance on this matter.

Madam President: Minister, I would ask that the relevant Minister provide an update via the proper channels by virtue of the Standing Orders to give an update on what is the situation with that question.

Sen. The Hon. Rambharat: Thank you, Madam President.

PROPERTY TAX (AMDT.) BILL, 2018

[Third Day]

Order read for resuming adjourned debate on question [April 20, 2018]:

That the Bill be now read a second time.

Question again proposed.

Madam President: Hon. Senators, some eight Senators including the mover of

the Motion, the Minister in the Ministry of Finance, have spoken on this matter thus far. Sen. Obika, you have 28 minutes remaining of speaking time.

Sen. T. Obika: Thank you, Madam President. I appreciate that some time has elapsed between the beginning of this debate to now, and in that time period you have seen some ventilating of some of the issues. One issue in particular I would want to respond to would find me responding to the contribution of the Minister of Public Utilities, where the hon. Minister is recorded in the *Newsday* on the 27th of April—that would be Friday—in an article by Julien Neaves with the headline: “Le Hunte: Property tax 0.6 per cent of income”, and the article continues and I would read the first paragraph with your permission, Madam President.

“Government Senator Robert Le Hunte said citizens would pay about 0.6 per cent of their disposable income in property tax and he wanted to ‘kill’ the talk that it was oppressive and people would lose their homes.”

So that is the first part of that—I need no reference to the article for my other critical response to the hon. Minister’s statement.

Now, if we turn to any available source for the meaning of terms, we would be able to realize what the meaning of the term “disposable income” should be.

2.00 p.m.

And in essence, disposable income should be the funds available to persons in a household after certain regular expenses which may be expected for them to eke out a living are taken away, such as taxes—obviously because that is not available to the citizens in most cases if they are salaried—food, shelter, health, education, transport to go to work—for key functions. Transport for work, transport for schooling for our children and persons of school age, and utilities. Because if the individuals do not pay their light bill, their WASA bill, their phone bill, for example, which has become an essential utility for security and safety of persons in

any country, especially in Trinidad and Tobago, they would find that they would not be comfortable and will not be able to live respectably.

So I want to submit that it is either the hon. Minister erred egregiously when he stated that the property tax would only account for 0.6 per cent of disposable income whilst quoting the gross income of the family as being \$8,400 and the property tax payment of \$54 per month. So I want to correct that for the record, Madam President, that \$54 per month can never be the 0.6 per cent of the disposable income of a family where the joint income is \$8,400. That is absolutely incorrect and I am sure the hon. Minister would not have meant to mislead this House and the people of Trinidad and Tobago. So I am sure when he comes, he probably would offer an apology for that or a correction for the newspaper for misquoting. But I was here and I heard it and I felt I needed to correct that for the record.

So, if I were to afford Mr. Neaves of the *Newsday* an accurate representation of what the property tax would mean for the disposable income of citizens of Trinidad and Tobago, I would now venture with an example. So if we take the same salary, \$8,400, which would represent persons who may be in the public service in a very junior role or persons who may be cleaning in probably a school for example, so non-technical staff essentially, we find that—firstly, you have to remove any taxes. Let us assume that \$8,400 is the salary after tax, let us assume. You have to take out electricity, \$300; water, \$100; phone, \$200; food, \$2,000, and that food bill includes market, grocery, lunch, any type of snacks that they may need to provide themselves to function, and as well transportation for themselves to go to work, that is the leaders of the household—the husband and the wife, and at least two children if we were to take only two and we know that there are many

households that are more than that but I stick to two to make the figures conservative.

Then, obviously, if you have children of any age, there would be some budget for lessons which is inescapable, so if we offer \$800 for that. And then some minimum expectation for medical expenses, unforeseen, around \$500. So this is not a family with any critical illness or anything, this is a healthy family with absolutely no health problems really but just the run of the mill usual expenses that would come and there is nothing in here that caters to maintenance or anything like that. Entertainment, nothing like that because that would come out from your disposable income.

So that family would find that their disposable income would really be around \$2,000 if so much and I am being very generous here because you find that once you have more than two children, you really would have zero disposable income and in effect, we would have to “hustle”, as we say, to make ends meet. And therefore, that \$54 per month that the hon. Minister quoted would actually be an onerous charge on this family. But if they really have \$2,000 in disposable income, that would represent roughly, based on the hon. Minister’s calculation, much more—at least 3 per cent of their disposable income.

However, the other flaw that I want to address in the Minister’s contribution has to do with the rental value of that property because as far as I can recall, \$2,000 is not the rate for a house in Trinidad and Tobago. By and large, you would struggle to find any house that you can rent for \$2,000 unless of course it is from your family or your close friends who really feel they owe you a favour in life. Because, Madam President, \$2,000 for persons who live in south would know that if you have to rent around UWI, \$2,000 might allow you a room alone with a toilet

and bath, all right, no air conditioning. Now, if you even go to after Point Fortin, because in Point Fortin, the cheapest you can get a house for is \$4,000 and that is maybe because the persons are retired and they are not necessarily too interested in generating significant revenue from this house and they do not mind giving you a help in life so you get a low rent.

So if we go with that very generous figure of \$4,000 for the entire house because \$4,000 can give you—\$3,000 in Point Fortin can give an apartment, a two-bedroom apartment. Up on this side, \$3,000 might give you a one room, okay, in Port of Spain. It might give you an apartment, but not a house. So if we go with \$4,000, you see that the property tax calculation, the monthly payment, jumps from \$54 a month to \$108 a month. What does that do in this scenario? It means that essentially, the percentage of your disposable income jumps to about 7 per cent if your income model is similar, 6 or 7 per cent. Now, obviously, we know that there are many persons in this country that do not earn \$8,000 jointly in a family. There may be some single-parent households where one person may only earn \$6,000, \$5,000, \$4,000 or a minimum wage. We know that there will be households where maybe the two parents earn just above minimum wage. So if we look at that scenario, we would find that many households would find that they will not be able to stomach or to handle this property tax based on their living expenses.

But, Madam President, I want to turn to section 23 of the Property Tax Act where there is a proposed new subsection (3) and the new subsection says that:

“The relief granted under this section shall be valid for two years and may be renewed if the conditions of the applicant as evidenced under subsection (2) remains unchanged.”

Now, I want to ask the Government what comfort really does this bring to persons

who find themselves in dire financial straits? We have families where, based on their income potential and their current living expenses and the expectation of life in Trinidad and Tobago, they will not be able to pay even the basic amenities that I have mentioned in the prior example, they may not be able to cover those things. So you find that they are now strapped with the problems of having to pay in two years' time.

So really and truly, what some people would need is a waiver, not a deferral but a waiver of property taxes because of their financial situation and with no recourse to repay in future. So I want to put that on the table. And I want to put that on the table as I transition to my next point, Madam President. This has to do with the whole concept and the immoral position of taxing squatting communities. *[Desk thumping]*

Now, Madam President, if we turn to persons who are in the position where they are forced to squat, now we do recognize that there may be persons living in squatting communities, a very small number of them, who may be in a fairly comfortable position but by and large, we are dealing with the majority and the majority really are there because they cannot afford. Now, if the persons in the squatting communities are able to earn any income, they would still face some tax that would probably range—if they use the \$18,000 minimum and they take out 10 per cent, they will still face a tax about \$40 per month. Madam President, I have been a teacher for some time and there are examples of students who cannot go on a simple thing like a school excursion to San Fernando Hill, let us say if they are in Marabella, because their parents cannot afford the \$20 to pay the maxi so those parents will keep their children at home for fear of the shame to be the only child in school when the entire class departs.

Now, if a parent and in this country, we believe education is first and foremost. People will do all sorts of things legally to ensure their children or children in their family get the best education and if you find that parents cannot even afford to offer their children an education—the beauty of a wholesome and fulsome education—you find that they obviously would not be able to pay a property tax regardless of how small. So taxing squatting communities, I want to say is immoral, unethical and should not be part of any Bill that passes this House and any person of conscience will never support such clauses.

So now, Madam President, I want to turn to some other parts, other aspects of the Bill where really and truly, we see that the people of Trinidad and Tobago—“I definitely not in support of it”. Now, there are two sayings in this country and I return to the beginning of my contribution. There are two sayings in this country, one of which is “iron sharpens iron” and I only hope that this Government is not trying to sharpen any irons against the people of Trinidad and Tobago. Really, we should be sharpening our irons in the defence of the citizens.

Now, let us look at the property tax and the budget allocations. Now, the sanctity of one’s home or their property is so highly regarded that the expression “your home is your castle” is commonplace, not only in Trinidad and Tobago but I would want to submit worldwide. Therefore, the Government, by taxing the population on a piece of property or real estate that they have built up is in essence dissuading persons from developing their home into the castle that they would want to. We submit that a reversion to the original regime of the land and building tax is what is more tenable to the citizens of this country and it is more in line with the place for property tax in the fiscal regime of any responsible Government.

Now, if you look at the fiscal year 2008, the tax on property was \$83.8

million, 0.17 per cent of total tax revenue of \$49.3 billion. In 2009, it was \$71.4 million, 0.22 per cent of \$31.4 billion, which is total tax revenue. So even though total tax revenue declined, the taxes on property remained at a certain percentage less than a quarter of a per cent. You understand? So that is 22 over 1,000. In 2010, with the change, you find that there was some issue with the property tax. However, if you look at an estimate in 2010, under the last PNM regime, they were expecting \$325 million in property tax which would have amounted to an increase only to 1 per cent, 1.06 per cent, so 1 per cent really of the total tax revenue, even though tax revenue was expected to be as low as \$30.7 billion in that year.

Now, what does this mean? Even if the Government collects all the revenue they desire, extract from the citizens from this property tax, it will not serve as any good fiscal measure. It will only serve to deter persons from investing in their homes, which would also serve to dissuade persons from entering in certain businesses to support such activity. It will serve to deter business people. And I want to segue directly into that after I make this point. In 2018, the estimated figure is \$253 million to be collected from property tax which only stands at 0.82 per cent, still less than 1 per cent and the difference between that and the land and building tax is only a mere \$170 million. Now, is it that for this extra \$170 million, the Government sees it fit to heap untold hardships on the people of Trinidad and Tobago? I say no, this must not be the case.

Now, Madam President, let us look at some of the implications on business and timing of cash flow. Madam President, could I ask how much time I have again remaining?

Madam President: You have until 26 minutes past two.

Sen. T. Obika: I thank you very much. So now, we all know for any sustainable

business that sees itself as a going concern, payment and securing of insurance via premiums is an integral aspect of your accounting procedure and your business processes. Now, businessmen may seek to reduce the sums insured due to cash flow issues to accommodate property tax payments because they would seek to balance their cash flow to ensure—but they will balance their cash flow at the risk of an increased exposure of their entire business.

For example, if you have a value of \$2 million but insured at half of that rate, \$1 million, that is a pay-out rate of 50 per cent, so therefore if there would be some fire for example, you will only be able to obtain around \$500,000. Different insurance companies have different calculations but the principle is generally the same, where in essence, you get a fraction; the fraction that you get in terms of coverage is based on the fraction of your insured value over the total value—so the sum insured versus the value insured.

So if a company has a mortgage, let us say and their outstanding balance is \$800,000 and this insured value is tied into this mortgage as in lieu of bank repayment should a fire occur, the company will actually be out of pocket to the bankers for the difference which would be about \$300,000. What does that mean? Business people will be leaving their businesses at risk. The risk of default regarding insurance, the risk of losing their entire investment because they may choose to underinsure simply because they cannot afford the premiums given their cash flow constraints, given the subdued business environment that we are facing.

Now, who is to say even this amount in tax will be collected because we have seen the record of this benevolent Minister of Finance as he bestows taxes upon taxes on the population. We have seen his record. We have seen where he has overestimated significantly and I dealt with that in my response to the budget

presentation and I wait eagerly for the mid-year review. Because really and truly, if your record is to continuously overestimate your taxes, how can we be even sure that the \$253 million will be obtained? It was cut from in \$503 million in 2017 estimated and down to half, \$253 million.

Now, Madam President, another factor of this tax is the retroactive nature of it. The people of Trinidad and Tobago are tired. The tax-to-recovery regime has failed. The Government has steered the ship for three years into the rocky waters of taxation without resolution. There is no need to add this ogre—I am choosing my words very carefully—this ridiculous clause for retroactive payments. Now, what are we trying to achieve by doing this? What are we trying to achieve? We have seen so many taxes.

So I want to turn to the impact of this tax given the overarching taxation policy of this Minister of Finance and this Government and I want to say that the population may have hoped that having a senior banker among the ranks of the Cabinet Ministers, we would have seen some more accuracy with regard to taxing, with regard to businesses, with regard to the practical nature of industry development and a taxation regime that supports industry development.

But when you have all the taxes going directly to Corporation Sole and you are saying in the future, we may consider looking at what is done in the United States, which is in your locality, a proportion of the taxes that are collected will be used to develop your locality and another proportion will be sent to the state for the state to administer for general enhancement of the society, we would be able to see that it makes no sense. Why do that then? Again, putting the cart before the horse. You can bring it now. If it is you really want to reform the taxation regime in this country and make it benefit the people and for people to see that their taxations are

going to redound to their immediate benefit, why wait? Do it now because you only have two more years and you know that you would not be returning after that.

[Desk thumping]

Now, so if you look at the increase in fuel—

Madam President: Sen. Obika, you have five minutes.

Sen. T. Obika: I thank you very much, Madam President. So I want to remind the population at this point in time, given the remaining time I have, of the taxes that they are already paying and these taxes would have already worked its way into all the goods and services that they consume. Every single one, from buying food in the supermarket, from buying drugs, from buying technological equipment for their children's development and for their own edification. So we have the increase in fuel—diesel has gone to \$3.41 now. I think it started at \$1.50, I cannot remember how low it was. That increase is over 100 per cent, significant increase in diesel. Then all zero-rated goods that were under a VAT regime of zero-rating are now paying 12.5 per cent.

So the same small man who is in a squatting community who is struggling to make ends meet is now facing property tax after he has already faced an increase at the grocery because of the increase in VAT. The 7 per cent online tax; 30 per cent on used tyres; the 20 per cent disposal fee which is not going to SWMCOL, going to Corporation Sole. Everything goes to Corporation Sole, nothing goes to the agencies that are required to assist the population.

Now, Madam President, when we consider the current regime of taxes, we recognize that the Government, really and truly, is at sea. April 29, 2017, in an article by Shaliza Hassanali titled:

“Former LSA boss: Plan to tax squatters a recipe for disaster

Property Tax (Amdt.) Bill, 2018 (cont'd)
Sen. Obika (cont'd)

2018.05.01

Former CEO of the Land Settlement Agency...Dr. Allen Sammy fears that if Government imposes property tax on squatters it would legitimise their occupancy on State and private lands.”

But however—

Madam President: Sen. Obika, can you quote—is that a newspaper article?

Sen. T. Obika: Yes, that is the *Guardian* newspaper, that is the only part of the source I did not quote. I apologize. Okay? So, Madam President, in 2011, Sammy estimated that 300,000 squatters living on state and private lands—50,000 squatting families—300,000. So these are the people that are the salt of the earth. They are the people that make up the bedrock of our society. This Government, by this tax, is making poverty a crime in Trinidad and Tobago. [*Desk thumping*]

Now, I want to tell the population that in two years' time, they will get relief from the United National Congress [*Desk thumping*] from this unjust and arduous task, two years' time. Once the election bell has rung, they know that these 300,000 people in this country, these 50,000 families will get relief and they will be welcomed into the bosom of the United National Congress. The sun will rise on good governance in this country finally in two years' time. [*Desk thumping*]

Now, Madam President, I want to end my contribution with a very pertinent section of the Property Tax Act regarding relief, section 23, where the relief that the Government seeks to grant persons is only in line with giving them a deferral but really and truly, there are people in this country, of these 300,000 persons who are in squatting communities, many of them, I am not saying all, okay, because I have given lessons to persons in squatting communities in Pleasantville and there are many persons in general who are comfortable even though they live in squatting communities because they are waiting for regularization, another

initiative brought by the United National Congress, but there are persons who are there because they have nowhere else to go.

So I want to reassure this country that in two years' time, things would change and just like the vendors on Charlotte Street who got relief from another UNC stalwart, Sen. Ramdeen, in the face of victimization by a Government that wants to overturn even what was done under their past regime—

Madam President: Sen. Obika, your time is up. Sen. Creese.

Sen. Stephen Creese: Thank you, Madam President. Lest I forget, I would like to begin by making some commendations with regard to those things in the amendment Bill that ought to be recognized as an improvement on the previous or existing system. And I am thinking here of clause 5 which reads:

“The Act is amended by renumbering section 15 as section 15(1) and inserting after section 15(1), as renumbered, the following new subsection:

(2) The liability to tax of the owner of any chattel fixed or affixed to land does not create a legal entitlement to the land upon which the chattel is located where the owner of the chattel is not the legal owner of the land.”

And I think it is important to note the inclusion of this clause because it anticipates—it responds positively to a long-standing issue in our society when it comes to the question of not-too-subtle attempts to deprive people of their property. I am thinking in terms of the issue normally associated with squatting on land and the implications that has on the legal owner as opposed to the occupier. So I think that this seeks to deal with that issue and the drafters of this Bill should be commended to responding to what is an ongoing and long-standing social issue. So I am “giving Jack his jacket” because there is a tendency of those of us on this side of the aisle to launch into tirades against Bills that come before us from the

Government without paying attention or giving due credit for efforts that are made to deal with ongoing social issues.

And I remember way back in the '80s when I was an undergraduate student, there was a course Caribbean Economic Problems and there is another one, Caribbean Social Problems, Social Policy and this issue of land ownership, good, and the question of land occupation and who is a squatter and I think one of the calypsonians dealt with that well in terms of who is a squatter.

But the Act seeks to recognize that there is a problem and ensures that it does not compound the issue involved in that age-old question of how does the underclass come into property and certainly recognize that there are some shortcuts that some people take and there are consequences for it, for the rest of us who might have gone through expensive mortgage procedures to come into ownership of land. So I commend the drafters and the AG for, you know, inserting this clause.

2.30 p.m.

Other than that, I am afraid that I have quite a list of, should I say, negative comments. And the first, as a local government official of some 20 years, I have a concern that this amendment Bill is part of a tendency to move to the centre. I think one of the other Senators, if not a Minister, referred to the question of the centre cannot hold—19th Century English poet, I think it might have been Yates.

There is a sense in which this Bill and the previous one we dealt with, the amendment to land valuation, strikes at the heart of local government, and in a sense derails what had been the journey started in Act 21 of 1990, good, which seems to have fallen away with the demise of the Government that introduced it, when they left office in '91. And for many years thereafter the whole local

government issue was lost somewhere in the bushes and at the turn of the Century and coming on to around 2006, between 2000 and 2006, there seemed to be an upswing in attempts to reform the local government system and to put the corporations back on the political map.

But somewhere inside of there, there was a clear shift. And I remember when we were in the process of transferring the roles from the Warden Office to the now regional corporations, formerly county council and the Government that hired on contract some retired valuation officers. And we see the connection between valuation and tax and property tax and the amendment Bill for valuation and the amendment Bill for property tax.

I was complaining to one of them about the headache that we were going through—at the time I was at the Mayaro/Rio Claro Regional Corporation—in the transference of the roles. And he said: “Doh worry. This is a ritual exercise.” He say “Every 20 years or so, when the Government runs into funding problems, they seek to collect those taxes which otherwise they ignore out of the property taxation system”. So this is just an exercise that would go on. But when they get down to the nitty-gritty, which is not who collects the tax, in case of the corporations who are legally entitled to do that, since Act 21 of 1990 was passed, but only the boroughs and cities, at that point in time, actually, you know, in the process, were engaged in tax collection.” The thing is, he said to me: “Listen, when we get to the question of valuation of the new systems of working out the property taxes, and so on, when that, those two issues dug into and the Government comes face to face with any of the new systems of taxation and valuation, would lead to an increase in property tax, they would back off. So, “Doh worry. Dis eh reaching very far.” And this was somewhere between 2000 and 2006, and we are now in 2018.

No, actually I was wrong. This was in the 1990s. Yes this was in the 1990s, because I was in Rio Claro from '92 to '96, good. So 20 years later, we are right back here. But this time, they have taken out the collection of the taxes by the local authority, like the regional corporations, and they have gone the centralized way. And, clearly a government stumbled around 2010, and decided that the property taxation, land valuation, which is its brother or sister, was too hot to handle and they shelved it. So we are back there again on that question.

And clearly, over the period, the issue of subsidiarity, which basically is a principle of power, should reside as close to the ground as possible, in this case local government, in this case collection by local government. So that is not on the cards, in terms of the policy of the present regime or administration that we are under, which is unfortunate, of course.

The other aspect of this, really, that we need to pay attention to, apart from the issue of the reversal from subsidiarity locating power, locating tax collection, as close to the ground as possible, is the question of parity. Because inside of this, inside of the move to centralization, is the question as to: What is the basis for allocating funds to corporation? Because if you are taken with their power to collect their taxes, to enforce the collection, not only that, to take action against property owners who are enjoying the services they provide like scavenging, like road repair, like street lighting, you know, all these local facilities, locally-managed facilities, and you are devoid of the power to go after the people who are not contributing to the funding that has to be allocated for it, it brings you face to face with the question as to: What is the basis for the allocation of funds to local authorities, municipal authorities?

And when we would look at the Tobago legislative arrangement, and we

were recently debating, and we will continue to debate, what is the formula for making that allocation to Tobago, the question comes up: Should there be parity, in terms of the formula, for the municipal entities? So that is something we need philosophically to get to the bottom of. And what I find with our present administration is that they are vague on the overarching principles that should guide the decision making in these things so as to ensure parity.

The other thing that strikes one about this legislation is the degree to which it is going to be retroactive. And I have a concern with that, in the sense that retroactive legislation is always one fraught with difficulty, especially in land-related and land tax matters. And I would hope that when presenter of this Bill to the House is winding up, they will deal with this little problem, and I am willing to give way if they are ready to deal with it now, to respond to it now. What happens to all those people who would have signed lease agreements, bought or sold property inside of the period we are going retroactive on?

Because, as far as I remember, there is usually a clause in those, what you call it, the documents related to the transfer of lands, which refers to encumbrances and that you are purchasing it free from encumbrances. And the standard encumbrances would be things like outstanding mortgage payments, if the property was mortgaged; land tax; and WASA; what WASA bills are outstanding. Because, especially with WASA, WASA legislation allows WASA to dispose of your property if you are in arrears. Good?

So that, if you purchase land during that retroactive period that this thing would be effective on, who is liable? You would have signed an agreement if you were the purchaser, stating that, you know, they are supposed to give it to you free from encumbrances. And now Government is coming after the fact, after both

parties have signed off, and inserting an encumbrance. So I am perplexed as to what that would mean in effect. The only mitigating factor—it takes so long to do these transactions properly at the Ministry of Legal Affairs—that perhaps all the people who could have been caught probably would not get caught out in this, because of the headaches in trying to move documents through that entangled web that is the Ministry of Legal Affairs, especially the Land Registration Division.

And I see among the things that are coming up as other amendments that are all tied to this question of the whole local government scenario and how it is caught up with the central government scenario, is the question of projected reforms to land title arrangements, because that is one of the list of amendments that I see coming.

So the question is: What will happen to those people who would owe WASA, who would owe the taxes that have not been collected since 2010 and we are seeking to put back on, not at a future date, when the Bill is passed, but retroactively? I see that as being fraught with difficulty. And I always have a problem with any kind of retroactive legislation, because it has the tendency of making somebody a criminal after the fact, after whatever deed or misdeed we are declaring, after the fact. And I find that repugnant, to say the least.

The other thing that strikes one, of course, is the whole question of how we treat with the identification or the principles guiding what institutions should be recognized, in terms of what is in the Schedule at the end. In other words, those institutions who are not to be taxed. Good? And the list, of course, is a “who is who” in government enterprises. I do not have a major problem with that, because there is no point in a state-owned enterprise paying taxes to central government for it to be handed back. So, you know, I do not have a problem with that.

But the issue here is not acts of commission but it is an act of omission, and what I find noticeably omitted from the NGO sector is, of course, credit unions. I looked up, down and across and nowhere inside of Schedule IV, clause 25, is any credit union listed, and I wondered surely this is an oversight. Surely the Minister of Labour and Small Enterprise Development must have seen this and would move quickly to have it corrected, given her history in the credit union movement, not to mention the labour movement. In a sense they are almost one and the same. There is some amount of double counting, if you would count workers. Because you have to be working somewhere or have some kind of business to be involved in the credit union movement. You have to have some source of income, and even if you are self-employed, you are still a worker.

And I know that the Minister definitely, hon Sen. Baptiste-Primus, has a concern having, after all, sat on the same board with her, the same credit union board with her. I think that is probably where I first met her, either there or in the PSA, Public Services Association. And the credit union to which I refer was founded by the PSA, by the way. So I have a concern, when I look through the list, and not a single credit union is here, and I wondered what is the overarching policy that guides government's approach to the question of tax exemption, and in this case property tax exemption. Is it that you have to be a state corporation? But when I looked through here, I saw there were institutions that look like they may be charitable organizations, but largely they are state entities. So, I am making the case for a review of the Schedule and the inclusion of credit unions.

Because the funds that are in the credit unions would have already been taxed in the individual, in the citizen's capacity, as an employee. And most of the credit unions are in fact employees and they form a bond either in their sector, at

their work place, or in their committee or region or in their religion, like in the case of the Hindu Credit Union or the Muslim Credit Union, you know. So there is some common bond. But the fact is they are workers. And most of the times the contributions to the credit union, the repayment of loans, are done through their employer, from source.

So I am saying this to say that these people are all employees and the Commissioner's office says there are some 600,000 accounts. And there are some double counts in that. I think it is probably around a little over 400,000 actual citizens. Because some people are in one, two, three credit unions even. So the real figure, in terms of individuals, as opposed to credit union accounts, is around 400,000. So there are these 400,000 workers who have pooled their resources and the property tax—so they have acquired property so they could carry out this function and in the course of servicing their common needs, they have employed people and they are paying a property tax in the midst of all of that. There is a sense in which I find that to be almost like double taxation. Good? So I am bringing this to the attention of the Government in the hope that they could rectify what is clearly an anomaly. I do not think it is the intention of the Government, given its double taxation policies, to make some 400,000 workers pay tax twice, to put it bluntly. So I am hoping that there would be review of that and that that would redound to the benefit of the workers. And there is time enough for us to do it, so they could announce it to the workers.

Today is May Day, so it is a bit late. But if the wind up speech takes place today, it would be a timely announcement for the working class movement, the trade union movement, to JTUM and company, that the Government recognizes that workers pay tax on the button, unlike those of us who own our own

businesses, who—and I am not here to bash lawyers and doctors, and so on. Good? I am not here to say when you go to these clinics, good, you pay for the clinic with your credit card but you pay for some of the practitioners' services hard cash. I am not here to raise that at all. Good? We are about property tax here, not income tax.

So it would be timely for the Government, at the end of today, just before the seven o'clock news, to respond to the President of JTUM. I cannot remember his name now. I think it is Roget, yes Ancil Roget, by saying that: Okay, we recognize that we in fact are taxing workers twice when we make their associations. Good? And as I think of it, I am wondering whether I am failing to include the trade unions themselves, but I am not sure what is their situation. But they are not on the list here, so I have to assume that the trade unions too pay property tax. And, again, it is from the same pool of workers both sums come from. So if you are two and three credit unions and you are in a trade union, at the end of the day, what is happening is that you are paying taxes all over the place for the same services.

And if everything is going into the central fund, as opposed to going directly to a corporation, well then what is it we are really doing? We are just deducting taxes wherever we could get them mercilessly because people are not even aware that in effect, they are paying two and three times. So you form a credit union and you are paying there and you are involved in a trade union and you are paying there too. Because the credit union and the trade union are paying property tax and you are paying back at home for the same service. We need to really and honestly review that and come up with a basis for some kind of parity, some kind of equity, you know, some kind of fair play. Because, really, this is not the fair application

of a tax.

The other thing I think we should be mindful of—I read the base Act and I have gone through the Property Tax (Amdt.) Bill, and I know I am going to be out on a limb here, so I am prepared for what comes, good—is the whole question of whether we have a progressive tax regime or a regressive one and can we, in fact, find ways of treating with that.

I have, on other occasions, pointed to the error, in terms of how T&TEC, another state corporation, approaches its bills structuring in the sense that there is a built-in subsidy on the gas supply, which is passed on to everyone "tout moun" "tout bagai", as they say. So that the person with a lamp on every French post pays the same rate as the person who has one light in his little 10 x 10. That cannot be equitable. But we do that in this country and that is because we do not have an overarching principle that guides how we tax people, how we charge for services. And I am yet to hear the Regulated Industries Commissioner (RIC) treat with that. So it brings back to this whole issue here, of how the Government conceptualizes rates and taxes, and ensuring that whatever we do, it is equitable.

And where I am going with this, to be quite frank? It is the question of: Should we have or should we not have? And I am posing this question in all honesty, because I have sat here and I have not heard any reference to it in this or any other legislation involving, you know, the whole question of taxes. But land is critical in the development, because for most of us in this room, for all of us in this room, we came here to be part of the landless classes. We came here on some kind of coolie migration programme, whether it was slavery, good, whether it was East Indian. To call it migration is to glorify it, but it was not that. And with the Chinese back then and even now, good, the conditions under which they came in,

all of this forms a package in which there has to be a grab for land, and people chose different ways to do it. Good? But we all arrived here landless. Even the Conquistador arrived here landless.

So at the end of the day, you are lucky if you have a little 50 x 100 or a 50 x 50, as in the case of the Pleasantville settlement, the NHA, now HDC settlement. So is there a case for saying that there should be a property tax whose basis recognizes land as a scarce entity, but as a means for self-development, whether one's personal self-development or family self-development or community development, but recognizes land as a tool for social mobility and that those, by whatever means, fair or foul and largely there have been foul, because like I said the Conquistador came and he assumed that the Caribs, Arawaks, the Amerindians did not own land.

So, therefore, the taxation system should say: Okay we are not going back in time, right, as the emancipation movement argues; as the principal at Cave Hill argues, his name slips me now, good; that should there be some special package paying people for what happened over slavery—Sir Hilary Beckles, that is right. But in the case of land, I am arguing that however you got the land, you started out with an advantage that those who came in after, right, you started with an advantage because if you were Catholic, back in the day—[*Interruption*]

Madam President: Sen. Creese, if I may, while your discourse is extremely interesting and I have given you a lot of leeway, at times you have spoken to the Bill. But I need you to really tie up what you are saying with the Bill that is before us. Okay? Thank you.

Sen. S. Creese: I hear you, Madam President, and I will obey your ruling. Simply put, and I am wrapping this up in two minutes, is that the act of omission—I

started off praising the acts of commission—here is that those land owners who are not utilizing the land for any progressive purpose, we need to address that. Good?

So the point of regressive and progressive taxation is, listen, if you are not utilizing the land, if you are allowing the land to just lie unutilized, our taxation system should treat with that as a problem. Because if the issue we are saying is productivity, well then land productivity, and if you fly over Trinidad at any point in time you realize that the bulk of us live in narrow corridors in the east/west or north/south, Port of Spain to San Fernando and then it peters out into bushes, into scrub land, and so on. So there needs to be a government policy that speaks to taxing people, having a graduated taxation system that treats with those people who, by whatever means, were allowed to accumulate large tracts of land and are not using it in any productive fashion. That is the bottom line in all of this.

And that, to me, is where the question of productivity, of feeding ourselves and the huge export bill and all of that, that is where all of that comes together. That is where all those issues converge on the question of the failure of successive regimes to recognize that the land owning classes of Trinidad and Tobago really have been holding back our productivity. We have been sitting on land and our taxation structure does not deal with that, and it is an ongoing social problem. It is an ongoing economic problem.

And the land tenancy situation and that grab-for-land thing that occurred under the last regime is as a consequence of the failure of successive regimes to institute a taxation system that treats with those people who hold large tracts of land in the valleys of the north and in the plains of the south and the recent grab for the ex-Caroni (1975) Limited lands and are doing little or nothing with it and are just skewing national development, at the end of the day. And that is something,

and until and unless a government comes to power that treats with that as an issue, basically “We spinning top in mud”. I thank you, Madam President. [*Desk thumping*]

3.00 p.m.

Sen. Melissa Ramkissoon: Thank you, Madam President, and as always I am have grateful for this opportunity today to speak about the amendments to the Property Tax Bill before us. So, property tax is a large single local tax, and from the 2018 budget we learnt that the Government expenditure was estimated at \$53.3 billion, with core revenues at \$33 billion. With little or zero reduction in the Government expenditure, we did learn of eight measures of taxation to raise the balance, which would be \$20.3 billion.

So we are not surprised that property tax is before us. We may be surprised by there being no amendments to the rates of increase or the rates that were passed in the 2009 Bill. And I do want to draw your attention to a very interesting quote by a French politician Jean-Baptiste Colbert that said:

“the art of taxation consists in so plucking the goose as to obtain the largest...amount of feathers with the”—least—“possible amount of hissing.” And we want a good property tax; we want it to be stable; we want it to be efficient; but we also want it to be fair. And to say “fair” in our country is a bit difficult to understand because when we have a corruption index of 41 where 100 is very clean or where we should desire to be, we have not made it to the halfway mark. So to say “fair” in Trinidad and Tobago is very difficult to comprehend or understand, because this is not a safe zone for lack of corruption in our country.

And property tax in theory is one that is immovable because you cannot move your property. So it is definitely going to be something that is viewed as an

economic success for the Government. But I want to warn or I want to urge the Government to take heed of another saying by the 18th Century Persian King, Frederick the Great:

“No government can exist without taxation. The money must necessarily be levied on the people; and the grand art consists of levying so as not to oppress...”—the people.

So for Trinidad and Tobago I personally believe that an increase in property tax revenue is not necessary for our country at this time and an increased tax rate can be viewed as oppressive to the public [*Desk thumping*] sanctity of human life and sanctity being the ultimate importance. And I will go into that, why I view it as the ultimate importance.

So, I am bravely saying that I do view the property tax as unnecessary and that is after, Madam President, listening to the debate going on for a couple, well maybe two days, partly, and hearing the squandering of different administrations, mismanagement of public funds without any closure to this abuse. And that is why I am saying it is not necessary, not because we know the balance is 20.3 and it needs to be raised by these forms of taxation, but, I believe that there are other measures and because we cannot get a handle on different administrations abusing the public funds, I am not supportive of these amendments to the property tax and the enforcement of the 2009 Property Tax Act.

And I will go into my reasons, Madam President, and I do want to just briefly suggest, well make a suggestion before I go into the clauses of the amendments that I think we can look at if we want to come with a certain amount of compromise.

So, Madam President, when we look at the administration, and we know that

it is very costly to run a working property tax administration, and it is difficult to raise or reform tax because, while it might have the computer bases to assist you, it can still be very subjective, and that is what you want to avoid. And it is not as simple as income tax or sales tax, but this tax can be a little bit more difficult to gauge, because there is no direct relationship between tax liability and the ability to pay the tax, which leaves some taxpayers asset rich but cash poor. And that simply means that you may have inherited a property, you have that successful looking house but you cannot pay the taxes for the home, because you are just not holding an income that can allow you to pay such tax. [*Desk thumping*]

So, Madam President, while citizens might accept taxes in principle or property tax in this case—because we see property tax in many different jurisdictions throughout the world, except a very few selected countries that do not have it, there is still widespread resentment to the enforcement, the proceedings, and sometimes even the threat to the sanctity of homes by the view of property tax.

So, Madam President, with the issues of the Property Tax (Amdt.) Bill, No. 3 of 2018, it is difficult to see the benefits on a developing country such as ours. And Sen. Singh did raise during the debate at the last time we sat when we spoke on property tax, he did go into great detail about the 1 per cent of the agricultural tax or the rate of tax payable on agriculture which is viewed as affordable. And he did go in to explain the 10 per cent depreciation on the land, and I just want to just add or maybe respond, or what is the correct word?—query into that point that Sen. Singh did raise. As our country is using the annual rental value and this is similar to many countries such as Australia, the UK which is for nonresidential, India, Thailand, in theory this tax should be equivalent to the tax on the market value.

So, because it is difficult to estimate a rental value on land because there is little information on the annual rent of comparable properties, as well as it is difficult to gauge the distribution of expenses between a landlord and tenants because it differs for different areas, because some landlords do hold a lot of the maintenance costs as oppose to some that do not pay anything.

And then thirdly, it is difficult for assessors who do not have access to rental information and they do have access to sales price. So that is why from research I have seen that annual rental value assessments have been more equivalent to the market value and with that I just want to raise my query.

So, if you, Madam President, go to any newspapers, you look at land for sale and you would see an average price about \$250,000 for 2.5 acres of land for sale, and that is sometimes with or without approvals, mostly Caroni lands that they look to be selling on the papers.

But, nevertheless, let us look at that in maths terms. One acre of land is \$100,000 and presently in the approved land and building tax which is enforced right now, we are paying up to \$10 per acre. So zero to 10 acres of land you pay \$10 annually per acre so for \$100,000 market value one acre land you will be paying a tax of \$10. So now we look at the 10 per cent that Sen. Singh did explain at the last debate and 10 per cent of \$100,000 is \$90,000 which gives you 1 per cent of that is \$900 per year. So, \$900 would seem affordable for a farmer, on just one acre. But, no farmer really owns just one acre of land. But present day we are charging this farmer \$10 but now we want to ramp it up to \$900 per year. That is 9,000 per cent increase and why? Nine hundred dollars may seem affordable, but I cannot understand why from \$10 we have to go to \$900 and that is where I am seeing a—

Property Tax (Amdt.) Bill, 2018 (cont'd)
Sen. Ramkissoon (cont'd)

2018.05.01

Sen. Singh: Senator, would you give way?

Sen. M. Ramkissoon: Sure.

Sen. Singh: Thanks, hon. Senator for giving way. At the last occasion I referred to one acre on the annual rental value using the numbers that we have from the Ministry of Agriculture, Land and Fisheries leases which is approximately \$400 per acre. So when you look at the 1 per cent of \$400 per acre you come down to \$4 per acre and when you add the 10 per cent from that you actually come down to something less than \$4 per acre. So that is the actual calculation that we want to use.

Sen. M. Ramkissoon: Thank you, Sen. Singh, for your explanation, and I just want to share with him, it is good that the Ministry has its values and that is fair. Also we have to take that into consideration now because the market value is in fact \$100,000. So if we are going to look at the \$400 and this is where the public needs to be informed, and this is why maybe publishing this information maybe on the Ministry's website will give people a comfort of mind because they do not know how these assessors are going to evaluate their land, and if you are telling a farmer on one acre who has 10 acres of land he has to pay \$900 he is not even utilizing all of those acres. It is really a strain on any individual and I am not even looking at the residential tax here.

So, Madam President, I want to share right now a recommendation which goes with this, one time, before I go into the clauses and it is good that Sen. Singh did raise this explanation, maybe this recommendation can assist. If you look at Singapore's property tax they actually define annual value in relation to a house, or a building, or a land, or a tenement, means the gross amount at which same can be reasonably be expected to be let from year to year, the landlord paying the

expenses of repair, insurance, maintenance or upkeep and all other taxes as opposed to our definition that does not take into consideration expenses, repairs, insurance, even utilities bills or anything like that. So when we are looking to the assessments it does not have anything in the Bill that gives you that comfort that these things will be considered when they are being evaluated.

Okay, Madam President, let us look at clause 18(c) of the amendment which is section 34(3) of the Act and this deals with the—when you do not meet your deadline payment of the tax, which is the 16th of March of every year and you will be charged a 10 per cent amount on that and then six months after you will be charged 15 per cent per annum on the amount of tax.

So, 10 per cent initially, six months after you will be charged a further 15 per cent per year. But if the owner deserves a refund from the Ministry or the board we go to clause 9(b) which deals with section 20 of the Act and it says that:

“Any amount of a refund under subsection (1)”—(a)—“that remains outstanding for more than a period of six months after the date by which it became due, shall bear interest at the rate of six per cent per annum from the day after the expiration of that period...”

Now that is very unfair, Madam President. I understand the Minister at the last occasion when she was explaining the valuation did speak on that. There is a mass amount that the Ministry has to deal with and they need a longer time. But no problem, if you are saying you are going to charge the owner 15 per cent per annum after six months then so be it, the State should also be charged 15 per cent per annum after the six months. And if they find 15 per cent is too high to pay then so should the owner find it too high to pay and it should be 6 per cent for the owner to pay after the six months.

So, it should have the same formula, so I have high objection that the owner has to pay double the amount that the State has to pay if they have to go through the same amount of waiting period. It is the same value of money it should not be different for who holds it.

Let us look at another clause, Madam President, which is clause 10(c) which deals with section 21(3) of the Act and that deals with the receipt of an objection under the section:

“...it may, by notice in writing, require the owner of the land to furnish within a specific time such particulars as it may require for the purpose of dealing with the objection.”

And now we have learnt that persons may not have a sense of the value of their property because there is no public record. We are not aware what the Ministry has evaluated properties at, and so they may have levels or different amounts of objections being received.

So now after filling out an extensive schedule, and a list, and a letter that needs to go to the Ministry and if you are not completing a form honestly you will be fined. Now after all of that, why is it that we want to put this additional work or onus on the owner now to further furnish the board with information when they have information already. You have received an objection, okay fine, but why the owner now has this responsibility? Before they could review your matter that you have to furnish additional information.

If we look at our laws of Trinidad and Tobago, since 1948 we have district revenue officers preparing assessment rolls every 15 years, so we have one for 1963, 1978, 1993 and 2008. So the Ministry should have all of this on file and if they are going to compare this data to give you a reason for your rates then why is

it that the onus has to go back on the owner now to furnish more information before you can be heard? And I disagree with that.

Let the Ministry have that information already and let the board make their decision and the owner can review it at the same time. And that will also go into clause 15(2) of the amendment which speaks about the Tax Appeal Board, and after learning that the Tax Appeal Board deals with all the taxes in Trinidad and Tobago and it has such a burden already, I would have thought that the Valuation Tribunal would also look at matters dealing with property tax. And mainly because, when we were debating the valuation debate, and we did ask questions, they always referred to the up-coming property tax which is before us today. And they said it was very much superficial to consider the two separately and I find this difficult now to understand why you would have two different boards dealing with something that can be interlinked or intertwined.

So, Madam President, I would like that to be considered or maybe responded to if I have made myself clear enough on to why we are going with a Tax Appeal Board when we established something to deal with evaluations and matters which deals with that.

Madam President, I would like to state that there are some areas that I believe that would be very difficult to look at in terms of clause 18(a), section 34(1), which deals with any amount of tax not paid or any part remains unpaid on or before the period of 15th of March, the Board will send you this in notice of writing, which is really great and the subsection after goes into it by registered post. But, I cannot understand why you have to wait till the 16th of March to mail a notice to any individual, or any owner to say that your taxes are due. Because that will give them— automatically go into having them pay a 10 per cent increase as I

have listed the clause earlier.

So why is it we would do that? Because, Madam President, I am a member of many institutions internationally. I am part of the National Association of Corrosion Engineers, American Petroleum Institute and many different certifications and all of them send an email simply three months before to inform me that my fees are due and after one month has passed they will send another one to give you a reminder and say that “Please allow six weeks of processing time”.

So, why it is we cannot adopt this same principle? Three months before you either mail it for those who do not have email access because normally these institutes ask you which way you would prefer to receive your reminder, via e-mail or via mailing. And we have registered post in this Bill before us. So, we need to be a little bit adaptive to the technology that is there with us to assist in what we do and one method is definitely giving the owner sufficient amount of time by way of notice which is given in clause 18(a) and (b) that they should be mailed at least three months before.

And I would like to mention before forfeiture, clause 22(a) which deals with section 38(1) of the Act that says that:

“The distress taken under section 37 may, at the cost of the owner”—at the cost of owner—“thereof, be kept for four days, at the end of which time if the”— amount due in respect of such tax together with the interest of 10 per cent or the interest of 15 per cent as provided by section 34 which is what I quoted earlier and the—“costs and charges of and incidental to the distress are not paid, the same will be sold.”

So, there is provision in this Bill and amendment where persons who cannot pay their taxes, they can have their assets sold. So, amount to that. So, it is not strictly

a deferral they will get, but there are provisions where the State can seize assets to make sure that they do make their payments.

And, as we all said many times, this is not a new tax, since 1920. So clause 9, section 20 of the Act, under payment and over payment of tax liability and also much tax policy is actually made in implementation, Madam President. Administrative reform is often neglected, and leading to the frequent unintended negative consequences of poorly executed property tax and regulations. And this definitely impacts on the limitations in tax administration capacity and it leads directly into the shortcomings of valuations of properties, billings, collections and enforcement and even dealing with arrears.

So I see, Madam President, at this point difficulty in enforcing clause 5 or 9 of the amendment, because without a visible and sustainable support by the political leaders to the tax administration, the tax reform is probably doomed before it can even be launched.

We can even look internally what we see before us in Joint Select Committees of Parliament where we always hear administration of public sector or public state enterprises say the limitation they have in resources or support and it leads to so much funds wasted. And that is why I think that it is very important to look at the administration because it can easily be sabotaged if the reform does not take place and they can—employees can sabotage it now with causing it to be delayed, slow, or inaccurate administration. And that will just say that property tax suffering a death by administration and you do not want that after going through all of this you would not want that to happen.

And, Madam President, let us look at clause 12 section 23 of the Act which deals with something that the hon. Sen. Le Hunte, spoke about at the last debate—

sitting of property tax, and he raised the relief, I would say, of the deferral by the means for the public assistance and this will be done every two years and it will allow the applicant to be re-evaluated after the two years. But it was a means of a deferral of the tax and my simple question is: Who is going to pay this deferral of tax?

You are deferring it for—if you look at the clause itself, it says if you are receiving a disability grant and you decide now you want to be independent, you want to get a job, you want to enter the competitive workplace, you are making the same amount of money that you get in the grant anyways, but now you are no longer qualified for property tax. So you are not qualified to be exempted from property tax because now you are working and you are not receiving disability grant.

So now you have to—no longer get deferred, so now you have to pay this. And then now if you are saying that you are going to defer a senior citizen—okay so if you are not being deferred again as a disability grant, you are having a disability grant, you no longer on this disability grant programme, you are earning your way. You would no longer need to be deferred from this property tax, why would you do that? The State is not giving you any empowerment. You will not want to do that. It is easier to stay home and relax than have to go out and work and now have to pay additional taxes to the Government that would not really benefit them in any way. So, I do not see this as an empowering clause.

Madam President, if we look at a senior citizen who has to be deferred maybe 10 years so we have an accumulated tax now of 10 years, who is going to pay this? Their children? Grandchildren? Who?

And what we are not taking into consideration is when a family loses their

primary source or their primary breadwinner, what now happens to this family? Is it that they continually be deferred to a future generation to pay this lump sum price of property tax? Or is it that they will just lose their property altogether? Because it is okay to live by candle light meals and living or—okay maybe to carry a bucket of water from the standpipe to use. But is it okay to live without shelter? And that is where your humanity come in. Where is the humanity when you are affecting or impacting on the sanctity of a home and how is property tax really going to affect these families?

And what I could not understand from clause 12 deferrals and dealing with these situations is—what gets me is clause 6 with section 60 of the Act which lists a long list of exemptions. Now when you list a long list of exemptions what you really do so is you narrow the tax base. Now, you are increasing the burden on the taxable base. And we see institutions—I know Sen. Creese spoke about the credit union that is not listed. But we see institutions listed like the board of engineering, board of architects of Trinidad and Tobago, which is all on Wrightson Road in Port of Spain. So that is very high rental value, and then we look at the board of management of students, board of regulations; we have many different firearms appeal board. Why do we have all these boards being exempted from property tax when these persons have a subscription fee that they are paying?

So, Madam President, I do not see it as a need now to narrow the base so much that you will just be putting the burden on family owners of homes. And we do know the normal common exemptions which are churches, cemeteries, schools and hospitals, and we even see charitable organizations. But what I did not see other than the princess disabled home, was the children's homes like St. Michael's or St. Jude's Children Home for Girls, Hope Centre, Mother's Union. So are these

homes subjected to property tax? It is not on the exemption list and it does not qualify under the clause 6. So what is it that will be happening with these institutions?

And if you look at clause 6, section 16 (1)(f) of the Act:

“land belonging to the State and”—we learn in law that “and” means “and/or”—“in occupation of—

(i) the State or its servants;” —where such servants are in entitled to accommodation by virtue of the offices they hold.

And this is the question I have. So the DPP office that was relocated to Gulf City Mall, Low Lands Tobago and Gulf City La Romaine, are these malls now exempted from property tax because they house public servants? But they are based on clause 6, section 16. So we need to look at that to make sure we do not have leakage of funds.

And, Madam President, we know that from history that tax collectors and tax assessors are one and the same persons, because we do not want to report the tax assessor because sometimes the tax collector is the tax assessor, and that is why we ensure that they have the independence. But what was very known in the history or the history books is that when we had tax collection there was a lot of bribery and tax leakage, and without a strong administration all of this is very possible. So property tax faces administrative and political challenges which levies a tax on the holdings of great personal significance to the taxpayer, none more significant than the home.

And I say that because many administrations or governments will encourage persons to work hard, get an education to either purchase a piece of land to build or you purchase a home, and now we a looking at—because we would encourage you

to own a home as opposed to be a renter. But now you are encouraging home owners to be the biggest renters because now they are renters of the State. So now we are not seeing home owners because if you are paying a high tax annually then you are really not owning your property because they can take it away if you are not keeping up with paying this tax. So that is why I really view it as unnecessary and it could be viewed as oppressive as well.

And, Madam President, as I said before, if you are not keeping up with your taxes, section 44 would come into play, which is of the Act, which can result in forfeiture and even a claim where the President can increase the value of your land and put a higher price for your land to be sold so that it can go into the Consolidated Fund and how humane is that?

3.30 p.m.

I mean, a house is not a one-time payment. Sometimes to qualify for a mortgage you have to go into a mortgage loan of 30 years, regardless of if you are going to have a job for 30 years or not. So it is not a one-time thing to achieve a home, and we have to take that into consideration. We are thinking that \$400 or \$900 or \$1,200 is affordable, but to who is it affordable? That is why I want to look at some jurisdictions that came up with some options that we could benefit from. That is, for example, Bermuda, which does not tax undeveloped land, because it is not liable to tax, but it does tax developed land which is unoccupied.

We do know from our Act that land unoccupied or unassessed for 16 years where no taxes are paid shall be liable to forfeiture, and we did not amend that clause. But we have it on the existing law in 2009 which passed both Houses, but we did not amend that today. We are not seeking to amend that unfortunately. So if you have inherited land and you are now knowing about it, and you do not your

pay taxes for a while, the State can seize it.

What Bermuda did teach us though, and I thought it was very helpful, is that if for any period of time a valuation unit is incapable of having a beneficial occupation in the whole, such as they may have a severe fire or a serious disrepair that you cannot live in it, they would exempt you for that period, and it will also lead to a change in your listing on the valuation listing roll. If you also have—a question that comes up is, can you get a reduction in your assessment if rents are falling and the market rental value of the unit is now less? So is it that in 2018 you are being assessed now, and five years later you will be assessed again? If in 2020 you realize your market value has now dropped, maybe there is a fire or some certain thing that has caused the rental value just to plummet, you have gone down, what happens? Do you have to continue paying the same tax you have been assessed on in 2018 or do you get a reduction? That is not clear; it is not listed. We do not have regulations, they have not been built yet, so we do not know what will happen.

Another area that I thought we could learn from is the Thailand property taxes, building and land tax, where an owner who occupies their first property, their first property will not attract property taxes, but their second and third and other properties will attract a property tax. And also foreigners do not qualify for this.

Another recommendation that I saw that was really good is to deal with persons who are 65 years and older, and they are entitled to a special concession or part of, or land tax. They are not deferrals, but they qualify for a special assistance in the taxes or property tax.

Madam President, we did learn a lot or we did hear a lot about renters not

paying this rental value, or they will not be impacted or they will not be negatively impacted by the property tax. I just want to urge the Government on this statement, because renters could be affected, because if you look at Thailand landlords they put in a clause that says, “The lessee agrees to pay to the lessor any or all taxes”. So they put in a clause in their building agreements, when they are going out to rent, that the landlord is not to pay, but the owner who is going to be renting his property will pay this additional property tax. So the renters can now be impacted negatively by an increase in rates in the property tax, and we are seeing it in different jurisdictions.

Madam President, if we look at another recommendation that came out from the Singapore property tax, that provides a clause to refund unoccupied buildings, and also the use of technology, like for example e-filing of taxes or paying of taxes online. This should be a policy procedure, especially in this day and age we should allow it, so we will not have a big mass, a crowd of persons fleeing to the Ministry to address their tax concerns when you can just simply do it by a click of a button. We need to look at that, and if you want to see a jurisdiction or an administration that deals with this successfully you can look at Chile, because Chile is considered the benchmark in Latin America for the use of Internet facilities where taxpayers can receive and pay taxes. They could even review their statistical data on their property and update their data.

If you look at another measure to save administration costs, and this one might be a little difficult to do, but it ties in with what Sen. Creese has just said.

Madam President: Sen. Ramkissoon, you have five minutes remaining.

Sen. M. Ramkissoon: Thank you, Madam President, for that time check.

I was just saying that to save on administration costs, we could look at a

recommendation that came out from Sen. Creese just a few minutes ago, that spoke about looking at properties and their attractive rental value. So, for example, properties whose rental values are so low that it costs the Government more money to mail out a notice or even collect this tax from them, it will be like a negative to the Government, so it is more of a strain. So they have to pay more money to collect taxes from a property owner. That is really if you have a working system, a really working assessment roll, you know your properties in your countries, because these persons should really be exempted or not even considered because it is going to strain the public purse further to try to collect something that is going to cost us more, it is just a loss and something that you do not want to reconsider.

So in my four minutes left, I just want to say that as we continue to pluck the goose with very little hissing, we do not want to forget our humanity, and we do not want to further destroy or pressure the mental states of family owners. It is already a very big sacrifice to provide a home and a shelter for your family, and in today's society we do not want to do it at the risk where there is a fear that if you cannot keep up, then you would just stifle the growth of your family and the creativity of your home now, and you want to keep it as small as possible, because you want to keep your taxes affordable for your future generation, and that is very unfair.

So I believe in our society it is the role of the head of the household to provide security for the family, his or her family, and the sanctity of the home. So how can this really be done when many homeowners are asset rich and cash poor? Many Senators have compared other countries' rates because the proposed rates are affordable, but again, is it absolutely necessary for Trinidad and Tobago with our Corruption Index of 41? There have been many amendments to the rates of

property tax, but it will be viewed, and I will view it as oppressive, because it is unnecessary to put on family owners for their homes.

Madam President, we do see many times in the news and published in the media where we would see members of the public calling out for the State to help them. I remember looking just recently at this man. He has a hole in his floorboard, he has a leaking roof, he has no running water, no electricity, and a reporter came up to him and he is pleading with the State to help him. There are no doors, nothing, but this wooden structure is his castle, and he is pleading with the State. We would think, well why does he not move to a home? He is probably over 70, he could barely walk.

Madam President, I do thank you, and I want to just share my plea with the administration to please reconsider this enforcement of the 2009 tax rates because it is really unnecessary for the people of Trinidad and Tobago.

I thank you. [*Desk thumping*]

ARRANGEMENT OF BUSINESS

Madam President: Hon. Senators, at this stage we are going to revert to item 8 on the Order Paper.

URGENT QUESTION

Standard & Poor's

(Inaccurate Data Given to)

Sen. Wade Mark: [*Desk thumping*] Thank you, Madam President. To the hon. Minister of Energy and Energy Industries: Given that the Minister has accepted responsibility for providing inaccurate data to Standard & Poor's which has resulted in Trinidad and Tobago receiving a negative rating, can the Minister indicate what urgent measures are being undertaken to rectify same?

Urgent Questions (cont'd)

2018.05.01

Madam President: Minister of Energy and Energy Industries, you have two minutes.

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): [*Desk thumping*] Thank you very much, Madam President. Just for accuracy, Trinidad and Tobago's rating was not negative. The rating remained the same. The outlook is what was changed from stable to negative. There is a fundamental difference with regard to that.

Having said that, the Minister of Energy and Energy Industries is on record, and has accepted responsibility, for inaccurate gas forecast data provided by the Ministry to Standard & Poor's, the rating agency. The forecast that was inadvertently provided was an outdated one that was not revised to increase new positive trends in gas production. For example, January 2018 gas production was 3.9 billion cubic feet per day, the highest it has been in over three and a half years. Juniper is now producing at full capacity, which is 450 million cubic feet per day, and there is Shell's Starfish and Dolphin redevelopment which will come on stream later this year. BP Angelin's first production is expected in Q4, which is quarter four 2019.

Sen. Obika: Thanks to the UNC!

Sen. The Hon. F. Khan: To rectify the situation I have instructed, by memo, to the Ministry's staff that no data is to be shared or given to rating agencies or multilateral agencies without the prior approval of the Permanent Secretary and the Minister of Energy and Energy Industries, and henceforth all such information must officially be routed through the Minister and the Ministry of Finance.

Sen. Mark: Madam President, can the Minister indicate whether it has been a practice since he arrived in that Ministry, to allow ordinary public officers to deal directly with these agencies like Standard & Poor's, as well as the IMF, rather than

coming through the Permanent Secretary and the hon. Minister of Energy and Energy Industries? Has that been a practice that you met and has continued and now you have stopped? Could you clarify?

Sen. The Hon. F. Khan: Madam President, my understanding is that it has been the practice that when these agencies come to interface with the Ministry of Energy and Energy Industries or any other agency in Trinidad and Tobago, everything is routed through the Minister of Finance and the Ministry of Finance. What happened on this occasion, there was a lapse in the protocol, and as the Minister with responsibility for the Ministry, I take full responsibility for it. As I outlined to you now, I have instructed the staff, out of an abundance of clarity, by written memo, that this procedure will now be in place, which means that Ministry staff cannot and should not be providing data to rating agencies and multilateral agencies without the prior approval of the line Minister, and the information has to be routed through its official channel, which is the Ministry of Finance.

Sen. Mark: Madam President, may I ask my hon. colleague whether the data that was inaccurately provided, whether if proper and accurate data was provided to the rating agency, would it have made a difference in the downgrading of T&T from stable to negative, hon. Minister? Can you share with us your perspective on this?

Sen. The Hon. F. Khan: Madam President, through you, I cannot say if the accurate information was provided—because it was in fact compiled and sent to Standard & Poor's, but it was too late. The assessment had already been completed. I cannot speak on behalf of the rating agency, therefore it may or may not have an outcome of moving the outlook from stable to negative. But I think on a balance of probability, I have read their report and I have studied it. I think if they had access to the new gas production forecast, I would want to propose that it may have had a positive effect on the outlook.

PROPERTY TAX (AMDT.) BILL, 2018

Sen. Nigel De Freitas: [*Desk thumping*] Thank you, Madam President. Let me just say from the outset I intend to be absolutely brief as we have had approximately 11 speakers on this debate thus far, and at the risk of breaking the Standing Order on tedious repetition, I do intend to be brief. What I hope to do is just to respond to some of the comments in terms of the general principles that have been put forward by speakers that have gone before me, and tie that in to some of the clauses in the Bill that is in front of us.

So once again I thank you for the opportunity to make a brief contribution to the Bill before this House, which is an Act to amend the Property Tax Act, Chap. 76:04, by stating my observations in this debate.

If I am to go by what Members opposite are saying in their contributions, I would say that the main point of contention in this Bill between the both sides is one where there is a difference in opinion as to the following questions: Is there a need for this tax? And we would have just heard from the speaker previous to me, her opinion, Sen. Ramkissoon, that there is not a need for this tax at this point in time. And the second question is: What would be the effect of this tax on the people? I think that is the underlying thread that has gone forward in this debate thus far, where Members opposite would have stated their opinion, and Members on this side sitting would have stated their opinion. But if you take note of the comments of those that are posed now, over the last eight years you would hear contradictory answers to those very questions.

Madam President, in 2010 to their success, Members opposite would have campaigned on “Axe the Tax” and squandermania, but once in office, axe the tax became “waive the tax”, and squandermania became their modus operandi and Government policy.

You see, axe the tax was nothing more and could be nothing more than campaign rhetoric designed to create fear and panic in the population. We have heard these comments once again in this debate. We have heard Members opposite use words such as “archaic”, “backward”, “oppressive”; “if you do not settle it here, we will settle elsewhere”. Again, words designed to create fear and panic in the population, but more importantly to fool the people of this country.

Members opposite are fully aware that it would be completely and utterly irresponsible of any government to continue to allow taxes from the non-energy sector to go uncollected ad infinitum. In times of economic abundance, when our expenditure is being met from other sources of income, it is understandable that revenue generated from non-energy taxes would not be monitored as closely as it should, and inefficiencies in the collection of same may be left to continue over an extended period of time. This would have occurred across governments and across regimes. Why? Because when there is a robust cash flow in one area, the not so robust cash flow in the other does not affect greatly the ability to meet expenditure, and therefore it does not stand out as a problem. If I am to break it down even further, think of it from a very simplistic view.

You have a bucket, you have water. You have two sources of water coming in, one is gushing and the other is trickling. As the one that is gushing is filling the bucket of water, you are not studying the effect of what is happening with the one that is trickling. But the day that the one is gushing starts to trickle, you then start to realize the effect of the other source of water on that filling of the bucket because it has been trickling all the time. However, as I said, in relation to the economy of Trinidad and Tobago, when our main cash flow that was once enjoyed began to trickle in times of economic hardship, the cash flow from other sources,

in this case the non-energy sector which we could have afforded to ignore all the time in the past especially, became somewhat of our Achilles heel now.

Madam President, the smart thing to do, the responsible thing to do, would be in times of economic abundance to ensure that cash flow from the non-energy sources are operating efficiently and are maximized through a modern tax collection system. This is why in 2009, in a time of abundance, the Property Tax Bill was passed and assented to with the intention of modernizing and maximizing the tax system and, by extension, the cash flow from the non-energy sector. That is why I said it was responsible at that point in time to realize that there was leakage in the tax system, and therefore it needed to be modernized and made more efficient, so that when the time comes when the main source of revenue started to trickle, we would have another source to fall back on.

This is why I said that the Axe the Tax campaign was irresponsible. This is why I am certain the Axe the Tax campaign became waive the tax once Members opposite took up governance. All I have said above must have become clear at the time and it did. I draw your attention to the budget presentation of the then Minister of Finance, the hon. Larry Howai, on the *Hansard* record dated 2013.09.09. This is a Minister of Finance under the past regime. Listen to what he had to say in his budget presentation after the 2010 Axe the Tax campaign got them into office:

“Mr. Speaker, the leakage from the tax system is unacceptable.”

Again, the Minister of Finance under the past regime is saying this:

“Mr. Speaker, the leakage from the tax system is unacceptable. I intend to address this immediately by revisiting the relevant sections of the Corporation Tax Act and by strengthening the capabilities of the Board of

Inland Revenue, in particular, in the area of enforcement and compliance in business and individual taxpayers' assessments.”

“A land and building tax regime is a key pillar in all modern tax systems.”—modern tax systems.

So the land and building tax regime which was stated in 2009 was outdated by a PNM Minister of Finance. So they came to then turn and said it needed to be modernized, but they ran on an Axe the Tax campaign all the same trying to fool the people of Trinidad and Tobago. [*Desk thumping*]

He went on to say:

“Recurrent land and buildings taxes meet all the conditions of a good and fair tax.”

Does that sound like what they are saying here today? No it does not, and therefore it is contradictory. So as I move forward, based on what the Minister of Finance in 2013 under that regime said, let us listen to what the public had to say. Let us listen to what the business sector had to say in terms of the good and fair property tax that the last regime wanted to implement after the Minister of Finance of a PNM administration in 2009 indicated that it needed to be modernized.

Madam President, I draw your attention to a newspaper article in the *Guardian*, aptly titled, “Does Government collect enough taxes”, dated September 07, 2013. This is the business community saying this:

“The Chamber is also pleased to see that a taxation regime on property”—property—“is expected to come into effect within a year's time, as we believe that Government is losing substantial revenue through non-collection of this necessary tax.”—Sen. Ramkissoon.

That was said by the Chamber of Commerce, the business community, to a budget

presentation by the Minister of Finance under a previous regime. Therefore the business community in the public domain in 2013 understood that the tax and the modernizing of the system was necessary. They went on to say:

“The waiver on lands and building tax cannot continue ad infinitum”—
Remember that word ‘ad infinitum’?—“and so we welcome”—welcome—
“the introduction of a modern and equitable property tax regime.”

Those words were first uttered by a PNM Minister of Finance in 2009.

Madam President, I say it again, the Axe the Tax was designed to fool the people of this country, and at that time it worked. Let us be honest, it did work, but it will not work again.

We have heard today the sentiments and utterances of those opposite with uniformity. I can predict what will come from the rest of this Bench; maybe that will shorten debate. Six times they will try to convince us that this measure is not needed. Six times they will try to create fear by saying it will cause hardship, and six times they will be wrong. Fool me once, shame on you; fool me twice, shame on me. And I can tell you we will not be fooled again as a nation.

So the answer to the first question I outlined, and the answer to Sen. Ramkissoon in her contribution is yes, this tax is needed. In 2009 it was predictive and preventative under another PNM administration. In 2013 it was reactive under a People’s Partnership, and in 2018 it has become urgent and necessary.

Madam President, I move on to the second question that I outlined, which was: what would be the effect of the tax on the people? Despite what Members opposite would have you believe, the idea of hardship being created is furthest from the truth. This was addressed adequately in their original Bill where it indicated that it was put into the Bill that anyone who could not pay would not

have to pay based on hardship. We went on in this Bill before us to further ensure that there is no leakage of revenues by amending clause 12, which is section 23 of the original Bill, to indicate that every two years we will have a re-assessment so we do not have leakages in the system. That is why I can say, no one in this country who is unable to pay as a result of hardship would be forced to pay. That was in the original Bill; it is also in the amendment. What is being sought to do here is that we want to make sure you collect this revenue, and I indicated earlier in my contribution why that is necessary. Why it has become necessary at this time.

I do not understand what is being said with the underlying tone here, to say that there would be hardship created. There is no scenario where somebody who cannot pay based on hardship would have to pay. So you could talk about asset rich and cash poor, if you are cash poor you do not pay because you are under hardship. That is what the deferral is. But let me just refer to again the contribution of the hon. Minister Larry Howai and what was their intention in relation to clause 12. I quote:

“In phase 1, and effective immediately, we shall commence valuations of all industrial land, including plant and machinery, whether housed or unhoused, with a view to implement this tax by July 01, 2014. In phase 2, we will impose a tax on commercial properties and in phase 3 we will impose a tax on agricultural lands and on residential properties with a deductible allowance...”

What does that mean? It meant at that point in time there was no deferral. They did not intend to do any deferral. So when you talk about individuals who you will create hardships for, you were saying here that all you were going to do is take off some of the tax, but you still had to pay, hardship or not. That was their intention

when they were in power. But in 2009 we made sure that if there was hardship you would not have to pay, it would be deferred, and if you pass on the property to someone else and they cannot pay, so too it would be deferred. What is better, a deferral of the tax—[*Interruption*]

Sen. Chote SC: Hon. Senator, would you give way?

Sen. N. De Freitas: Sure, go ahead.

Sen. Chote SC: I just have a question, because I am looking, through you Madam President, with respect to the people who cannot afford would not be required to pay. I thought it was simply a deferral not a waiver. Is there any way that you could just direct us so that we could follow you?

4.00 p.m.

Sen. N. De Freitas: What I think and just to answer you, Sen. Chote, the way that the deferral works, as far as I understand, we are trying to ensure there is no leakage in the revenue. So if it is, for example, you cannot pay today and you get a deferral of two years, and in two years you come into a windfall of cash, then you are able to pay. The Government or the country or the economy does not have a leakage of funds at that point.

If after every two years you are assessed and it is realized that you cannot pay, then that continues. So if you happen to pass on, unfortunately, having never reached a status where you could pay, then you would have never paid that tax, so in effect it becomes a waiver to the individual who never could pay.

If you pass on the property to someone else who could pay, then they will, but the fact is, there is no leakage of revenue, and that was stated by the Minister of Finance in 2013, as well as the Minister of Finance and the Economy in 2009 across regimes. What we were trying to solve is that problem of the leakage,

because I indicated when we were doing well in the energy sector, it did not matter we were not studying the leakage in the non-energy sector, but once that started to trickle, we then realized how important it was to ensure that that leakage that was going on for years had to be stopped, and that is what was happening.

Sen. Chote SC: Thank you very much.

Sen. N. De Freitas: So, Madam President, as I was saying, we understood this in 2009, we understood what is meant to be under hardship and therefore, it became a deferral. The Minister of Finance in 2013 wanted to implement a deductible allowance. If it is you were under hardship, and I am hearing that undertone in this debate thus far, that this would be so hard for individuals that they cannot even have any sort of increase whatsoever, but yet in 2013 all you were willing to do at that point in time was to cut off some off the top and they would have still had to pay, hardship or not.

So, Madam President, I just say that to say that we understood what was going on and therefore, we moved forward to ensure that those who could not pay, did not have to do so because that was a better arrangement.

Madam President, I also want to move forward to clause 6 just to indicate or just to reiterate what I just said in relation ensuring those who are experiencing hardship do not have to pay. And clause 6 goes on to say or amends section 16(d) of the Property Tax Act, Chap. 76:04, which provides exemptions for property tax for charities exempted from corporation tax under section 6(1)(g).

And I am saying that to say that in this clause you are seeking—for approved charitable purposes, this amendment is intended to make the provision more in line with the requirements in law for charities. These are groupings or entities that are set up to help those that are in need.

So here you have in clause 6 where you are exempting these charities as well and bringing it more in line with the law for charities so that they are not burdened at all when they are trying to help those in need. So those in need have a deferral in clause 12, and the very charities that are set up to help those in need, also are exempted in this regard.

So, therefore, Madam President, I can say categorically that the Bill before us with its amendments seeks to do two things. One, to ensure that the leakage is stopped. And two, to ensure that those who cannot afford would not be made to do so. It seeks to ask those who can afford to help out because of the economy and the situation that we have found ourselves in.

So, Madam President, I want to address a second sentiment that I have been hearing so far in this debate, and that is that those who can afford will pass it onto those who cannot, and the example that was given, I think it was by Members opposite, was one of rent. And I just want to reiterate some of the calculations put forwards by the Minister of Public Utilities. And he spoke specifically to an \$800,000 property with an annual rental value or a monthly rental value, sorry, of \$2,000 a month, and the property tax being \$54.

And, Madam President, I really thought about this scenario, and whilst possible I am uncertain as to how likely this is to occur. Using that very same example just now, and there is another example put forward by the Minister of Finance that he uses repeated where he would have an annual/monthly rental value of \$3,000 a month, and the property tax should be \$81.

So, Madam President, the way I see it, someone owns a house or a building, they are renting it to someone else for \$3,000 a month, so they are making \$3,000 extra. And what you are trying to tell me is that \$81 in property tax, they are going

to be so strapped for cash with that \$3,000 a month that they are getting, that they need to pass off that property tax onto the tenant. I do not think that is going to occur. I do not think that the people of Trinidad and Tobago would do something like that. Eighty-one dollars added onto \$3,000 just because you do not want to pay the property tax, \$3,000 that you are mostly likely getting extra. So, Madam President, honestly I think that, if and where that scenario happens, it is more a moral issue than an issue with the tax proposal itself.

So, Madam President, I just want to reiterate as well, as I read out the article in relation to the Chamber of Commerce and what they said, that also answers the question in relation to whether goods and services will go up. I honestly believe and I believe and have faith in the people of Trinidad and Tobago and the business people, that where they understand that the tax is necessary, where they are saying that we need to stop the leakage, that they will not then turn around and pass off the property tax that they will have pay on the goods and services to people, that showed a level of maturity by the Chamber in 2013, to say that this is needed, and more so now. So therefore, I will stand and say that I do not expect that to happen just because they said that.

So, Madam President, as I indicated earlier in my contribution, I will be brief. This Bill seeks only further improve by amendment a system that was once outdated, inefficient and inequitable in its execution to the benefit of all of the citizens of country. Those opposite will have us believe to fear as per usual that our initiatives and attempts to stabilize the economy is not working.

But, Madam President, I just want to close by saying, it was reported recently that the economy of Trinidad and Tobago, all things considered, will experience a small but nonetheless positive growth in 2019. This is welcomed

after years of retraction, but it also makes a statement echoed by the writer of an opinion piece, and I will just get that opinion piece. And, Madam President, what the writer said was that:

The news that the economy is showing signs of growth also indicates that some of the most stringent measures introduced although in some cases painful to endure are having the desired effect.

Madam President, I could not agree more. I end by saying, on this road to recovery there is a light at the end of tunnel, we will press on and we will succeed. I thank you. [*Desk thumping*]

Madam President: Hon. Senators, before I call on the next speaker, I should have, before calling on Sen. De Freitas, indicated that we had reverted to the public business, item 15 on the Order Paper. Sen. Hosein.

Sen. Saddam Hosein: Thank you very much, Madam President, for recognizing me to contribute to this very important debate on an Act to amend the Property Tax Act, Chap: 76.04.

And, Madam President, I sat here and I listened very attentively to my colleague Sen. De Freitas during his contribution. And while sitting here I reflected on one my favourite songs, it is a song by David Rudder and it is entitled a “Madman’s Rant”. [*Desk thumping*] Madam President, there are certain points that Sen. De Freitas raised in his contribution and one of the—

Madam President: Sen. Hosein, may I just—just be careful. Okay? It might be something that is, you know, contemporary that you are quoting, but just be mindful of where you are and the words, what kind of sentiments the words can invoke.

Sen. S. Hosein: Thank you very much for your guidance, Madam President, and I

always look forward to your guidance being a very young Senator, and I will know which songs I can quote and which ones I should not quote from now.

But, Madam President, he raised an issue and he would have quoted extensively from *Hansard* records from 2013, I believe, where the former Minister of Finance, Larry Howai, would have made certain statements in Parliament during a budget presentation.

And Sen. De Freitas was right when he quoted that the hon. Minister of Finance at that time indicated that the land and building tax not the property tax [*Desk thumping*] was what the UNC was actually going to reform. So, I would like Sen. De Freitas and his colleagues to come afterwards to understand the difference between the two. The land and building tax is a separate and apart regime from the property tax. The land and building tax— [*Desk thumping and crosstalk*] You do not understand? The words are even different, Madam President.

Hon. Senator: Sen. De Freitas understands.

Sen. S. Hosein: And, Madam President, Sen. De Freitas raised another point regarding hardship, and the hardship that the citizens would face. And he said that with this property tax there will be no hardship. I would like to disagree, because \$500, if somebody have to pay \$500 at the end of the month, that is a lot of money. The Prime Minister now, Dr. Keith Rowley, indicated that \$100 is plenty money.

So, Madam President, when persons who live in high-rise towers, for example, One Woodbrook Place or any other of those very lavish apartments, Victoria Keyes and whatever, they will not have a problem paying this tax because they do not understand what hardship is. It is the common man, the man, the daily-paid worker, the URP worker, the CEPEP worker is who the tax is going to be onerous and it is going to form hardship on, Madam President, [*Desk thumping*]

But this Government does not understand the poor man, because we on this side understand the plight of the 99 per cent of this country, not the 1 per cent.

And this tax will affect every single sector of our society. It will affect residential homes, be it pensioners, the sick, the ailing, it will affect single mothers who are trying to make ends meet, 3 per cent tax on their annual rental value. It will affect tenants, businesses, industries and agriculture. What is the *modus operandi* of this Government? Is it to destroy Trinidad and Tobago? Is it to destroy the fabric of this country? The economy is already declining, yet you want to now come with an onerous tax in order to cause the citizens of this country to bear a heavier burden.

When the Government and the Prime Minister says, “Let us even the burden”, it means that you are also part of that. You should also contribute to fixing the economy, not taking and stealing for the taxpayers’ pockets. [*Desk thumping*] This property tax is unfair, it is disproportionate, it is regressive and it should be immediately withdrawn. [*Desk thumping*]

But last week while we were in this very honourable House, Sen. Avinash Singh, Parliamentary Secretary in the Ministry of Agriculture, Land and Fisheries he indicated that the UNC would have passed several pieces of legislation, 85 of them in fact, which I am very proud of and none of them dealt with land, but I believe the Senator, he did not have his records right. Because when the UNC Government got into power, one of the first Bills that they actually passed was the Land Tenants (Security of Tenure) (Amdt.) Bill. You know what that Bill did, Madam President? It protected over 4,000 persons from being evicted on their lands by the landlord. It now gives them protection up to 20, I believe, 41 or 42 [*Desk thumping*] and that is what the UNC has done for this country.

They boasted about that they brought six Bills which dealt with land. Those six Bills are the two Bills that we passed recently which is the Valuation of Land Act, and now this the Property Tax Act, and then there are four other Bills, and I am aware of the Standing Orders not to anticipate a debate, but if you would allow me, I could just list the Bills. And those Bills are the Land Tribunal Bill, the Land Adjudication Bill, the Registration of Titles to Land Act, and the Crown Suits Limitation Act.

Madam President, what this PNM Government is boasting about is UNC legislation. [*Desk thumping*] These are UNC Bills, no fresh ideas. Had it not been for us, you will have nothing to boast about. [*Desk thumping*]

And they said that we did—Madam President, I want to correct the record, because Sen. Singh said that we did absolutely nothing for land in this country. But under a People's Partnership Government there was the regularization of tenancies for over 3,420 former sugarcane farmers. [*Desk thumping*] The agricultural lease issuances exercise for more than 8,400 former employees of Caroni (1975) Limited; approximately 2,600 leases have been delivered. The Land for the Landless programme, Madam President, there were 10 sites including Felicity, Glenroy, Princes Town, Beaucarro and Freeport. And I want to make a compare and contrast here, because two years into Government, the People's Partnership handed out over 1,200 certificates of comfort, 1,200. As of November last year, this PNM Government, after two years in office, they handed out 18 certificates of comfort, 18, Madam President.

Hon. Senator: How much?

Sen. S. Hosein: Eighteen certificates of comfort. Madam President, the land in this country is the land for the people, this is not the Government's land. There are

hundreds of persons who right now cannot pay their rent or their mortgage to the Housing Development Corporation. Over 352 of them have been served eviction notices. How are these people going to get money [*Desk thumping*] to pay property tax if they cannot even pay their rents? Yet there is so much housing, but this Government finds it fit, as one of their priorities, to build houses over prime agricultural land in St. Augustine; and I leave that there.

But I want to ask the question: Is it that every time revenue falls short in this country due to the ineptitude of the Government and their mismanagement, are they coming to impose a new tax on us? They are creating taxes, they are making up taxes. There is the online tax, there is a tyre tax. I do not what else they can possibly tax, Madam President.

Sen. Mark: There is the bicycle.

Sen. S. Hosein: Bicycle tax? But I did some research regarding what will constitute a good tax system in any society, and there are five conditions. One, it is fair. Two, it is adequate. Three, it should be simple. Four, it should be transparent. And five, there should be administrative ease. And I would like to say that this property tax meets none of these conditions, not a single one. The tax is unfair, it is unfair because the burden is on spread evenly, persons who are asset rich may be cash poor, and this tax would only serve as hardship on them.

Secondly, the tax is inadequate simply because they did not give the country sufficient notice or they did not explain the tax as well as they should in order for us to make determination whether or not this tax is actually needed at this time in this country.

Four, the tax could never be simple. When you look at the valuation form, nobody can understand how they are going to arrive at an annual rental value for

your property. The tax is not transparent, as we have seen recently, there was a big debate about the independence of the valuation tribunal. And when we look at the administrative ease of this tax, Madam President, one, they claim that they are going to establish a tribunal. It has not even been set up as yet.

Two, they hire hundreds of valuers. Three, no qualifications. The cost of actually of mailing these forms. Four, the cost of the Government actually defending valuations where persons have made objections.

So is it, Madam President, that this imposition of the property tax is going be the “candle costing more than the funeral”? But this brings me to a very important point, because we must understand that this tax is unfair simply because it has a retrospective effect, it is retroactive in nature.

When we look at clause 23 of the Bill as laid it says:

Notwithstanding any written law to the contrary, the payment of any tax under this Act shall be waived for the period 01 January, 2010 to September 2018.

Madam President, it was in the committee stage of the House of Representatives on the 02 March, 2018 at around 6.00 p.m. the Minister of Finance moved an amendment to the Bill before us. And he said:

“Madam Chairman, we would like to change 2018 to 2016...The effect of that would be that the tax would be collected for the year 2016 when it becomes due and payable for 2017 onwards.”

No consultation. You come on a Friday evening after 6.00 p.m. to tell this country that you have changed your mind that you now want to impose this tax from 2016 instead of 2018. Madam President, how could that be?

But then there is an article from Loop TT by Darlisa Ghouralal created on 04

October, 2017, and it is entitled “Gov’t considers waiving property tax for 2016, 2017”. And this where the Minister in the Ministry of Finance had something else to say. Because I quote from the article. It says:

“While government is moving ahead with its plans to implement Property Tax come 2018, consideration is being given against imposing the tax for the years 2016 and 2017.

Speaking at the American Chamber of Commerce Trinidad and Tobago Post Budget Forum on Tuesday, Minister in the Ministry of Finance Allyson West said valuations were not completed for those years so there would be no assessment on which to base a tax to be collected.

The Minister said that Government was still moving ahead with the implementation of the Property Tax, even in the face of the introduction of the new tax being the subject of a court matter.

‘So we are moving ahead subject to the limitations of the court matter in progress to get the valuations done. We are hoping to get it done in 2018, once we do the tax will certainly become effective then.’

She stressed that it was not Government’s intention to tax the years 2016 and 2017 as no valuations had been done for this period.

‘The intention is not to make the tax retroactive to 2015 because the assessments were not done,...’

Madam President, how can this be? The Minister of Finance he came to the Parliament and says, “I am going to revert the tax to 2016”. And then the Minister in the Ministry of Finance is telling the American Chamber of Commerce that the Government has no intention of applying this tax retroactively. What is the policy of this Government? [*Desk thumping*] Is the Government making policy for this

country on the floor of the Parliament without any discussions, any consultations? This could never be, Madam President, “voops”, “vaps” and vaille-que-vaille. [*Crosstalk*]

Madam President, now when we look at this, myself, yourself and every citizen of this country who owns land will now be paying tax for 2016, 2017 and then you will have to find money to pay for 2018. So, we are burdening persons in this country with paying those taxes for two years. But, I want to ask as the Minister in the Ministry of Finance is here: How are we going to assess how much tax I will pay for 2016 or how much I pay for 2017? Because let us take, for example, I bought a piece of land in 2016, but I had no house on it, but then come 2018 I completed my house. I will be filling out a VRF form based on the house that is standing, not the building. Now, we are going to retroactively charge me taxes on that building and house for 2016 and 2017?

Madam President, I think I will have to go to the Valuation Tribunal because that cannot be. You cannot charge me property tax based on what is exists today and what was not in existence two years ago, that simply cannot be. How are we going to use rates of depreciation and rates of appreciation for property?—because property value fluctuates every year, every six months. If you are going to register a deed in the registry in this country, you must provide an up-to-date valuation at least within six months. So this tax clearly has not been thought out. The Government is just trying fast money in order to—I do not know do what?—because oil price is on the rise.

But a mention a mention of this retroactive tax. Well, I checked the *Hansard* was made in the House of Representatives. It was not made in the Senate. I did not see any press release go out with any retroactive tax, so who did

they really consult with in order to apply this tax retroactively? How do they know how much money that they are going to generate for the past two years with this retroactive application of the property tax? That change was a very surreptitious, clandestine change, Madam President, and it cannot be allowed, because this is against the principles of good governance, and it is against the principles of the rule of law and due process.

It is wrong for any Government to do this, Madam President, because especially when you deal with land, and anyone who is an attorney would know that there are encumbrances that come with land, and there is a level of certainty that you require whenever you deal with transactions relating to land. And when you apply this tax retroactively now, it would mean that you remove that level of certainty, because at that stage when you purchase a piece of property now, how would you know whether or not the tax was cleared or not?

How would I know if the tax, for example, when Sen. De Freitas was making the point of the deferral? How would I know whether or not the tax was deferred for that two years, three years? How would I know then if the person became liable to pay those deferred taxes? All of those things run as encumbrances on the land, Madam President. And there is no certainty when dealing with this property tax and encumbrances attached to the land.

So, I want to ask the Minister to please rethink that, delete that amendment. And if you want to impose this property tax on the country, do not do it retroactively. Why are you doing that?

But we must also look, I and started the point with respect to the deferrals, and this is found in section 23 of the parent Act, and there are various grounds on which the property tax may actually be deferred. And some are impoverished

conditions, age, health or other circumstances. But then an amendment was made to section 23 by clause 12 of the Bill and it included the words.

“The relief granted under this section shall be valid for two years and be renewed of the condition of the applicant...remains unchanged.”

And Sen. De Freitas had a lot to say about, that will prevent leakage within the system. But, Madam President, if these persons have no money to pay, how can that be leakage?

Sen. Obika: It was never in the system.

Sen. S. Hosein: Exactly. The tax is deferred meaning that you still have to pay the tax. It does not mean that you are exempted from paying the tax. Madam President, in local parlance you could say that the Government is giving them a little “bligh”, a little “bligh” for a two years. And when we look at who is the body responsible for actually administering this deferral, it is the Board of Inland Revenue and not the Minister. And if we remember in the last debate that we have just concluded, the Minister in the Ministry of Finance, she spoke about the inefficiencies of the BIR and that was the rationale for the creation of the valuation tribunal.

And, Madam President, if I may quote from the *Hansard* which is dated 17 April, 2018, where the Minister in the Ministry had this to say. She said:

“I remember when I was in private practice we had to go through the system of objecting to the Board of Inland Revenue, where you did not really get an independent review of your matter because it was one division of the board reviewing another division of the board,...”

So, Madam President, I am asking now whether that position still stands; whether or not persons will have an independent review of their matter before the board?

Property Tax (Amdt.) Bill, 2018 (cont'd)
Sen. S. Hosein (cont'd)

2018.05.01

And these are persons who we look at as those in society who because of age may have suffered some infirmity because of some physical disability, and now you are subjecting these people to having to make an application to the Board of Inland Revenue to get a deferral every two years? And then the PNM Government comes and say that this is not hardship.

We are subjecting our pensioners, the persons who would have worked their entire lives to develop this country to all this red tape and bureaucracy? This Government has no heart, Madam President. There is one heart that this Government knew and that is what got them out of office in 2010. [*Desk thumping*]

Hon. Senator: Calder Hart.

Sen. S. Hosein: Yeah. And, Madam President, there is no education campaign, no education campaign with regard to this deferral of this tax. If you look at section 23 it mentions a prescribed form. We have not seen the prescribed form as yet as to what a pensioner or any person will have to fill out in order to get a deferral of the tax. This is a brutal tax on the most vulnerable persons in society. It is brutal.

And if the Government wants some ideas, there is something called Google, and all you have to do is google property tax around the world and you will see how other countries would have dealt with these persons in society. And I just want to use one jurisdiction as an example, Madam President, and that jurisdiction is Barbados. Right there, our neighbour. And Barbados was so progressive when they dealt with their land tax. They gave a 60 per cent rebate for pensioners. Applicants must be 60 years and over in receipt of pension and live in Barbados, and you will get a 60 per cent rebate, no red tape, no bureaucracy.

Hon. Senator: No PNM.

Property Tax (Amdt.) Bill, 2018 (cont'd)
Sen. S. Hosein (cont'd)

2018.05.01

Sen. S. Hosein: No PNM. Agricultural rebates for agricultural practitioners, a 50 per cent rebate may be accessed. The applicant must be registered with the Ministry of Food, Fisheries and Water Resource Management and use the land for agricultural purpose. That is all. A villa rebate, Madam President, of over 25 per cent. And you know why?—because Barbados knows what tourism is.

Sen. Ramdeen: Not Sandals.

Sen. S. Hosein: This country, this PNM Government, I should say, does not understand tourism. Barbados gave incentives so that their industry can actually flourish. But the only person, and Sen. Ramdeen is right, who is getting exemption from property tax will be Sandals, because across the region, Sandals has an exemption on property tax. [*Desk thumping*] And there is one other industry, there is a yachting industry, they get exemptions from taxes in this country. We know that there is a little obsession with Members of this Government and boats.

Madam President: Sen. Hosein, at this stage, Members, we will suspend and we will return at 5.00 p.m.

4.30 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

Madam President: Sen. Hosein. [*Desk thumping*]

Sen. S. Hosein: Thank you again, Madam President. And, Madam President, the last point I would have closed off my contribution, was with respect to the tax deferral and the concessions and what was being done in Barbados. And, when I looked at the Bill in its original form, that is the 2009 version, it would have repealed a part of the Municipal Corporations Act that dealt with the powers of the municipal corporation to collect rates and taxes on houses in Trinidad. And, Dr. Rowley, the hon. Prime Minister, the Member for Diego Martin West, on Friday

the 18th of December, 2009, in his contribution towards the Property Tax Bill, 2009, he alluded to the fact that there should be local government reform, and that a model just like the THA should be adopted so that the people in their district can pay, and they can spend in their district, and the persons can hold the people in that district accountable. So, now I am asking whether or not there is a paradigm shift from the position in 2009 and now in 2018? Because the Prime Minister now had something else to say in 2009 and in 2018 something else is being done. So, is it that the PNM is putting the cart before the horse again? Is it abandoning the position that they ought to embark on local government reform?

And, Madam President, I was part of the consultations that were held throughout Trinidad and Tobago, at the time Sen. The Hon. Franklin Khan, he was the Minister of Local Government, and there a consultation in Chaguanas, and I took the brave step and took the mike, and I asked the hon. Minister, whether or not they were going to bring the reform before the elections in 2016. And the hon. Minister assured me that, no, they would not bring it before that election, but they would bring it before the other election, which is due in 2019. Madam President, over a year and a half has gone and we have not seen any measures taken in order to really reform the local government in Trinidad and Tobago.

So, I ask Sen. Khan whether or not the Government is still sticking to its word in terms of local government reform? Because, the collection of property tax is a very big responsibility that should be entrusted on local government, simply because you want to decentralize governance in this country. You give the power to the people. That is a true democracy. Because, currently the system that is being proposed by this Government is that all the property tax that are going to be collected will now form part of the Consolidated Fund, so you now overcentralize

the funds. So, therefore, this does not in any way benefit local government, the payment of property tax. And property tax the payment should have actually been for the benefit of the burgesses who live in the various municipal corporations. Because that money should be applied towards fixing roads so that you would have better roads to drive on, so that there would be no potholes, for spraying of mosquitos, cleaning of drains, eradication of flooding. These are the responsibilities of a proper functioning local government. But we are seeing, and this is probably the first time in history, where various corporations across this country are complaining because they have no money in order to operate. Only releases are being given for salaries and scavenging. We are approaching the flooding season, Madam President.

Madam President: Sen. Hosein, I have given you some leeway, but you need to do two things: one, not repeat what has already been said by numerous previous speakers, and, also, you need to talk a little bit specifically on the Bill. Well, you know what I mean. Okay?

Sen. S. Hosein: Madam President, if it is just one point I would like to make, and it will be an amendment that we could probably add, or that the Government should think about adding with respect to local government, is that if you look at the schedule to the Bill there are lists, I think it is Schedule IV, where there are certain state enterprises in which there are exemptions to bodies being liable to property tax, and there are 14 municipal corporations in this country; 13 have been listed, the exception of the Chaguanas Borough Corporation. So I ask whether or not that the Chaguanas Borough Corporation will be the only corporation that will be liable to pay property tax?

So, Madam President, I move on from this point regarding local

government, under your guidance, and I would take your advice and go to a clause in the Bill, which is clause 24. This clause touches a point of democracy. And democracy is a good thing because it allows for parliamentary oversight. And if you would allow me to read clause 24, it says that:

“The Minister may by Order, amend Schedules I and IV.”

—of the Act.

Now, if we examine Schedule I of the Act, Schedule I of the Act actually deals with percentages in which properties will be categorized in terms of taxes. So, residential 3 per cent, agriculture 1 per cent, and so on. Now, what the clause is actually doing is giving the Minister the power just by an order to actually vary the percentage on which property tax should be levied on properties, and I think that that cannot be. We must allow for parliamentary oversight over the Minister's power in order to change the property tax ratings. [*Desk thumping*] And, Madam President, the reason I am saying this is because this property tax because it is not well thought out, it is still in its testing phases. So, if the Minister happens, or any Minister, in fact, happens to realize that these current percentages is not raising sufficient revenue, then by their whim and fancy they could actually change the percentage in which they will levy property tax on any property.

And, another very important power the Minister has is to vary Schedule IV of the Act. And Schedule IV of the Act deals with those state enterprises controlled by the State for public purposes exempted from tax liability. Now, this does not prevent the Minister from choosing—or any Minister, in fact—who they would like to exempt from tax property. And we must call for parliamentary oversight over this power of the Minister. [*Desk thumping*] Because, Madam President, we must remember what happened in the committee stage of the Bill in

the House, where the retroactive tax was implemented. We cannot and we simply do not trust this Government. So, I am asking for parliamentary oversight that this be done by affirmative resolution of Parliament.

There is another point I would like to raise, Madam President, and it deals with rent restriction. When we look at this tax being imposed on properties, who would bear the burden of paying this tax, especially those who rent properties? It is the tenant. The landlords are not going to pay this tax out of their pockets, so what they will do, they will raise the monthly rents, and now the tenant will have to pay this rent. There is a statement coming out from, I believe, the TTMF, over what they were saying, that the property tax will now be included in the rental amount of what the HDC tenants pay in order to pay off the property tax per year. And what protection do these tenants have? They have none. Because the rent restriction legislation is not in effect. There is no rent assessment board, so there is nothing to prevent landlords from abusing tenants. What about the university students in UWI, St. Augustine, where there are thousands of students who rent outside of campus? There is no protection being given to these students. [*Desk thumping*]

So, there is another important point, what about an errant landlord who does not pay his property tax? Is the Government coming to levy on the tenant's property? Because the tenant will have all his chattels in the landlord's building. So, the Government really needs to formulate policy with regard to this, in terms of rent restriction. Because we need to protect these persons in society. And, when we look at the implementation of the Valuation of Land Act, when someone pays their water rate, their WASA bill, that WASA bill or their water rate is actually calculated on the annual rental value of the property. So, when all of these

properties are actually assessed in Trinidad and Tobago, the water rates that one pays will actually be increased together with their property tax. So, now a person, at the end of the year, will have a higher water rate, they will have to pay property tax, they have to pay environment tax, tire tax, income tax, VAT, online tax if they decide to shop. How much more is this Government going to burden the people of Trinidad and Tobago? [*Desk thumping*] And when you look at the issue of squatters, and I know my colleague, Sen. Obika, would have raised the issues of squatters. But, these squatters they have no choice.

Madam President: Sen. Hosein, you have five more minutes, and I would urge you in those five minutes to not go into tedious repetition. Okay?

Sen. S. Hosein: Okay. But, I would make a new point, and the new point that was not made here yet, Madam President, is that, you all want to tax squatters but you do not want to regularize them? [*Desk thumping*] What is your policy with regard to regularization of tenants? Had it not been for the United National Congress Government, who issued certificates of comfort, then those persons would have no protection in Trinidad and Tobago today. But this Government is accustomed to evicting persons from their lands. You have no policy with regard to land. None whatsoever.

And, Madam President, when you look at the effects that this will have on agriculture, what these farmers would actually be paying is property tax, in order for better services in terms of the lands that they grew their crops and reap their crops on. But, if the tax does not go towards the district, then it really does not solve the issues of flooding. So farmers will now be liable to pay this property tax, and when the flood comes they lose their crops, their income, and nothing to get out of this. So, are we going to, again, unnecessarily burden these farmers in

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Trinidad and Tobago? But, a lot has been said about this with regard to the hardship in which farmers and any other person who was liable to this property tax will have to pay.

But, I would just like to end my contribution by saying, that this Government really has no policy on land. Because, if you threaten to break down temples and churches in this country, well then God save us in this country, Madam President. [*Desk thumping*] Because if they can do that, imagine what they can do with our homes. [*Desk thumping*] And, in closing, I would just like to wish every student in this country who is writing the SEA exam, best wishes, including my colleague Sen. Khadijah Ameen, whose son would be also writing the SEA exam.

I thank you very much, Madam President. [*Desk thumping*]

Sen. H.R. Ian Roach: Thank you, Madam President. Having to join this debate at this stage, Madam, an Act to amend the Property Tax Act, Chap 76:04. Now, if I may draw an analogy to this debate with a cricket match, in the form of an innings, I mean, the prior batsmen, Senators that have gone in to the wicket before me, have made significant amount of runs. So, when you come in at eight down and nine down, either you are faced with making a hiccup where they have left off and not made runs, or you just come to chooks and make a couple runs. I think I am in the stage where I rather make a few bit of runs. [*Laughter*] Because a lot has been said which has been very germane, which has been very enlightening, I am sure edifying to the public, because the Act is not as clear as one would like it to be, or hope it eventually, if it is passed, it would be more enlightening and easy to read and understand by the ordinary person.

But, having said all of what has been said here, and I understand and I

appreciate my early Senators and your analysis and so forth. My style always is not to talk too much, and also to leave the clause by clause for the committee stage. So, it makes no sense dealing with it and then dealing with it there. So, I basically just want to address two points, basically, and it has to do, one, with the Government's policy, which a lot has been said from the Government, where their policy is. To me the Government policy on this Property Tax Act is basically one that is centred on raising revenue. Right? And the issue with the policy is, is it necessary at this point in time as a source of revenue for the Government? We know the Government in its budget speech last year, for this financial year, indicated the gap between their expenditure and their income, and it was a huge one.

Now, I think at large from what I have been listening to within and outside of these Chambers, most people do not have a problem with a property tax, per se. What people are more concerned with is whether or not it is fair property tax, whether it is a reasonable property tax and, also, for my concern, which I have been saying on several occasions where taxes are concerned, any Act that comes here that seeks to raise tax, my thing is, there is the other aspect which is what my short contribution will be on, is that how is the tax going to be used? That is the most important thing. [*Desk thumping*] How is it going to be used? And what one must have the public understand at this point in time, whether this property tax passes or not, and the implementation has nothing to do necessarily with the Ministers, or the Government per se, it has to do with the public servants, the technocrats, the bureaucrats that are going to be implementing it.

The Ministers are responsible for policy. They “doh” even have the power to implement their own policies. They are at the mercies of the public servants,

and at the end of the day, however revenue, how much revenue is raised from this or any other source of revenue, how is it going to be disbursed, has to be accounted for by somebody. And I think there is tardiness in our country, and we are all aware of that. Is not how much money you gather, but how the money is used efficiently certainly. Certainly, if I am going to pay property tax and I can see immediately the tangible benefits that when I come out of my yard I have a proper pavement that I can walk on. [*Desk thumping*] I turn on my tap there is water on a regular basis, there is appropriate lighting for security and other purposes, most persons would not have any problem in paying a reasonable property tax. And this is what I am hoping that the Government, in its winding up, will be able to convince us all, and edify the public, and comfort the public in knowing that this tax, be it a necessary tax, or a tax they can see a direct benefit from it. And if that can be assured to them, I think the support for a property tax would not be one that will bring around panic and bring about desperation in terms of losing property and things like that.

It has to be reasonable in all its aspects. It has to be reasonable. And from what I have heard from the contributors before me, I think a lot will probably drill down at the time of the committee stage to ensure that such assurances can be catered for in the Act. One thing I feel very strongly about in the clauses, the only clause that I would mention—the parent Act was assented to on the 31st of December, 2009, and by the Act itself, section 2 said:

“This Act shall come into operation on 1st January, 2010.”

So, it was passed nine years ago. It came into operation in 2010, but no taxes were collected or anything of that nature. And I think it is going to be very unfair, and I feel very strongly about it, to have this retroactively imposed [*Desk*

thumping] on anybody. It was not the fault of the public, and I am not going to say the fault of the Government, as I say, it is a lot of bureaucracy that kills this country's efficiency, and please know where it is. And no government, no substantive government, any government in waiting, government in existence, are brave enough to tamper with the real problem, which is being able to deal with the public service in terms of being the people who implement government policy. That is the real thing.

So, at the end of the day, the government in waiting may very well form the Government the next time. Who knows? But they would be faced with the same problem. The problem is how do you implement your policies in an efficient way? Who are the managers? Who are the people that are being brought to account? Where the buck stops? So this is something that concern me where this property tax is concerned. So, I think—and you have heard Sen. Hosein and a number of other Senators spoke about the local government being able to be given the necessary resources to be able to do what needs to be done, and I think that is true. Because you look around, I have been part of other administrations in other countries and I see what a well-equipped and finance-resourced in person and otherwise local government, what it can do for the community. And you want a community that can look and be the best that it can be given the necessary resources, and when that does not happen you can point to the persons or persons that is responsible for that and hold them to account one way or the other.

Billions of dollars have passed through our country—this small, little rock—over the last 40 years, and what do we have to show for it? If you compare apples with apples, we really do not have much to show for what it is. When I leave my house on a regular basis and you come out, from the time you come out you hit

potholes until you reach where you are going and you return with the same potholes. If you are not meeting a driver swerving from a manhole you meet somebody else swerving from somebody else. And so it is. Where is all this money that we have been contributing or Government has been, successive governments, I am not pointing to one government, UNC, PNM, whoever it is. Where has it been going? What have they done in terms of motivating the persons who they have empowered to carry out their policies to do? I mean, I took a drive, I think, last week Sunday, and I am going down, I reached to Debe/Penal, I was surprised at what I saw in terms of structure. It was a Sunday. The market from what I saw was clean, the roads were well—I say a bypass. I was amazed. I have not been there a long time. I was amazed. And when I drove back into Port of Spain, I thought I was in a different country, because Port of Spain is dilapidated, is un-kept. Where is the money going? [*Desk thumping*] So if we are going to say that this property tax is going to be geared towards enhancing the use of property. Owners being able to enjoy a more auspicious and reasonably tidy, healthy environment, I am all for it, like many other persons would be.

So, I am hoping, Madam President, that the Government in its wisdom will take on board, take away the political asides and the “picong”, and so there are some constructive contributions that have been made, that I think that they will bring on board, and at the committee stage that we will be able to fashion this property law into one that people would feel justified that in paying it, because they know there is a benefit to be derived that is obvious to them.

I thank you, Madam President. [*Desk thumping*]

Sen. Paul Richards: Good afternoon, colleagues. Thank you, Madam President, for the opportunity to contribute to this Bill, an Act to amend the Property Tax Act,

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Chap. 76:04. I do not know how long I am going to speak for. Let me start by saying that, so I am not going to promise. I hope to be short.

Sen. Ramdeen: Forty minutes.

Sen. P. Richards: I would not be 40, I hope I am not even 25 minutes. Let me start by taking the analogy of cricket from Sen. Roach a bit further, I come to throw a few voops and play a few defensive shots.

Let me start by commending the Government for bringing this Bill to the Parliament, because this property tax issue has become a political football in our country, very easily so. And it is a challenging Bill and law politically, because of what has happened since 2009/2010, so I think it takes a kind of political courage to bring this kind of Bill because it is a source of revenue. But not only that, to me it reverses a kind of mind set and principle in Trinidad and Tobago, where we seem to want to use these issues politically, not to the benefit of the State. There are differences in terms of how the Bill is structured. I hope through committee stage we can add some refinements. I see the Government has been open in the last couple debates we have had, two amendments, I commend that, so I am hoping we can continue that trend in this case.

Let me just start by doing a bit of history. I always think it is part of our responsibility to educate the public who are listening and looking in. Great philosopher Aristotle regards the whole system of governance as a single entity entitled to oversee the existence of democracy and the rule of law. As a result, he advocates for the elimination of sleaze in the system and the adherence to a democracy to ensure that the rule and the poor against the maximum of the system in what they own. For this reason Aristotle considers property as the focal point for ensuring the prevalence of what democracy and the rule of law in any state. He

also said property is a mechanism employed to get wealth. Unfortunately not all people will get wealth but the majority are capable of owning a property or aspiring to own a property that will generate some sort of value and wealth for them.

So, a lot has been said about whether or not the Government is going to use the benefits for productive endeavours in terms of localized spending or in terms of going into the Consolidated Fund. But, you know, I kind of like their foundational approach to many of these debates in terms of what is the function of laws and the amendments to those? And it is very simple, Roscoe Pound attributed a couple major functions of law, namely:

- The maintenance of law and order in society;
- To maintain the status quo in some issues;
- To ensure maximum freedom of individuals; and
- To satisfy the basic needs of the people for social control, dispute settlement, social chain and equality of treatment as a great equalizer in society.

And when you think of property and what property means to many people, this is where we can make good law that levels the playing field not only in Trinidad and Tobago, but certainly for generations to come. And, if the amendments are passed, I think people have a legitimate expectation to services to be provided, and very often, yes, in an environment of heavy taxation, contracted economy we like to compare ourselves to Japan, Singapore and European countries. But when they pay heavy taxes they get services. They get proper health care. [*Desk thumping*] They get proper education. They get regular and efficient utilities. They get proper roads, as Sen. Roach indicated, drainage, effective clean up, sanitation

services, proper disaster response mechanisms, protection from undesirable construction, which I will come to in a while in some of the clause which relates to squatting. Because I have some serious principled issues with that. And, when people are paying their tax, knowing they are compliant, they have an expectation for these. And so when people are paying taxes and compliant and not getting them, they have also an equally legitimate expectation to wonder, well, why am I bothering to pay the tax? Why am I bothering to be compliant? So I think we need to work on that aspect of it in terms of making sure that when taxes are paid and citizens are compliant they get the services that they deserve, and that should come from paying taxes in Trinidad and Tobago.

As I said, I agree with the Government bringing this, and I commend that, but I also think in large respect the Bill is a really significant missed opportunity. And many before me have spoken so I would not go into much detail about it, in terms of local government reform. [*Desk thumping*] You know, we look at the White Paper on Local Government Reform 2009, prepared by the Ministry of Local Government, sets out a new vision for reform local government systems. This policy is an agenda for change, mindful of the fact that the national goal espouses that the country must achieve developed country status by 2020. So, when you hear 2020, you know this is PNM policy. Right. The policy also takes into consideration the articulated mission quote:

To facilitate the transformation and modernization of local communities by empowering citizens to participate in the decision making process.

So, I am referencing, Senator, through you, Madam President, Sen. De Freitas, who spoke about that modernization and transformational process. And the missed opportunity in this Bill, or at least to start in a modicum form towards that sort of

transformation by some of the amendments that could have been included in this Bill when we think of a contentious Bill like this and we are trying to move the property tax issue forward in a more productive manner. So, I really am disappointed in that aspect of it. To underscore the issue of the importance of property tax in any society, this is not a new phenomenon anywhere in the world.

In his exposé, “A Brief History of Property Tax” by Richard Henry Carlson, a paper delivered at the IWU Conference on Assessment Administration in Boston on September 01, 2001, he quotes:

“Ancient Times

The earliest known tax records, dating”—back—“six thousand...B.C., are in the form of clay tablets...”—and they focused on property tax. They—“were used in Egypt, Babylon, Persia and China and throughout the ancient world.”

And in those days most people were poor and lived in what were called hovels, but they paid property tax.

5.30 p.m.

So we cannot absolve ourselves of the responsibilities where that is concerned as many who have spoken before indicated. It is not that the tax—the population does not see the need for the tax—it is how the tax will be administered in terms of the valuation of properties and also the benefits that will accrue to the citizenry related to these taxes. In developing countries, property taxes accounted for only 4 per cent of GNP, gross national production, 2 per cent of total tax revenue in 1990 and has not raised much since then. Also, in 1990 property taxes accounted for 40 per cent of all subnational taxes in developing countries and 35 per cent in developed countries, although only 12 per cent in transition countries.

That is by Bird and Slack, 2002.

So the argument for property tax and the benefits to societies, no matter what administration is in power, they are there. It is how it is administered, how the properties are valued and what is going to come of that. Property tax should work both for the State and property owner in many ways. When the tax is paid, services provided and also there needs to be added benefits and protection for those who are compliant. One of the issues that comes from clause—the clause related to chattel and I will get it now—clause 5, section 15(2):

“The liability to tax of the owner of any chattel fixed or affixed to land does not create a legal entitlement to the land upon which the chattel is located where the owner of the chattel is not the legal owner of the land.”

And I have a fundamental issue with that. Not that the Government should not be collecting taxes from persons occupying lands, but what message are we sending? Illegal occupation and squatting is illegal in Trinidad and Tobago.

So we are saying, okay, you are squatting, illegally. You come and identify yourself as a squatter, your land is valued, you are valuing what—and I am not using some derogatory term, but squatter premises. You are going to get a rental value for that and you are going to pay that with no legitimate expectation of owning the land. So if I am paying five years, 10 years down the road, where is the natural social justice in that? Or is there some sort of caveat we can put in to say, well, you have started the process of identifying your situation in Trinidad and Tobago and it is understandable because there are many who are in those dire straits and we must account for them in society. And we are going to put something in place where you prequalify for a piece of land, maybe somewhere else, or an HDC house so that the State shows that you have come up honest and

say, X and Y is the case, you are prepared to be compliant, you do not own the land but you say it is making provisions for you down the road to become legitimate—as opposed to me, in principle, taking tax from illegitimate situation.

To draw an extreme analogy, through you, Madam President, what is going to be next—“planting ganja?—It is illegal, and you go start to tax meh”? [*Laughter and desk thumping*] It is extreme, but it is the same principle. If it is illegal, the State can seem to be encouraging it. And I have a philosophical objection to that, unless there is some sort of caveat put in where the State says that, okay, you are compliant and you have started a process toward regularization somewhere down the road. So that they may have started out of dire need in that situation by squatting there. And we also have to consider when someone starts paying that tax, if it is implemented, then they are going to start putting down very serious structures because I will feel, subliminally, “Well ah paying tax”.

So I could start to build and I can start to encroach on other land and more land and I could go and grab a piece of land somewhere else and pay tax on that too. Where is it going to end? So I am hoping that some sort of caveat be put in where that is concerned and there is another element to that also. Because I have been getting a lot of chatter on Facebook about—for example, persons in Auzonville who have their properties that they have paid a lot of money for, squatter settlements setting up close by to it and wreaking havoc with those people who have paid for their properties, and burning and clearing of land and setting up right next to this legitimate upscale property area and they feel aggrieved. Because I am following the law, paid extensive mortgage and now the State seems to be saying to these squatters next to me that you are legitimized.

I also have friends in Champs Fleurs who two years ago almost lost their

property because of the State not dealing with the squatter issue productively in Trinidad and Tobago. They have burnt and cleared the land, the fires ran out of control and four properties in Champs Fleurs were almost destroyed.

So we cannot be dealing with that squatter issue as a principle without thinking of the consequences down the road for those who have been compliant with the law and who are paying their taxes and have paid heavy mortgages for their properties. So I am hoping that we can deal with that in some significant manner.

Property tax is a good tax, and in a CMI Brief, Vol. 16, No. 1, March 2017, delivered in Norway, by Editor Odd-Helge Fjeldstad: There are several great attributes to property tax in developing countries as a good tax, once the services are provided, of course; it is a good tax; it is efficient; it is considered more efficient; if it is equitable; there is administrative innovation; it is an ideal source of local government revenue; and promotes transparency and accountability.

And to me, the missed opportunities providing some sort of move in a direction where we start to empower local government because of the shortfall in funding where local government and the economy is generally concerned. So, I think that was an oversight. I do not know why it was not considered in some sort of integrative way, but I also do not think that it is too late to deal with it, especially in terms of the effective fiscal decentralization.

One of the other aspects that I think can come out of that, Madam President, through you, is, and I know the Minister of Labour and Small Enterprise Development, Sen. The Hon. Jennifer Baptiste-Primus has done a lot of work in her Ministry regarding the creation of business entities through IBIS, et cetera. And when you decentralize through the use of a mechanism like property tax, you

can start with those local government bodies to fund innovative business in those municipalities. So that is an added advantage you can get from it, where you can monitor through them and they are closer to the community so they can monitor and identify those persons who have that propensity for entrepreneurial spirit and guided through that. So I think that is another, to me, missed opportunity where that is concerned and looking at it in a more holistic manner.

Madam President, let me go to some of the direct clauses in the Bill that I think we can focus on. I focused a while on the squatting issue. I also want to commend the Government for the charitable organizations that will benefit from this. I want to go to clause 9, section 20 (1A)(a) where I have an issue with the overpayment of tax due, and it states:

“an overpayment of tax due, the Board shall, within sixty days of the date of the new notice, refund the amount of such overpayment;”

And it goes on: While there is a penalty on the property owner, if he or she does not pay their taxes in time there is no reciprocal sanction on the State if this clause is not adhered to.

And I think that needs to be rectified especially in Trinidad and Tobago where we know state agencies are extremely bureaucratic and we are not putting systems in place to ensure that they clean up their acts. I am not saying all, because we have seen examples of many that are, but certainly if we are making new law and law that takes into consideration our circumstances and what we—our shortcomings—we can put in clauses that encourage the state agencies to be more compliant, especially when we are sanctioning the property owner.

Madam President, also I wanted to suggest, well commend section 23 of the Act, clause 12:

“...is amended by repealing subsection (3), and substituting the following subsection:

- (3) The relief granted under this section shall be valid for two years and may be renewed if the conditions of the applicant as evidenced under subsection (2) remains unchanged.”

What I discovered in my research, Madam President, is what happened in Florida and part of Ireland when they did not fully consider the plight of the elderly, in some instances who would have brought—worked hard and purchased quite a valuable property with their fixed income. When the property tax valuation system kicked in, many of them had to sell their properties because their income was fixed. When you get older, medical bills pile up and sometimes your projections go off.

And I think there are sections where they can petition, but to me it should be in here and we really need to consider the elderly and other indigent persons in these circumstances and be more compassionate where they are concerned especially in our country where, I think, the last national census showed a significant increase in that demographic of the population and we have to plan ahead for that and put systems in place because not everyone will remain in the same financial circumstance especially when you get older and be able to comply with the certain—maybe actually moving, as they say, two steps forward, one step backward.

And there are so many people petitioning because of the increasing cadre of elderly people that we clog the system with these petitions as opposed to making provisions for it now and understanding that their plight may be not what we think it will be in terms of paying for those properties. And in some instances, as other

jurisdictions have proven, losing their properties and having to downgrade, which to me is not fair to them because they worked hard and they have the right to at that time afford whatever property they like.

I also would like to make a suggestion in terms of the groups that I had included and I know there—one of the provisions is for the differently abled and families to petition and show that, well you should qualify for this. But I would like to specifically mention, because it does not necessarily fall into the category of the differently abled, families with special-needs children or members, which does not fall necessarily into disabled. [*Desk thumping*] While the State provides very limited, \$2,500, through student support services for these families and if you know anything about special-needs children, because that is the area of my education, you understand the plight of many of these families in those 13 special-needs categories. And \$2,500 is not nearly a drop in the bucket for diagnosis and remediation and continued care in many of the 13 categories.

And I would really suggest that the Minister considers putting in specifically these families with special-needs children or members as a significant category for the exemption in this situation, because it will go a long way in terms of helping them care for their loved ones in a situation where right now they are struggling. So I am hoping that can be considered in terms of that clause. [*Desk thumping*]

The other section, and it may be a legal drafting issue, which is also in clause 15 of the amendment Bill, section 29(2), and I think Sen. Dr. Mahabir raised the point. I do not know if it is because the drafters could not put in the Valuation Tribunal because that Bill was not yet passed, but I see it states and I quote:

“A person who has objected to his assessment under section 21 and who is dissatisfied with the decision of the Board, may appeal to the Tax Appeal

Board in accordance with the provisions of the Tax Appeal Board Act.”

And I know we went past that but I do not know if it is that the drafters could not presuppose that would be passed and that remained there as opposed to the new system which to me is the Valuation Tribunal.

The other issue that I have a concern with is the issue of the retroactive payment. Because—and many have spoken about this also, but I have an issue with it because, and maybe we could come to some sort of compromise, because I know the further back you go the more revenue you collect. But I do not see the citizenry, as I started in my opening, getting retroactive services. [*Desk thumping*] And it may seem “anal”, but if you are asking for retroactive payment, what about retroactive services.

Hon. Senator: Correct.

Sen. P. Richards: And I do not know how you are going to accomplish that, because we cannot go back in time. Already, even if we go back to 2016, the services were not what they should be. So are you going to ramp up road repairs? Are you going to ramp up drainage cleaning? Are you going to ramp up the education and health care to accommodate? I mean, this as I said in my opening context, this has to be fair and it has to benefit the State as well as the citizens also equally. That is what law is supposed to do. So if you are being—asking the citizens to put out, the citizens should have legitimate expectations. So if you are to have retroactive payments to 2016 I suggest you find some way of providing retroactive services. You know?

And finally, because I said I am not going to be long. [*Interruption*] Well, you do not have to stay long to go good. [*Laughter*] The race is not—

Sen. Ramdeen: I hope you know what you are talking about.

Sen. P. Richards: I am talking about the Bill. [*Laughter*] And I will ask for Schedule I to be amended because there is a list of edifices and buildings that can be included to me, including heritage sites, commendations from the government. I saw an infomercial featuring the new Minister of Tourism and the work the Government has done through UDeCOTT on Stollmeyer's Castle. And the fact that we have to be digging into consolidated funds to repair these buildings when we can be using, not only in Port of Spain, but certainly the other municipalities to repair and maintain those edifices which are part of our history in Trinidad and Tobago, one. And they also provide the sites and the areas for visiting for tourism.

So I think if, for example, a percentage of the taxes collected for those historical sites in those municipalities can be mandated to go towards X and Y, building renovations, heritage sites, et cetera, that would be a step in the right direction. Because we cannot constantly be looking to central government when we have opportunities to empower local government and this is one of those; we can empower local government and local government can take care of those areas by a particular percentage of the fund to maintain those areas.

Another area that I think would have benefited from the Bill or the amendments in the Bill, goes to decentralization, and remember the Leader of Government Business, now Minister of Energy and Energy Industries, Franklin Khan, then Minister of Rural Development and Local Government making some extremely valid points about decentralization and the work he had done in terms of the consultations. And what he was saying was making so much sense to me in terms of the devolution of power at that time and giving more power and I quoted the 2009 White Paper on Local Government Reform and I am surprised because of the passion with which Minister Khan spoke at that time that we saw no inclusion

of a move towards local government and I am not being condemnatory.

I am just saying it does not follow lineally so I do not know if there were other considerations that had to be taken into account, but I do not understand how so much work could have been done by Minister Khan in his Ministry at that time and expounding on the values of local government and it not being included as this opportunity presents itself here. So that is surprising to me. And in terms of that devolution of power and decentralization, think of what—and Sen. Avinash Singh also spoke about agriculture.

Another consideration that I would like the Minister to take into account is the possibility of including on the Schedule also of properties with the percentages, I think it is in Schedule I, agri-business manufacturing edifices. Because we all know in tight economic constraints that the Ministry of Agriculture, Land and Fisheries has not gotten a lot of national budget allocation. The Minister is making magic with it. I commend his move to ensure that the Ministry's offices and compounds are used for markets on a Saturday. I think that is an excellent idea and I am seeing it being used and people are using it. [*Desk thumping*]

Those are the kinds of simple innovations that make a difference in people's lives, you know. But another one that will make a difference is the inclusion of those agro-processing plants and companies in the list of those that fall into a lower tax or a higher tax exemption bracket that will help the Ministry provide some sort of relief for them and they will also encourage that sort of downstream manufacturing in the agri-sector and diversification of the economy. So I am hoping that also can be considered.

I think that would about cover what I had planned to say; as I said at the onset, I did not intend to be long. I think I am going on 10 minutes before my time

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wraps up, but I think I commend the Government again for being able to have the courage to bring this because it is something that should not be kicked down the road. We cannot keep kicking the can down the road. [*Desk thumping*] Because it will face somebody coming into power after 2010 and we will have to go through this.

We have to find consensus on how we implement these and hopefully during the committee stage we can refine some of the clauses in terms of the accommodations that many of my colleague Senators have made, to make it more palatable to all concerned and more importantly to the benefit, safety and security of the people of Trinidad and Tobago. Madam President, I thank you. [*Desk thumping*]

The Minister of Trade and Industry (Sen. The Hon. Paula Gopee-Scoon):
Thank you Madam President, and thank you for the opportunity for me to contribute to this Property Tax (Amdt.) Bill, 2018. Again, I must put on the record that I lament the fact that this was not debated together with the land valuation amendment Bill—the Valuation of Land (Amdt.) Bill—but, I mean, we are here today; we could have been discussing some other piece of legislation down the road.

But here we are and let me say that I am pleased to hear some of the suggestions that were put forward by our colleagues, particularly by the last speaker, Sen. Richards and Sen. Roach and all of the Independents, as a matter of fact, made very valid contributions, some as well on the Opposition Bench. And as I said, as is known, Madam President, this Government is a Government that listens, this is a Senate that is listening and as we go along we would listen to the rest of the speakers and I am sure that there is going to be some distillation of some

of the suggestions that have been made, and I think that where it is certainly merited I am sure that the Minister in the Ministry of Finance would find her way to confer with the Government fully, and that we can find ourselves at the end of the day with a very presentable Bill that the public of Trinidad and Tobago will accept.

As I said, this is a very listening government and we are quite pleased with some of the suggestions which were put forward and some of the support, some of the already declared support for the Bill which we have brought here today. As I said it is well known that the legislation is quite outdated. There were amendments which were made in 2009 but these amendments were in fact assented by the President in December 2009, but, of course, they were never put into effect.

So we have to deal with what is really very outdated and inequitable legislation; and I say “inequitable” because when one looks back at the rates that were charged and that were tendered by different corporations they were quite inequitable and unfair and we have sought to fix this and this is why we are here. So, for instance, in some municipalities the rate was 10 per cent, in others—I know in Port of Spain and the San Fernando Corporation as well it was at 8 per cent. Chaguanas I understand had a flat rate of 10 per cent. Point Fortin was a little bit advanced in terms of their valuation exercise and I believe that they had been charging a much lower property tax rate.

So the inequity of the system forces us really, forced us to go back and look and here we are with what is more than a reasonable rate when it comes to residential rates; we are here with a 3 per cent rate which I am sure that the public would find quite acceptable—3 per cent not on the value of the property but 3 per cent on the ARV or the annual rental value of the property. And there is quite a

difference and I am going to speak about that a little later on so that I can educate Sen. Hosein as I think he made some errors in what he was saying and I will do some calculations and show to him as well.

So, again, we talk about it being outdated. The last property roll valuation I think across the board may have been as far as 1948 when you are talking about across the board. So it is the time. This is the time for us to do this, we have come forward. I think we have come forward with a very, very, good Bill. I think that what is proposed is quite—this word is being used a lot, “palatable”; and if I can draw on the remarks of Sen. Saddam Hosein I think it is quite fair, I think it is quite adequate, it is simple, it is transparent and I trust and I trust in my colleagues and the PSs and, so on, that they will be administrating these with the implementation of the property tax when it happens.

So as I said earlier, I want to emphasize that we will continue to listen to both the comments of the Senate of the Opposition and the Independents and listen to what they proffer at the committee stage. And, Madam President, if I can just look at a couple of the amendments and go to the Bill and again make the point and I said it with the valuation of land amendment tax that I think many of the amendments need today do in fact bring clarity and certainty as to what we are about and the refinements that we have made through these amendments.

And if I look at clause 3, again, inserted in there, proper definitions, for instance, the:

“...Commissioner upon an objection by the owner of land to a valuation...or”—is replaced by the—“Board upon an objection by the owner of land to...”

—very clear as to where this is. The amendment now has the Board of Inland

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Revenue dealing with discrepancies or objections by the owner of the land having regard to the payment and the collection of taxes. The definition speaks to the Minister, gives the clarity that it is the Minister of Finance.

The new subsection 3(2), it deals explicitly with the definition of the new kinds of homes that were left out of the previous old Bill. So it speaks to the town houses, the condominiums the multi-owner commercial accommodations and so on. I can tell that I live in a complex and I am very pleased to pay my property tax. I expect to pay property tax now, now that I am 60 and I am considered over the hill I still expect—

Sen. Baptiste-Primus: Over the hill?

Sen. The Hon. P. Gopee-Scoon: I still expect to pay my property tax.

Hon. Senator: Which hill?

Sen. The Hon. P. Gopee-Scoon: I do not believe that I should be exempted from the point of view—

Sen. Baptiste-Primus: “You know how long I ain hear that term?”—“over the hill”.

Sen. Obika: She is celebrating being a grandmother.

Sen. The Hon. P. Gopee-Scoon: I expect because I expect something in return and I think this Government is making every effort to ensure that we improve the delivery of services to the citizenry in every which way and, in particular, I will mention and I will speak to the whole question of the Local Government Reform just very briefly. I am going to leave it to my colleague, Sen. Khan, to talk more about it because he is very passionate about the issue. But as I am saying as a taxpayer in a condominium layout I expect to pay my property tax and this new subsection 3(2) gives clarity to the buildings that will in fact be referred to or

referenced with regard to this property tax. The old tax as I said has no provisions for town houses or condominiums.

So again, this brings additional persons into the tax net. Where I live there are about 30 condominiums; all of those persons will be brought into the tax net and, trust me, they are all very capable of paying and I know that they want to pay this property tax as well. We have discussed it as a unit as well at meetings. And clause 4 again gives more clarity to it. It deals with the whole question of the due date. It states very clearly that the new due date will now be on the 30th of September and not the 31st of December.

Clause 5 speaks to the whole question of the ownership, the chattel owners and land owners and both having an obligations to pay taxes. But we have heard you, there are a number of voices that questioned whether or not chattel owners as squatters should have to pay tax and the ramifications and the expectations of those persons and we have listened and, of course, we will distil and come back to you again. I am sure it is going to be exhausted at the committee stage as well.

Again, if you go to clause 6 it is very clear again, the lands which will be exempt from taxation, the list of charities. It is there in the old Act. Clause 6 also amendments to the property Act to include a reference to a list of statutory authorities and state enterprises that will be exempt from the property tax as well and exemptions will now apply to:

- “(f) land belonging to the State and in occupation of—
 - (i) the State or its servants, where such servants are entitled to accommodation by virtue of offices they hold;
 - (ii) a Statutory Authority; or
 - (iii) State enterprises controlled by the State, for public purposes

and listed in Schedule IV;”

And of course, the exemptions also include tertiary education, and that would refer to UWI and UTT and quite validly so.

Of course if you go to clause 8, it speaks to the whole—clause 9 as a matter of fact I wanted to raise again, addresses the whole question of change or variation in information and if I go to the new subclause (1):

“Where there is a change or variation in the information in the possession of the Board in respect of land for which tax liability has been imposed, the Board shall forthwith amend the assessment roll and issue a new notice of assessment under section 17.”

Very, very, clear.

6.00 p.m.

It addresses the issues of:

“...overpayment of tax due”—where—“the Board shall, within sixty days of the date of the new notice, refund the amount of such overpayment;”

It speaks to the:

“...underpayment of tax due, the additional in tax shall become due and payable within thirty days of the date of the new notice.”

It also provides that a refund that remains outstanding after six months shall bear interest at the rate of 6 per cent per annum which I would say as a former banker, which I find 6 per cent per annum is quite reasonable.

Clause 10 is another one that deals with the objections to the assessment. It provides that objection to an assessment is required to be filed within 21 days. The point about it is there is an opportunity to object. It is fair enough to allow for the objection to another assessment for a valid reason, but that has to be filed within 21

days after receipt of the notice of assessment rather than after the tax becomes due and payable. But the point is, it offers the opportunity to object. Clause 10 also allows the owner who fails to file an objection within the time frame yet another opportunity where there is a reasonable excuse for not doing so to apply to the Board of Inland Revenue for an extension of time. So, Madam President, here again is the fairness. So you had a reasonable excuse but there is a time period within which you can in fact apply to the Board of Inland Revenue for an extension. All of this is designed in favour of the property owner.

Clause 12 is another very, very important amendment and deals with the relief granted which is to repeal section 23(3) of the old Bill, and it speaks to the relief being granted for a period of two years. We find this is reasonable because after two years there will be a review of the circumstances, and where the persons is able to resume payments they will in fact do so, and where that is not the case well there is an opportunity for another deferral and for further relief, and the time frame is very, very important. Again, we have to ensure that the system, like anything else, is open to abuse and, therefore, the safeguard must be there so that the relief opportunity is not one that is abused by some taxpayers. Right? But again, the system is fair, the system is equitable. In the old parent Act there was no time frame allocated, so we have opted to put in the two years at this time.

Again, clause 18 speaks of the question of penalties and interest and, of course, it is reverse now. So the penalties and interest will become due on the 15th of March. So those are some of the clauses that have been identified. I do not want to spend more time because I do need to deal with some issues which were raised before, again clauses that would bring certainty. It is fairly simple. I think that the property tax owners will in fact understand what is put before them. I

think it is quite transparent and I think that quite frankly the Bill has been pretty well prepared.

Now, I know that there have been arguments earlier and there were much discussions. Sen. Mark spoke about brutalizing pensioners. Generally, there was a concern on the Opposition Bench about the poor and the indigent, and so on, and why not so? We would be concerned about the poor and the indigent as well, and that is why there is the opportunity for a relief and there is an opportunity for deferral as well, but as I spoke about when I spoke about section 12, I want to say that this is a fair tax. It is by no means a regressive tax and, again, it is because of the system that we have used which is the annual rentable value. So it means that if you do own a property which is of considerable value and which can be rented for considerable sums—some people own properties that are rentable in US dollars—why is it that those persons do not in fact pay a tax that is likened to the rent which they receive? For some people they own several properties and it is only fair that those persons do not get away, and it is only equitable that we pay on the basis of the rental value, and so on.

So the greater the value of your property, the greater tax you pay. The lesser the value of the property, the lesser tax that you pay. That system is a very, very fair system. Several persons before me—and the Minister of Finance when he spoke in the Lower House, and again my friend Sen. Robert Le Hunte drew some examples as well, and I could make reference to the scenario of where an ARV and the rental value would be about \$36,000 per year. And looking at the calculation of \$36,000 a year, it is quite reasonable when you remove the void of 10 per cent, then you apply the 3 per cent to the 90 per cent which is the 32,000, this works out to \$972 a year or \$81 a month which is quite reasonable. So that even if you are

earning \$3,500 in terms of your pension income per month and you are living in a property where the rent is likely to be \$3,000, it is \$81 that the commitment is to satisfy your property tax.

I want to make the point too about pensioners. Many, many, many pensioners live with other persons, and those other persons do in fact earn incomes. Many of the people on the Opposition spoke about these poor and lonely pensioners, and there are pensioners who chose to live alone, there are pensioners for circumstances have no choice but to live alone, but many pensioners as they grow older they share their homes with their grown children and they in fact earn salaries and, therefore, are capable of sharing and paying the property tax. So the property in which they reside, and even their grandchildren. I know of circumstances and I am being very realistic where in fact it is quite the reverse, where in fact there is a family living with the pensioner and the pensioner is responsible for everybody who lives inside of there. There are those circumstances. I am not running away from that. I am being very realistic, but in large measure where you find a pensioner, an aged person, and the person may not only be in receipt of a pension of \$3,500, it could be a pension from some other job which they had, more than likely there is somebody who is living there and who is earning an income and can in fact pay the property tax.

We spoke about the pensioner, and so on, before, and it was Sen. Saddam Hosein who made reference to the contribution of Sen. Robert Le Hunte and the Barbados situation. Sen. Hosein sought to speak of the fact that in the Barbados situation the pensioners were in fact, when they reach to the age of 60 they no longer have an obligation to pay the full pension and that they pay only 40 per cent of the pension. Sen. Hosein made that remark and I want to draw some examples.

I am already 60 as I said, why is it that I should be exempt from a property tax? Why should I be paying only part of a property tax if in fact I am earning a pension that is large enough that I can in fact pay for my property tax? There are several large business owners and persons who have reached to the age of 60 and own several properties and no longer have mortgages, how should they be exempt? Many of them are still receiving—they have designed it so that they are receiving revenues from their other properties which are owned. Why should they be exempt on account of their age? And it brings us to the question of this being on the basis of needs rather than on the basis of age. So the whole question of the argument that he raised about 60 and the circumstance in Barbados is really a flawed one. It is totally, totally flawed.

He went on to talk about the fact that it also should be applied. Barbados circumstances should be applied to the owners of agricultural property, and so on, without even mentioning that what is proposed by this Government for the owners of agricultural properties, 1 per cent. That is all that it is, 1 per cent, but he chose, he neglected to make reference to what the actual figure it is. It is only 1 per cent. And even so, going back to the Barbados situation when he spoke about the Barbados situation with regard to the pensioner paying only 60 per cent and so on, he again, he did not choose to bring forward in his argument the system of property tax in Barbados, and it is that the property tax in Barbados is based on a system where the property tax is based on the value of the property. So I know that for residential value in Barbados it is .75 per cent of the value of the property. That is quite different to the annual rental value, and my friend Sen. Le Hunte referred to it and he drew several examples and brought us to the place where give or take it works out to be 5 per cent of the disposal income of an individual.

So when you speak of the .75 per cent of the value of the property, it works out to be about .5 per cent of the disposable income of the person. And, of course, I think it was Sen. Obika, when he spoke, had an issue with what is the disposable income, and I think he knows the right thing, what is disposable income, disposable income being what is left after you pay your taxes. That is what your disposable income is. He worked with a banker. He was an executive assistant to a banker. I think he very well understands that, but when he presented his case—and he may correct me if I am wrong—he sought to give a meaning to disposable income, that a disposable income is after you pay all your loans, after you pay everything and you are left with this little pittance at the end, that is what you are going to pay your property tax from, but that is disingenuous. That is really disingenuous because I think you do know what—[*Interruption*]

Sen. Obika: Would the Minister give way?

Sen. The Hon. P. Gopee-Scoon: Sure.

Sen. Obika: I thought I explained that there are definitions of disposable income available online, and there are definitions in the literature that deal with the income available to one after regular expected payments, such as health care, such as education, such as lights, water, rent, et cetera, because persons cannot live without paying those things. Thank you.

Sen. The Hon. P. Gopee-Scoon: Fine, but that is your version. But as we understand it and as I think as most people will understand it, your disposable income is your income after you have paid your taxes. It is your choice what you do with it after. Whether you have 10 loans, or no loans, or whatever, that is your disposable income. Okay? And everybody does some business with a bank and they would understand what is meant by it. But again in your arguments when you

are comparing, you must always compare apples with apples and, therefore, again Sen. Hosein I would have expected, would have made reference to the—as I said before—to the system. That .75 per cent of the value of the property, which is what is in Barbados, when you compare it to Trinidad it actually works out to three quarter per cent of 1 per cent in our system. And the point there that is made is that what we are now proposing is not at all expensive. It is not an expensive tax. It is a very reasonable tax when you compare with even what is charged in Barbados and so on. Again, compare like with like.

I want to go a step further because a lot of Trinidadians like to own property in Miami and New York, especially in Miami, and there are Members of the Opposition I know who have property in Miami if I can make that statement. It is known publicly—*[Interruption]*

Sen. Baptiste-Primus: And paying property tax.

Sen. The Hon. P. Gopee-Scoon:—and they are happily paying their property tax because they do not want to lose their properties in Miami. They do not want to move from Miami. They love Miami more than anything else. But I want to tell you again—and the system in Florida is totally different. Again, here I will tell you one of the differences. An appraisal is done every year. So you are starting there. You are not getting away at all. Your appraisal is done annually, and each county, or each—what would you call Miami and so?—district in Miami, all of them—*[Interruption]*

Sen. Khan: Each county.

Sen. The Hon. P. Gopee-Scoon: Each county would be determining its own property tax. So it is quite varied and there is something call a mileage rate that each taxing district will in fact set and determine, and where they start off my

understanding is, what is the total proposed budget of the taxing district? In other words, they start off at the top. What it is I want to achieve, what it is it will cost me, and that is where it starts. So what is the total proposed budget of the tax industry? None shall escape and that is why people like to live in these places because everything looks nice, everything is clean. Step out there and everything is ready for you. Everything works, but that is because it starts at the top. What is the budget? And when you start with what is the budget, you then divide it by the total taxable value of all real estate in the district after exemptions are deducted for and that is why you have the variation right through.

I will come to the point where the average rate of property tax paid in Florida is .97 per cent of the value of the home, and what is that equivalent to? I took an example of a home, let us just say that it is for US \$180,000 which is equivalent to—I know you get better value for money sometimes in some areas of Florida. Let us say the home is valued US \$180,000. That is the valuation. So you are dealing with a property in Trinidad that the equivalent will be TT \$1.2 million—[*Interruption*] That is what it is—and I can tell you what it works out is that the property tax for that property in Florida—and I did the calculation—will be US \$1,773 and the equivalent of that is, of course, TT \$11,879, and for that very same house in Trinidad and Tobago it is going to be a lot less. The tax in Trinidad is TT \$1,450. If you compare it, for the very same priced property \$11,879 per annum if you own a property in Florida which is valued at \$1.2 million, and in Trinidad it is \$1,458, and there a stark difference between the two. And again I make the point of the reasonableness of the system that we chose and how reasonable it is to the property owner.

So that is one of the major points that I wanted to make, but the other issue I

just want to touch on because the last speaker raised it, Sen. Richards. He raised the question of local government reform and its expectations, and I just again through the example of Miami where everything seems to work well as against Trinidad where there are gaps, and you spoke to the gaps and I do not think that you are being unreasonable in what you have said. We need to fix things. We have had the commitment of the person who has been largely responsible for local government reform thus far and this is Sen. Khan and, of course, it is now being supported largely by the Minister of Rural Development and Local Government. The commitment that we will give—and I can tell you that the Attorney General has prioritized the legislation for the introduction of the local government reform. It is prioritized so that you can expect that high on the agenda.

We understand again persons pay their taxes, there is an expectation. I feel that I have an obligation to pay my tax. I do have an expectation and this is why you can look forward to the legislation for local government reform. We understand the municipalities have really, really been strapped and we know of the stories, we hear of it all the time. Sen. Ameen speaks to it all the time. There are gaps and they do find themselves in difficult situations as with the Government at this time over all, but again they have all found difficulty in alleviating all of the problems of their burgesses and so on, and again the subventions come from Governments. Sometimes the subventions are late. Sometimes because of the prevailing circumstances we are not able to make them on time, but this is what we want to cure and it is very much the intention of this Government. I am sure that it would be spoken at the time of the reform that taxes collected from residential property taxes will in fact go towards the purses of the local government corporations, and that is the pronouncement that we would all look forward to.

Again, the very things that they do currently need to be expanded and dealt with more fulsomely. I am talking about the public health, municipal polices, all of the spatial planning, the disaster management and so on. All of these areas which these corporations have responsibility for, all of these areas need to be expanded and there will be additional responsibilities for them. But there are new local government roles and responsibilities and, therefore, improved revenues are required. We have spoken about all of the social welfare services that will be captured under the new local government reform, the management and repairs of community centres, development of small contractors, civil society participation, and so on, economic research and planning. You have heard the whole gamut of it all and we all look forward to the pronouncements, and I believe it would come at the time of the legislation as to where the residential taxes will go.

There is another point that I wanted to—ah, businesses. I mean, you heard all the negativity about businesses closing down and so on. I think it was Sen. Hosein who spoke about it. That is not going to happen. That is not going to happen. You have heard the commitment from the Chambers of Commerce, you have heard the commitment even from all of the other business associations, you even gotten a point of view from the Archbishop of Trinidad and Tobago, the former Archbishop for Trinidad and Tobago. I mean, I think you have to stop being so alarmist and really look at the facts. And when you talk about this Government, what are we doing for businesses and on, I will tell you—I mean, it is very clear that this is a Government that is very supportive of businesses and there are a wide range of tax exemptions and incentives that are available to all businesses.

The Minister of Finance had announced in the last budget an export

allowance. That is going to come into fruition very shortly. He spoke about a number of other incentives which and have been launched and some which will be launched very soon, but again this Government has act very responsibly to all sectors of business in terms of fiscal incentives, import duty concessions, allowances to the manufacturing sector, allowances to the agricultural sector, the creative sector, and I could go on and on, but this is not the place. But the point is you need, Sen. Hosein, to be a little bit more appreciative of the work of this Government. I mean it is there, it is documented. So these carte blanche statements businesses would close down would really find no value at all, at all, at all.

Another matter that I want to raise is my clear disappointment with the inconsistency over time of the Opposition, even when they were in Government, about this whole question of this property tax. Even Sen. Mark in his contribution spoke about supporting. He said, it is on record that he will support a land and building tax. Now, I want to make the point—he said it. It is on record. Land and building tax, property tax, it is the same thing. [*Desk thumping*] So I can tell you if it is anybody who is—[*Interruption*]

Madam President: Minister, you have five more minutes.

Sen. The Hon. P. Gopee-Scoon: Thank you. I want to tell you if it is anybody who is confused about this property tax and who has put more confusion into the mix than anybody at all, it is the Opposition when they were in Government and now that they are in Opposition. Several persons have raised it before me and I will very quickly go through some articles which made reference to some of the sayings by the last Government and you would understand the flip-flopping nature once again. I looked at an article in the *Trinidad Express* with the date being July

14, 2012, and I want to refer to the words of the then housing Minister, Dr. Roodal Moonilal. He said:

“Segments of the population are very eager to pay their land and building taxes... The commitment was to axe the...tax, not to abolish land and building taxes, so the population itself is very eager to pay taxes for land and building. In fact, there are some people in the upper echelons of society in some of the more bourgeois areas and who”—should be—“ashamed”—that—“they are not paying land and building taxes, so people are demanding that we (bring back)”—this is the then Minister of Housing—“the land and building taxes...”

This is Roodal Moonilal in 2012, and he said:

““We did promise that we would revise the land and building taxes regime, so after two years it is possible to look at the current model and not the (PNM model)...”

But there was no change at all. Model for model what your UNC Government was in favour of a tax on land and buildings. That is it. Property tax. And then very shortly after in 2012, the then Minister of Finance said and I am quoting from this *Stabroek News* July 16, 2012. He did not care about the name. He was very clear—Larry Howai.

We have to bring back that property tax.

And he called it as he saw it, black and white, bring back the property tax.

I do need for us to revisit that property tax and consider introducing something more efficient, effective and more equitable, Howai had said.

Trinidad and Tobago has had land and building taxes for more than 100 years. It has always been there. By and large most people expect to pay

some kind of land and building taxes.

And that is it. [*Desk thumping*] And I go on to the appropriation Bill of 2012, Monday, October 01, 2012 and I go to the *Hansard*.

“During the course of the next fiscal year I propose to put in place a regime which will cover residential, commercial, agricultural and industrial land, and this regime will be fairer and more equitable than that which was previously proposed.”

That is him. He proposed to do it. And then he went on to talk about the fuel subsidy. The property tax was not enough, he then decided to lay it on about the fuel subsidy which he was going to improve. And then, of course, you know but there was a lot of confusion eh. [*Interruption*] History? Well let me tell you about hon. Kamla Persad-Bissessar who is not history. There was a glaring instance of double speak by Kamla Persad-Bissessar, the then Prime Minister, over that whole question of property tax, and speaking to reporters after the budget presentation, Mrs. Persad-Bissessar declared, “I will not introduce any property tax”. Following that, she went on to assert later on that she had in fact given instructions for a Bill to be drafted that will clearly take the land and building taxes as it was prior to 2010.

And I spoke here before 2010, not 3 per cent, you were talking about rates of 10 per cent and 8 per cent and so on. Double speaking, and that is the voice of Kamla Persad-Bissessar. [*Desk thumping*] Double speaking and nothing more than deception by the UNC once again. Okay? Nothing more than deception. I know I have to conclude, Madam President, to say that this is a fair tax, this is an equitable tax, and the Government has provided relief for the indigent of the poor again, but again we will listen, we will listen to all the considerations and certain

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matters will be addressed in the winding up. This Government always listens and, Madam President, we all have an obligation to pay our property tax. Thank you.

[Desk thumping]

6.30 p.m.

Sen. Anita Haynes: Thank you, Madam President, for recognizing me to participate as we debate the amendments to the Property Tax Act, 2009. Now, I would have to respond to quite a number of statements made earlier but I would like to contextualize my contribution here today from the onset. This amendment is an amendment to a Bill brought by a previous incarnation of this PNM administration and within these 25 clauses, it represents a political philosophy that is unique to the DNA of the People's National Movement, which is when in doubt, tax the population. *[Desk thumping]* What it means essentially is that the citizen, you and I, must pay for their lack of ideas, literally and figuratively and for their marked lack of ideas from this administration, the people of Trinidad and Tobago will now face an additional tax.

You have heard speaker after speaker say, from the Government Bench, that this tax is because of our dire economic circumstances and Sen. De Freitas, in his contribution here today, noted that the incarnation of this Act was in 2009 when the economic circumstances were quite different, so that I find to be disingenuous. This is not a response to economic circumstances, *[Desk thumping]* this is simply their idea of development and their fiscal policy which they must stand by. So do not try to make excuses, which gets me to the first point that I would like to respond to.

Sen. De Freitas raised this issue of campaign rhetoric, that "Axe the Tax" was campaign rhetoric and it became way of the tax and whatever else, so I will

just inform him of what campaign rhetoric is. The entire Keith Rowley administration is based on a rhetoric that they are not responsible for anything that they do here. [*Desk thumping*] A misleading narrative. So as you continue a narrative that I guess that you paid handsomely for from Vestige Strategies or whoever, right, and if I had not heard that announcement from the Leader of the Opposition, I would have assumed that you got the strategy from Shaggy because it is very much that “It Wasn’t Me” kind of strategy. None of these things are your fault. [*Desk thumping*] So the burden that you are transferring to the population of Trinidad and Tobago today, you are trying to pass the buck yet again.

So committed they are to their narrative, Madam President, that the Government is now starting to blame each other so we have a Minister of Finance blaming a Minister of Energy and Energy Industries for a poor S&P rating and so that gives to admire their commitment at least to their narrative. They will blame anybody. [*Crosstalk*] “Yeah, if yuh cyah blame us, they will blame themselves.” And so you are getting on the track, right, we agree with you, you are to blame for the situation that we are in. [*Desk thumping*]

I know a lot of speakers before me have raised the very important and critical issue of how this tax should be implemented since the Government does not need a majority for it to be passed and that it should trickle down within the communities so that you can feel the benefits of the taxes that you are paying. And I think the reason it was raised so many times is because it is really what we, as a nation, would like to see in terms of how we prioritize our spending and I think it is important for me to just approach this from a different angle. Because during Sen. Mahabir’s contribution on the last day, the Minister of Energy and Energy Industries rose to give us an assurance, to tell us that local government reform was

indeed on its way. And I will tell you why we cannot believe that assurance.

You see, Madam President, in 2016, when Minister Khan, when he launched the PNM's local government campaign, he said that local government was bandied about for decades and I will give you a sense of how accurate this is. Because if you go way back to Ken Valley, former Deputy Political Leader of the PNM, in 2003, said that the PNM would provide for greater autonomy and responsibility for local government bodies while making them more accountable to their community that would develop new arrangements for funding local government activities. Fifteen years and two PNM administrations ago and you are still expecting us to trust you when you say it is on its way. Cannot believe that. [*Desk thumping*]

This idea of the PNM giving local government bodies more power to raise revenue, Ken Valley excused the party then because he said the PNM's plans for local government were disrupted in 1995 when it lost office. So this promise predates 1995. Now, if we were to contextualize that, in 1995, I would have been in Standard 1. I have had time to complete my tertiary education, Masters, come back home and they are still making the same promise [*Desk thumping*] and still expect us to believe, to believe, that it would be on its way. I find that incredibly hard to believe.

As a matter of fact and I will show where it gets even worse, Madam President, because on July 02, 2017, in an article in the Trinidad and Tobago *Guardian* entitled:

“Corporations to collect property tax as part of...”—local government—
“reform”

Now, this is July 02, 2017, so the promise was initially made in 2016—well, it was made before 1995, again in 2016 and it goes on and on.

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“Speaking to the media, Energy Minister and PNM chairman Franklin Khan said the party felt the measures included in the legislation to reform local government would result in a fundamental change in the governmental structure of the country.”

Yes, good, that is the ideal.

“He repeated that legislation would be tabled in the next session of Parliament, adding that there was support in all corporations for the reform exercise.”

That is this session, it is not tabled. So again, we have fundamental trust issues with the Government and I think for good reason. [*Desk thumping*]

The position of the United National Congress has always been that this tax—this PNM version of the property tax, the amendments to which we are debating today, is draconian and that it is vague and that it is unconstitutional. [*Desk thumping and interruption*] We have not changed from that. We, as matter of fact, sought to not only waive but to remove this legislation because we did not feel that this was the way to go, it is the wrong law, the wrong time and in the wrong implementation process and we stand by that. [*Desk thumping*]

The dominant concerns around this Property Tax Bill seems to be, from the Government Bench, that this is a space for revenue generation and tax administration purposes. I think, to encapsulate what their arguments are right now, that they keep repeating that the law is reasonable and that we should take into consideration our current economic circumstances, and I will get to that because that is important because I think perspective is critical in this. One of the biggest criticisms from the People’s National Movement about the Kamla Persad-Bissessar administration is that we collected no taxes and imposed no new taxes.

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That is their criticism. [*Desk thumping and interruption*] “Buh yuh” did not say it here today maybe, but it has been said. And why I think that is important is because we have been consistent with our political philosophy and our developmental philosophy. [*Desk thumping*]

You see, today in 2018, even though we have had many speakers, there is still no greater clarity on precisely how this tax will be administered and that is a fundamental problem that almost everyone has articulated. And I will look at it specifically with regard now to the agricultural sector. Sen. Singh spoke and has spoken about previously his love for the agricultural sector and as well as a push for young farmers and that has been his stance from the beginning, and I just want to demonstrate that this Government’s property tax, as it stands, I believe will keep farmers in Trinidad and Tobago in a state of poverty and it would also provide a disincentive for persons entering that field. The Government’s abysmal lack of planning and research on how the proposed tax will affect the nation’s farmer is proof that they have turned their back on the agricultural industry and farming community.

You see, it is important to present your research on how you believe the implementation will affect people, because you are, again, talking about people so you should have some idea of the impact before you make the moves to implement anything. [*Desk thumping*] You see, the property tax is yet another expense that will erode our already slender profit margins that farmers currently make.

So, far from helping the agricultural industry, the Government has created a powerful incentive for farmers, particularly young farmers, the persons that Sen. Singh professes to represent, to turn their backs on agriculture for good. So it goes back to my main point of what is the philosophy governing this legislation and

what is their plan. You see, under this Government, the nation's farmers will only be reaping misery and hardship. [*Desk thumping*]

There is no explanation as to how the rental value of agricultural land is to be assessed. A parcel of land in Chaguanas may be valued differently from a similar parcel in Penal and farmers in different parts of the country but using the same acreage, planting the same crops may be paying different sets of property taxes. Farmers utilizing multiple lands, each at varying degrees of productivity, some crops take up to six months to reap, some farmers have five varying plots, and he may be asked to pay five different sets of property taxes each year. So again, who will be attracted to agriculture under such burdensome conditions? So you have, on one hand, people talking about the food import bill and this movement towards getting more persons involved in the agricultural sector, yet still these amendments do not speak to how this will impact the agricultural sector.

You see, farmers will be asked to pay property taxes with little to no effect on improving their quality of the properties or their products. [*Desk thumping*] So farmers will suffer from who currently suffer from poor access roads, poor water supply, from criminal activity. These areas, the Government has completely ignored and continue to ignore while moving to add an expense.

So I think Sen. Richards and a number of others raised this idea of—and the Government keeps raising the word “equity” and so we are saying, if you are asking us to do this, how are you holding up your end of the bargain? What can we expect from you? And they have not answered that question. I think Minister Gopee-Scoon attempted to with a promise that services will be increased but we have already—[*Interruption*] Yeah, we cannot trust the promises. [*Desk thumping*] So I cannot—you know, I wish that we could but.

And so, I will just give an example of what takes place in the United States. All 50 US states provide some form of preferential treatment for agricultural land. Most states do so through a form of use-value assessment. Under use-value assessment, agricultural land—

Madam President: Sen. Haynes, so you have been speaking now for 15 minutes and I generally allow the context to be late, but you are now going the path of agriculture as a comparison. You need to discuss what you are discussing but keep it relevant, please. Okay?

Sen. A. Haynes: Yes, Madam President. So my suggestion is that this that I am about to go through be a means of assessment for agricultural lands that may be more equitable. [*Desk thumping*] And so my suggestion—and as Minister Gopee-Scoon noted, the Government is listening so I hope the Minister of Agriculture, Land and Fisheries is listening and may be minded to support an assessment that looks at the use of the agricultural land rather than the existence of the land itself. So I hope that you would allow me to just finish and I will move to the other point.

So although farmland in rural areas is principally valued by its ability to generate revenue through agricultural production, farmland values also reflect other potential streams of revenue, such as conversion to other uses or through natural amenities or recreational opportunities for example, and whereas farmland along the urban fringe is often sold as a premium that reflects potential future returns from housing or commercial activities. So what we are suggesting is the use-value assessment rely principally on two key components: estimates of agricultural returns and cost of production and the capitalization or discount rate to reflect the time value of money. The use values then are generally determined as the present value discounted future net cash flows associated with the property. So

the states typically rely on family records and analysis conducted by government officials. And so that when you are looking to impose a tax on agricultural property, it is in a way that may be more equitable than the way that is currently proposed.

You see, even if you look at India's Rural Infrastructure and Development Fund, these are countries that are looking to incentivize agricultural and my suggestion is that this property tax and the amendments do not fulfil a mandate of incentivizing agriculture in the way that the Government has purported that they intended to do. So again, I am highlighting where I sense a kind of disingenuous assertion on one hand and their actions prove to be completely different.

So, from the time this Government came into power, they have been obsessed with taxation for the purpose of revenue generation so that the spending side could continue in the manner that it has. I believe that if your only idea for revenue generation is taxation, then you do not have any ideas at all. [*Desk thumping*] You have spent over \$100 billion and we have not seen the returns from that spending and so with the proposed increase in revenue from these taxes, what do the citizens have to gain from this?

And as we look at this idea with the property tax and the previous Bill that we debated, with the valuation of land, you know, you are speaking to a strengthening of an Executive which you are allowed to hold as a political philosophy. You can believe in big government and strong government but you have to be prepared to defend that. Right? You have to be prepared to defend that stance and that if you are going to increase Executive power, then you have to increase Executive responsibility to the citizens and what they intend—

Madam President: Sen. Haynes, I am not following—listen, at this stage—

[*Interruption*] No, hold on. At this stage of the debate, we are debating general merit and principles of the Bill and I know you want to give examples but they must be relevant to what is before this Chamber. Okay?

Sen. A. Haynes: Yes. My point is that a bad taxation strategy will lead to economic hardship and it would trickle down to the citizens of Trinidad and Tobago.

I would also like to address this—I had a concern that Senator—so Sen. De Freitas raised the deferral of the tax which is in section 23 of the parent Act and amended by clause 12 of the amendments. So the idea that the deferral of the payment was a way to ensure that citizens who cannot sustain themselves or citizens who feel that they cannot pay the taxes would be their form of relief, but the amendment notes that relief is granted for two years and it may be renewed if the conditions, the applicants are evidenced by subsection (2), which is all well and good.

However, in the parent Act, it is noted that upon the death, the estate owes the taxes. So what I am asking is: Is it that the estate owes the back taxes? Are you collecting all the years that you have deferred or are they going to just start paying? So I would like an answer to that question. I think if you contextualize the property tax in the current economic situation, it is onerous because we have noted that people have been losing their jobs. There is no job security within our economy right now and then you add this so now you have no security for your home, and I think that is what Sen. Ramkissoon was talking about, maintaining the humanity with when you impose taxes or policy positions.

And to a large extent, a functional democracy rests on an economically self-sufficient citizens and its institutions which tend to be more independent when

there is land ownership and rights and so things like freedom and democracy reign where citizens feel economically stable. And there seems to be, from the actions from the Government, an attempt to create a sense of instability for the citizens so you feel constantly dependent. So you are dependent on them for their jobs and now you have to pay these taxes and if you cannot afford it, they can take your property. And I know that the Minister of Trade and Industry thinks that we are being dramatic but it is a possibility and it is a real fear that citizens have expressed.

I would also like to turn now to clause 6 of the amendments which discusses the exemptions, the Schedule for those who are exempted and the Minister of Trade and Industry noted that she is very willing to pay the property taxes and that is good but I have a question. [*Interruption*] Yeah, she said she is excited. So that when we are looking at the exemptions, we have a Schedule of exempt state entities and the power of the Minister to establish and amend the Schedule. Sen. Hosein raised the issue of the amendment and what we would be seeking in terms of the amendment of the Schedule.

But on one hand, we are taxing agricultural producers, individual land and homeowners who are seeking to establish independence and sustainability and we are also taxing small businesses because they will be caught in this commercial— [*Interruption*]

Madam President: Sen. Ramdeen.

Sen. Ramdeen: Sorry, I apologize.

Madam President: Okay. Sen. Haynes.

Sen. A. Haynes: And a number of people in the private sector who are making a significant economic contribution and so this goes back to my main point as to

what is the philosophy that is undermining this tax. And I understand the logic but it flies in the face of the Government's assertion that the tax is equitable so that you will be exempting what are largely unprofitable state enterprises. So we are almost saying that we will tax the private citizens for their attempts at entrepreneurship and building the economy and building the society, but these state enterprises that, for example, these enterprises that have been making no money for years will go exempt and I do not consider that to be equitable.

And I think, you know, that on the same token, why should unproductive land and unproductive state sectors be exempted from the tax? I know somebody will get up to say it is illogical for the Government to tax itself but should we not say that state enterprises should be focused on being productive and productive use of its assets and subsidies from the taxpayers could be reduced over time? If we focus on production and we treat them as a regular corporation and not something that the Government holds as a crutch and helps every time they get into trouble. So that they should be productive and they should be treated as a corporation and I do not think they should be included under this Schedule of exemptions.

So that you are looking at companies that have been set up to be profitable who are not profitable and then now we are saying you will get a "bligh" but the citizen who opens a small shop in front of their home, you would be captured under these taxes. So who is the Government and this amendment Bill and the original Property Tax Act—who are they really seeking to incentivize and give life to?—and it is really not the small business owner. I know that the Minister of Trade and Industry sought to tell us that businesses will not close down as a result of the tax but what is the basis for that assertion? How do you know? And you have not given us a reason—[*Interruption*] Yeah, there is no study, there are no

statistics, just general assertions that this will not happen and that will not happen. [Interruption] Apparently so.

We have seen, as many have noted before me, that this Government has already added to a number of areas that they are taxing so the new property tax is not to be looked at in isolation. It should be looked at in the totality of the increasing cost of living and so while you may want to say it is small money here, it all adds up and it will continue to add up and the citizen will feel the burden of the taxes.

And so, we are also asking when you are looking at the tax, how does this play into the Government's plan to encourage things like manufacturing and agriculture in terms of its diversification strategy? Is it falling within their plan? It is outside of that plan? Have they not thought about it in the context of the wider economy? And these are questions we have to ask because we would like to know if this tax falls within an overall developmental strategy that is sustainable and I would like to say that I do not believe that that level of thought has been put into this. The Government cannot focus only on taxes as revenue generation.

Madam President: Sen. Haynes, I really am trying to help you here but you are repeating now a lot of what has been said before and you are also not dealing with—you are not focusing enough on the Bill, you are still into general principles and a lot of them then have been said already. Okay?

Sen. A. Haynes: I understand, Madam President. Largely because in 2009, when your parent Act was debated, I was still in school so this is really my opportunity to say how I feel about the tax in general. [Interruption] Yes, I understand.

7.00 p.m.

Madam President: But we are not debating the 2009 Act. Okay?

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Sen. A. Haynes: Well, I understand. But, you know, we really did not have an opportunity to ventilate some of these issues in the House, so that is why we are really taking the opportunity to make sure. I do believe—*[Interruption]*

Sen. Khan: Fight a seat and go in the House.

Sen. A. Haynes: Call the election and I will screen. *[Desk thumping]* Call the election and I will screen. *[Desk thumping]* But until there is an election, I will be here. I will be here. I am pretty sure. I am pretty sure.

Madam President, I will follow your guidance and I will just take this opportunity to conclude my contribution. But I will say that when the Government proposed these amendments and the parent Act of 2009, they did start with an end in mind.

You see, Madam President, we are moving into a new era in Trinidad and Tobago politics and much has been said about our tribal voting tendencies and tribal voting patterns. And it has been part of our political history and well-articulated. But, society is changing and you have to logically ground your policy, including your taxation policy, in what your political organization believes in, which is how I started, that this taxation policy is in the DNA of the PNM, that they believe that taxation is the only way that they can raise revenue.

The United National Congress and the party that has given me the opportunity to be in this Senate and to articulate these views, the party has always represented its philosophy that we are committed to development and developing our nation by empowering the people of Trinidad and Tobago.

This amendment Bill and the parent Act is reflective of the PNM's developmental policy, which speaks to development at the expense of the people of Trinidad and Tobago. And it is a fundamental difference between what we stand for. And that

is why we have to stand against this Bill, and Madam President, I thank you.

Sen. Sophia Chote SC: Madam President, thank you for affording me the opportunity to speak. I regret that I will not be as thorough nor as long as the speakers who preceded me. But there are a few points that I wish to make, with respect to this proposed legislation.

In doing my research for this proposed legislation, I came across a paper entitled “From Ambition to Execution: Policies in the Support of Sustainable Development Goals” and I thought that that should be our focus, when we looked at the impact of the amendments to this Act. Because at the at the end of the day, we sat in this Parliament collectively and decided that it was a good thing for us to focus on the sustainable development goals and to look at the legislation which we enact, in terms of whether it is taking us in the direction of accomplishing those goals or not.

So, this was an IMF staff discussion note of 2018, and there is just a small part of it, which I would like to quote. It suggests that:

“Greater use of real property taxes—generally both an equitable and efficient source of revenue—can be made in many developing economies, with modern technology for valuation and identification of properties making this much more feasible than in the past.”

Now I wrote this out with my hand, so if I missed a word or two, please forgive me. But the gist of it is that, in seeking to head in the direction of achieving your sustainable development goals, one of the things identified is the implementation of property taxes and the use of those taxes for the benefit of communities. Now, I only make this point very briefly, because the property tax was enacted in 2009, and what really concerns us today is how the proposed amendments are likely to

work.

Now, having said this, I come from the position that we must see that in this kind of law there is equitable treatment of the parties likely to be affected by the law. So, if I may very briefly go to those sections and subsections which cause me a little concern, or which I am not sure about and, perhaps, the Minister may be able to provide some sort of clarification at some point. For example, when we look at section 3(b), which talks about the definition of “land”, it talks about land over water. And I was a little curious as to why we did not simply say “territorial waters”? Because if we do, then it means that we may be able to obtain taxes from our energy assets.

And theoretically speaking, as a layperson who has no background or knowledge of the energy industry, to me if the energy industries are making such a large amount for themselves then I do not see why they should not be taxed. And I was wondering whether an amendment to say “territorial waters” instead of “land over water” would mean that we can tax them.

Now—[*Interruption*] sure.

Sen. Khan: You are referring to like offshore platform to be like an industrial site? Yes, okay. Thanks.

[MR. VICE-PRESIDENT *in the Chair*]

Sen. S. Chote SC: Because the Act talks about plant and machinery, and so on. So why not? It can provide us with money that we need.

And it brings me back to the point I had made earlier in one of these debates, which is to say that we have drilling on land and on sea. But the communities in the vicinity of these activities very rarely get the benefit of the billions and millions of dollars which have been drawn from the ground for the benefit of other people.

So I am respectfully suggesting that if we are looking at the application of these moneys towards the development of communities, then this may be a consideration.

Section 16(1)(a), I see that we talk about including property used for churches and so on, but we have sort of narrowed down what had been included in the earlier piece of legislation. May I respectfully suggest that we widen it back a bit to say or to include property used for church activities such as church halls, and so on? Because there are a number of activities which are crucial to a community, which take place in such venues. You have ALTA reading classes. You have Sunday schools. You have after-school lessons. Sometimes you have day care. There are a number of community activities which take place in these kinds of buildings, which may not be churches, but which may be nearby or affiliated to. So I would respectfully suggest that that be considered.

Now, section 23(2), I think I have, perhaps, heard more about this aspect of this amending Bill than any other. Yes, I agree, we have an ageing population, but it seems to me as though we have not really quite put our finger on the point as yet. We have ageing populations but not all of them are going to be in a position to pay a tax or to pay a tax easily. Not all of them are going to be so impoverished that they are going to lose their homes. The fact is, this particular subsection is going to have to cover people with a wide variety of unique circumstances.

And if I may just call upon my experience as lawyer, to say what are some of my concerns about this and how I feel that some of my concerns could possibly be addressed, if the Government is so minded. Now, the way it is worded, we are told that there are certain categories of persons for whom the property tax might be deferred. Now, I think at some point, and I will explain why a little further down

the road. I think we must include in this the ability to waive, not permanently but perhaps on a six-monthly or an annual basis. And the reason is this, one: we have not said what “disabled” means in this legislation.

Secondly, what if we have a situation, as often happens with an older person, where the person develops, the owner of the property develops Alzheimer’s or some sort of dementia? There is no power of attorney, which allows anybody to go and legitimately pay taxes and transact business on his or her account. And there must be some sort of mechanism for this to be brought to the attention of the tax collector, so that the tax collector can take the decision in his or her discretion to waive the collection of taxes for that period of time. Because it seems unfair to me that this person, who, through no fault of his own, and anybody familiar with this kind of illness will know that you can wake up one day and realize that you are deteriorating and your brain is not functioning as it should.

So, we have to accept that with an ageing population, this is not “pie in the sky”. This is real life. And we have to make provision for that in the law. So we will have to have some sort of mechanism whereby the tax collector may be informed of the unique circumstances of this person and has a discretion to waive the property tax for a particular period of time. What I am going to suggest, if it is taken on board, is that we have an additional subsection which says that these taxes can be deferred or waived for reasonable cause. So that could possibly cover any number of things which may happen to a person.

Now, the other thing is, there is potential for abuse in this. Clients very often will come into a lawyer’s office and say: “Look, I want to have a deed done so that I can put the property in my children’s name, now that I am getting older, so that they would not have to go through this trouble with probate and letters of

administration, and so on.” My advice generally in the those circumstances is: “Do not do that”, because I have had enough experiences where the old parent has done that and then has found himself or herself out of the house, with no roof over his or her head, or shuttled from one unkind relative to another. What I used to suggest is to say: “Well if you insist on doing this, give yourself a life interest, and then the child will get it afterwards.”

But some people, because they love their children and cannot imagine that their children would ever do something like that, will insist: “No, probate takes too long. I know a friend who waited for three years.” Quite possibly true, and will insist that the property, their home where they have lived all their lives, must be given to the children. And there is a very real risk that the children may now push the parents, children who are so minded, may now push their parents to say: “Listen, Ma or Pa, you cannot pay this property tax. This is what the Government says you have to pay now. So is better you put it in my name. I am working and I will deal with it.” And then poor Ma or Pa, in a year or two, when he or she needs to have a house, a roof over their heads and a bed to sleep on, are without that.

So I would respectfully, I use these two examples, Mr. Vice-President, to illustrate that we have not considered all of the personal fact situations which may arise, and these are very real fact situations. And if we can put in a subsection or a clause to cover that kind of thing. I mean, we cannot stand here in Parliament and imagine every fact situation that can occur. But certainly, in legislating, we have to try to be as farsighted as we possibly could.

Another example which would illustrate this, and anybody who does matrimonial law would recognize the problem: a woman gets divorced at 55, she is now 75, property tax is in place. She had got the house as part of her marriage

settlement. Are we really expecting that woman—and her reality sometimes is there is nothing in the fridge to eat. She has a big house but nothing in the fridge to eat. She cannot buy a new dress. She is dragging a pair of sandals on her feet. We cannot expect that that woman should be put out of her home, or put her home up for sale, so that she can pay a tax.

Now, we cannot blame people because of poor life decisions and we cannot punish them through taxation for poor life decisions. But what we can do is we can make this law which is good law, and as far as I am concerned is necessary law. We can make it applicable and we can make it palatable; the new word that everybody seems to be using in this dialogue. We can make it palatable for many more people, if we make a slight adjustment in the way in which I have suggested.

Now, section 20(1)(a), the disparity between the Government's refund and the citizens refund, well as I said my position is that we should have, I suppose I should say equality of arms, although it is not quite the right thing. But I think the time period for the refund should be the same. And there should be interest charged. If the Government can charge interest, then the person should be able to collect interest when he is owed money. So that should be balanced out.

I am respectfully suggesting the inclusion of a Schedule V. And the reason for this, I know the hon. Minister has said that not every NGO is a charity. But there have been long-standing NGOs which have worked for decades in this country and have used very limited, their very, very limited resources to acquire properties to continue the good work that they have been doing. And I will just give some examples of some of those groups, which I am hoping would persuade the hon. Minister to find some way of having the property owned by these groups not the subject of this tax: Rape Crisis Society, Rebirth House, ALTA, Wild Life

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Orphanage and Rehabilitation Centre, T&T Cancer Society, Girl Guides Association, Scouts Trinidad and Tobago, Cotton Tree Foundation, Animal Welfare Network, The Children's Ark, Caribbean Sign Language Centre, Maloney Women's Group Senior Centre. And these are just some of the groups that have properties and do good work. They are not making a profit out of it, and I am respectfully asking, because I know for a fact. I used to be involved many moons ago in the Rape Crisis Society. So I do know that in these organizations you basically count every cent that you have and try to put it to good use.

So, I would respectfully ask if consideration could be given to some of these organizations or that some mechanism may be put in place for them to make an application to the Minister, for them to be considered, I do not know, under delegated legislation or something.

Tax laws are not my thing. So I am not going to purport to know how all of this is going to be accomplished. But I respectfully think that if we can include these organizations then certainly, what we would see is, I suppose a lessening of the fear that people seem to have developed over the years about this legislation.

The thing is, if you go to any developed country, Canada, the United States, wherever, there is property tax. That is why their roads are good and that is why they have power and water in their lines and all of these things. Denmark, which, I was quite amused to see, is considered to be the happiest country in the world on the Happiness Index. I do not know how that is decided. Their taxes are over 50 per cent, and a lot of that is property tax. So, sometimes we need to appreciate that in order to move forward, we have to look at things in a different way. I do not think that that is an issue for us today because a decision has been taken. It was taken in 2009. The only question for us is: How to make this better?

So, Mr. Vice-President, I thank you for the opportunity. [*Desk thumping*]

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Thank you, very much, Mr. Vice-President. It is an honour to join this debate on a Bill to amend the Property Tax Act.

I just want to thank Sen. Chote for what I think was a reasoned response and I think a lot of the points that she raised will be taken seriously by the Government when we come to the committee stage. I actually like the Schedule V idea. Well, as Minister of Energy and Energy Industries, the offshore platforms, but you know as creative a thinker as I think I am, I never thought about that.

But, Mr. Vice-President, property tax is not unusual. I was doing some research and I found out that the earliest record of property tax was with the Egyptians; –it was a tax posed on the wealthy—the Sumerians, the Babylonians, and the Persians. I would just like to go down to the Roman Empire where, when Jesus was asked: Lord, shall we pay taxes to Caesar? That was property tax. And his answer was: Render on to Caesar, the things that are Caesar's. [*Desk thumping*] And as we come to the modern era we have the Mighty Sparrow, “De Doctor say tuh pay as you earn,” and “meh grandfadda say he sharpenin he axe”. So taxation has always been an issue with the people. Okay?

But while taxation has been an issue to the people, since civilization developed and modern government structures developed, there is only one way known to man and to civilization for the State to own revenue. It is through taxation. And in more modern times, the State now owns assets and then they could get dividends from these various companies because of sovereign funds and what have you, what have you. But initially, the only source of revenue for the State was through taxation. But this talk about “yuh taxing, yuh taxing, yuh

taxing,” the State has to tax. It is the quantum of tax, the fairness of the tax, the equity of the tax and the magnitude of the tax is what is in question.

But there is a paradox in that whole thing. Because Sen. Chote spoke about Denmark. The Scandinavian countries have the highest tax rates in the world, Norway, Sweden, Denmark. But there is quality of service for it. Okay. So you cannot be opposed for high taxation just for the sake of it. You must correlate that with: Am I getting the type of social services and/or services that we are—
[*Interruption*] no, no, no.

That is a fundamental principle, and why Third World countries are Third World is because they cannot translate that. Because they take the revenue and the system stultifies you to various blockages as to how to provide the goods and services for the citizens for Trinidad and Tobago. We are Third World because of those reasons.

So, Mr. Vice-President, let me start from the beginning. As a little boy growing up in Mayaro, I have a vivid memory or one thing. After New Year's Day, the first week in January, my mother puts on her clothes, takes a taxi, goes to the Mayaro Warden's Office and pays land and building taxes. To her, that was the most important thing she had to do for the year.

I will make a next statement. Country people protect two documents with their life, their land deed and their land and building tax receipt. They used to put it in a plastic bag in a grip, because in those days “dey eh have no safe”. And that, you protect that with your life. You prefer to lose your birth paper. You prefer to lose your marriage certificate, but you do not want to lose your land and building tax receipt or your land deed.

So, we have come through the British system and people know historically

and through all the historical antecedents that property tax is a valid tax. It is a required tax. It is a fair tax. And they feel very, very uncomfortable if they are not paying and up-to-date in that tax.

I want to go on record as saying that the People's Partnership did a lot of citizens in this country a disservice by having them in limbo today, not knowing from whence they came, because they are not paying property tax because "Kamla say doh pay tax".

Sen. S. Hosein: Who is Kamla?

Sen. The Hon. F. Khan: Sorry, Mr. Vice-President, but that is the phrase. The hon. Prime Minister at the time said do not pay tax. Then a new administration comes in and says: "you have to pay the tax". But the Opposition is saying: "Ah going tuh court fuh yuh not tuh pay de tax." The population is confused and confused for absolutely no reason, and I will show you why.

Mr. Vice-President, there are few countries in the world that do not have property tax and I will just outline them very briefly—the rich Arab states, which have no taxes period, no income tax, no nothing—those are: the UAE, Bahrain, Kuwait, Qatar, Oman and Saudi Arabia. They are on a different story.

The only other countries that do not have property tax is the principalities in Europe, like Monaco and those very rich countries and the Caribbean islands of Turks and Caicos and Cayman who are offshore bankers and what have you.

But, beyond that everybody has property tax—

7.30 p.m.

Hon. Senator: One hundred and seventy-eight countries.

Sen. Ameen: Collected by local government bodies.

Sen. The Hon. F. Khan: I am coming to that. Prior to the passage of this

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Property Tax Act in 2009, there existed in this country a very archaic, outdated and convoluted system of land valuation and property taxation. It is clear, and the legislation that govern these things were as follows: the Lands and Buildings Taxes Act, Chap 76:04 which was a 1920 Act, the Municipal Corporation Act, which was a 1996 Act; the Valuation of Land Act, Chap 58:03 a 1970 piece of legislation and the THA Act, Chap. 25:03 which largely governs Tobago.

The result of that archaic system was that there was never a proper valuation roll completed for properties in Trinidad and Tobago. So, if you do not have a proper valuation roll and as Sen. Creese will know that, you were in local government. You do not have a fair basis to tax. Because there were houses in St. Clair that had a lower annual ratable value or annual rental value than a new house built in Mayaro. Because it was valued after, and you were paying on your new assessment and they were paying on a colonial rate that was established in 1940-something.

So there was never a proper valuation roll, and valuation where they existed did not reflect the true value of the property. It was against that confusion and inertia that a decision was taken by the then PNM administration under Patrick Manning—

Hon. Senator: A good man.

Sen. The Hon. F. Khan:—to bring a system and a new regime for property taxation. Mr. Manning is a good man, but Panday is not a good man, you know, to them.

Hon. Senator: What! [*Crosstalk*]

Sen. The Hon. F. Khan: Okay, now—

Hon. Senator: You look for that.

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Sen. The Hon. F. Khan: Mr. Vice-President, and this where I want to come to the crux I want to say. We have never said, as a party, that it was the perfect piece of legislation, good? Probably the Government of the day did not even market it properly to the people. And the Minister of Finance at the time, I cast no aspersions of her, the hon. Karen Nunez-Tesheira. So the communication strategy at the time was poor. The Bill itself probably had some areas in which could have improved. But its fundamental principle was based on good logic and on proper taxation law and it was made in the national interest for the sake of equity and modern taxation rolls.

Now 2009, Mr. Vice-President, this property tax legislation and its subsequent amendment that we are debating today has national importance because it is—sometimes we pass legislation and if you pass legislation on a crime bill people who say—or a gang bill, people who say “I not in no gang” have nothing to worry about. If you pass legislation on some other matter and you not in that set, you say well let them deal with their business, I have nothing—but property tax touches every single family in Trinidad and Tobago. So, it has national reach and because of the chronology of what has happened it has turned out to be a very sensitive political matter. Good? And once it is political, I join the debate.

Mr. Vice-President, and this is where, when I study the political history of Trinidad I have a serious beef on this matter. You had a political party called the COP and they jump in the fray—

Hon. Senator: The corpse.

Sen. The Hon. F. Khan:—and I saw people with white jerseys and white t-shirts all over Trinidad and Tobago saying “Axe the Tax”, axe the tax for their own ulterior motives, okay. They join up with something called the People’s

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Partnership, how can you build a party on an “Axe the Tax” campaign? A party has to be built on some more fundamental principles, that is why they cannot survive, you know—

Sen. Ameen: That is why “allyuh” lost the election.

Sen. The Hon. F. Khan:—and you know who got axed? The COP got axed from the UNC; [*Laughter and desk thumping*] that is the axe they got. Today I sympathize with them, I say no more about them all I can say is that they say they are going to fight 41 seats in the next general election. I think they could do that. But I tell them they cannot fight the local election because they do not have 134 members to put up to fight the local government election. [*Laughter and crosstalk*]

But that is all I will say about the politics of this matter. It was wrongly used so here we come—

Hon. Senator: “Gaud” Fish market.

[*Mr. Vice-President stands*]

Mr. Vice-President: I just wanted to allow for some silence. Are you going to move?—no. Okay. Just allow for some silence to allow the Minister to continue. Continue Minister.

Sen. The Hon. F. Khan: So we ended up with a campaign that was fought by the Peoples’ Partnership a significant component of it was Axe the Tax. The People’s Partnership won the election fair and square. We put our hands in the air. We were well defeated.

Lo and behold, they did not repeal the legislation, you know. If you were so against the tax, if you were so against the property tax legislation, but you are not fundamentally opposed to land and building taxes—but it is a euphemism for

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property tax in any event, land and building taxes and property taxes is the same thing.

Hon. Senator: Same thing.

Sen. The Hon. F. Khan: So, you do not like the construct of the PNM Bill. You did not repeal it. You kick the can down the road, you give moratorium after moratorium, after moratorium because you are leaving it for somebody to solve, you know, [*Desk thumping*] that is what you are doing.

Hon. Senator: Irresponsible.

Sen. The Hon. F. Khan: That is an act of irresponsibility, and that is an act of poor governance. And that is the act of a party that does not seek the national interest. [*Desk thumping*] So, I am exposing “allyuh” today you know—

Hon. Senator: No, no, no.

Sen. The Hon. F. Khan:—for what you are. And let me continue with the axe the tax movement in the guise of trying to help the poor man. I want you to listen to this carefully. Through you, Mr. Vice-President—

Sen Ameen: “Allyuh” wake up Moses, you know.

Sen. The Hon. F. Khan: Who were you actually helping? It is not the person who you claim was paying \$120 a year and their tax would have been increased to \$400 a year, you know. You were helping the owners of the malls, who would have been liable to millions of dollars in tax to the Exchequer. I do not want to call the malls by name but when you check the value of some of these high-end malls in Trinidad and Tobago, and you check that as a rental value, it is ridiculous. And we have not collected taxes for seven years on that. It is over \$1.5 billion we have foregone and who benefited from that? The wealthy companies and people and families that own the malls.

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Unknowing to anybody in this country because nobody speaks about the reality, you know. Who you think benefited the most from no property taxes? The foreign companies, Atlantic LNG. You know how much is their tax liability under this law?

Hon. Senator: Republic Bank.

Sen. The Hon. F. Khan: The entire Point Lisas Industrial Estate, all of them foreign companies, hundreds of millions of dollars—well you could have done that. If you had an issue with residential, say I give you a moratorium on residential only—

Hon. Senator: Let “we” agree to that.

Sen Ameen: Are you willing to do that?

Sen. The Hon. F. Khan: And we move on to commercial and to industrial. But, through you, Mr. Vice-President, it was only political shenanigans and the UNC always plays the politics like that, in a sense they play it unfairly because when you in government you have a responsibility to every citizen of Trinidad and Tobago now and in the future. And that is my main problem with them.

The—I would not spend much time—and let me just—

Mr. Vice-President: Leader of Government Business.

PROCEDURAL MOTION

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Thank you, Mr. Vice-President. In accordance with Standing Order 14(5), I beg to move that the Senate continue to sit until the completion of the debate on this Bill and the beginning of the Minister’s wind-up.

Question put and agreed to.

PROPERTY TAX (AMDT.) BILL, 2018

UNREVISED

Sen. The Hon. F. Khan: Thank you very much, Mr. Vice-President. I now want to deal with, nearly every speaker touched on the issue of we now have property tax—I did not implement it in my time. But now a next administration is coming to implement it and they are supposed to implement it in a particular way. Yes. I—if I should say so myself, was the main driver in the local government reform process and this Government is committed to its implementation.

However, let me just read through you, Mr. Vice-President, from the Government's policy document, with regard to that matter. The Municipal Corporations Act of 1990, Part V, affords local government bodies the authority to collect house rates. It requires the municipalities to create their individual house rate books similar to the rules under the Lands and Buildings Taxes Act. And this is where the punch line is. Unfortunately, none of the regional corporations established their house rate books and were therefore unable to set and collect land taxes from their burgesses. Only the cities and boroughs which had their own individual rolls prior to the coming of the Municipal Corporations Act was able to collect land taxes.

And this is what few people realize. With the enactment of the Property Tax Act in 2009, Part V of the Municipal Corporations Act was repealed. So, as we speak this Act cannot say the municipal corporations could collect their own taxes. And we have gone on to say now:

“It is this Government's desire through its stated policy that Municipal Corporations should have a secure source of funds in order to deliver goods and services to the public. Provision must be made for the reinstatement of the legislation of the Municipal Corporations that all the relevant revenue and taxation laws must be amended to allow for Local Government bodies to

collect and retain property tax collected within their boundaries.”

So, we will pass this Act, it is a broad umbrella tax, and when we bring the local government reform legislation which will be a suite of legislative reform that covers wide ranging issues, we will bring back an amendment to the Municipal Corporations Act to recreate Part V as it were, to give them the authority to create their own books and to collect the land and building taxes.

There is one key policy issue that we are still toying around with, before the final legislation is prepared. It is the inequity of the collection system if this system is implemented; lock, stock and barrel. I will quote an example for you. The smallest municipality or borough is Point Fortin. Point Fortin's population size is a mere 20,236. Tunapuna/Piarco Corporation is the largest corporation, Sen. Ameen was former Chairman of that so—

Sen. Ameen: By population.

Sen. The Hon. F. Khan: By population, in terms of land acreage it is Couva/Tabaquite/Talparo. But if municipalities and regional corporations are allowed to collect and retain the entire base of the property tax collection system, if you take Atlantic taxation alone, and then you take the whole industrialization of Point Fortin, Point Fortin borough will collect the second highest taxation in the country for a mere 20,000 people.

The highest taxation very likely could come from Couva/Tabaquite/Talparo, because you have the entire Point Lisas Industrial Estate, north Point Lisas and the old Point Lisas. Then you have the Pointe-a-Pierre refinery and you have a series of industrialization complexes there. And then you have places like Penal/Debe, which is like Sande Grande Regional Corporation which geographically is huge especially Sande Grande, and the infrastructural requirements in corporations like

these—it is a challenge.

So what we are proposing to do, I am probably speaking out of turn here, because we have not concluded how we will deal with that, is that we will allow at a minimum the regional corporations to keep residential property taxation, and we are considering putting the industrial and commercial properties into a pool to redistribute it in a more equitable fashion among all the regional corporations. So the entire tax base will still go to the regional corporations but in a system that is more equitable and let me use the word palatable, to all the regional corporations.

What better “allyuh” want than that? Okay. So before I am advised to quote a clause, let me start some clause work now. [*Laughter and desk thumping*] Clause 3, I will repeat and it has been beaten like a road march during this debate. We now have a system in which town houses, condominiums and apartments will be treated as land so it can be valued for the purpose of taxation. That is good legislation, it is a good amendment.

There has been some talk about collecting tax from cattle property from squatters in particular, whether that is a legitimate expectation that because the State is collecting a property tax from you, it gives you some right to the land. I think the legislation is so worded that it takes away, that it is not an indication that the owner is not the legal owner of the land and it does not create a legal entitlement to the land. I think the lawyers have so advised, so there is nothing to be worried about. But, at least, if you are living illegally, give the State something that is the basic.

Sen. Ameen: That is my point about marijuana. You will tax marijuana?

Sen. The Hon. F. Khan: Clause 6 provides for exemption from the property tax to charities and with regard now to the schedules that was quoted there. I am not

the Minister of Finance, so I cannot say I support Sen. Chote's SC Schedule V. But I think there is merit in it and we would discuss it with the Ministry of Finance and the Minister of Finance and the mover of the Motion.

I just want to make a clarification on some of the schedules here. Somebody, I cannot recall who, which Senator it was, through you, Mr. Vice-President, who raised the point that we have certain companies here. But if you check it, none of them are profit-generating companies. The only ones that could be possibly qualified like that is like T&TEC and WASA. But they were created by statute. So there is no private sector company here that is involved, for example, you would not see NGC here, you would not see Petrotrin here and the other companies like NIDCO and stuff; they were special purpose companies just used as a mechanism to execute government policy. So we are not taking away the tax base, based on commercial entities. So I think I have put that to rest.

The two areas that to me have brought up some contention from the Independents and the Opposition also, which since as Sen. Gopee-Scoon said, we are a listening Government, is the issue of the deferrals and if it could be handled in a better way. You know, we will be discussing that with the Ministry of Finance, the Minister and the Minister in the Ministry of Finance.

And the issue of the moratorium and the retroactivity of the moratorium the Bill does in fact say it moves from 2015 to 2016 and whether we could concede and say probably it should start in 2018. Okay. I say that guardedly, I am not speaking on behalf of the Minister of Finance nor the Cabinet, but I think that the issues that have been raised are sufficient to warrant our consideration.

So Mr. Vice-President, when—I just like to quote Sen. Roach, I like his analogy, when you are coming in to bat at number 10, you do not have to make too

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much runs again. Especially for a batsman who normally opens the innings, but in the circumstances I just come to take a little knock because we won the match already. [*Laughter and desk thumping*] So it is just to show that I can still bat, and I have really raised the point I really wanted to raise in my contribution—it is the historical politics behind this piece of legislation and while we could live with the political shenanigans to an extent, sometimes it is taken too far and I think this is one issue in this country where it has been taken to far by the People's Partnership and the UNC government. And in that—

Sen. Richards: Thank you for giving way. Through you, Mr. Vice-President, not meaning to rush you, but does Government have a time line and that local government legislative reform coming to the Parliament?

Sen. The Hon. F. Khan: We—I think Sen. Haynes indicated and I am on record as saying it will come in this term, in this session. It really was my intention to have it done, but it is really in the hands of the Attorney General. It seems very likely based on the time line we have that this session will close. But very likely, I will say very early in the fourth session that we will have it. Because we are going to have it very clearly tabled, debated and passed before we go into the 2019 Local Government Election. It is a campaign promise.

Sen Ameen: Another promise.

Sen. The Hon. F. Khan: And as I said the political baggage of this piece of legislation is not something to be proud of, as citizens of Trinidad and Tobago. The Government needs revenue, it has to generate revenue from taxation. Taxation, especially where it impacts on the poor, has to be very well thought out and very well structured, very well equitable and must come across to the citizens of this country that you are not “picking my pocket”— it is a fair piece of

legislation.

So with those few words, Mr. Vice-President, I commend this legislation to this Senate, both to the Opposition and to the Independent Bench, and we will seriously consider the amendments that we see to be feasible and in good taste and very well thought through, when we get to the committee stage. I thank you. [*Desk thumping*]

Sen. Gerald Ramdeen: [*Desk thumping*] Thank you, Mr. Vice-President, and thank you for the opportunity to contribute to this debate on an Act to amend the Property Tax Act, Chap. 76:04. I want to start off, Mr. Vice-President, straight off from the last shot that was played by Sen. Khan which is that the Government needs revenue and that is why the Government has brought the property tax—

Sen. Khan: I did not say that.

Sen. G. Ramdeen: The policy behind the property tax is that the Government needs revenue [*Desk thumping*] and that has been the cry of the Government since September of 2015. We are going into the third year of the PNM's reign on this country and the Government is still crying that they still need revenue.

Sen. Gopee-Scoon: What was Larry's cry?

Sen. G. Ramdeen:—not one project, not one single project to the credit of the PNM. We are going into 30 months in a question answered today in the Parliament the hon. Minister of Energy and Energy Industries is quoted Angelin, UNC; Juniper at full blast, UNC; Starfish, UNC. [*Desk thumping*] But you what we still waiting on, we still waiting on the dragon and the dragon “ain't” coming.

Sen. Obika: The dragon “cah” dance.

Sen. G. Ramdeen: So let me start my contribution with a quote from the *Sunday Express* 22nd of April, 2018, a column by Mr. Ralph Maraj, I know “allyuh”

nemesis hold on:

“But where are the investments local and foreign in Trinidad and Tobago? We are utterly pathetic. We should have been developing renewables for”—energy—“generation to deploy more gas for petrochemical production... But in the two and a half years, the”—Minister of Finance—“has done nothing towards these critical goals, and the Prime Minister has said little or nothing. Absolutely unacceptable! We have two ostriches in charge! Our politicians seek office without knowing what to do when they get there! We urgently need courage and conviction at the top. Instead, as I have said, ‘an emptiness pervades this administration, with everybody merely flirting with responsibility, skirting national imperatives, none grappling with the issues, all scratching the surface’.”

That is the PNM. And that is what this country and the people of this country have been subjected to for 30 months and after 30 months they come to tell us that we must pass property tax so that they can generate revenue to run the country.

As we have said for 30 months, for more than 30 months we have said they are without a plan. They are visionless and the leader of the Government [*Desk thumping*] has no vision to run this country.

It is superficiality that makes Colm Imbert tout a turnaround, because that is what they are preaching now, turn around. This is the mere politician hungry for praise wanting something to boast about and without having worked for it. The forecasted growth for 2018 comes from increased gas and here it comes, the forecast growth for 2018 comes from increased gas produced by initiatives from the last administration, [*Desk thumping*] that is not UNC saying that.

Sen. Obika: But is a fact.

Sen. G. Ramdeen: But is a fact. Facts are stubborn things as you all have been told.

8.00 p.m.

You see, I have sat very patiently and waited to come in at number 11, because I sat and listened to the hon. Minister of Trade and Industry, and I have it written down here and I want to deal with them one by one. She said that the position of the Opposition was inconsistent—no problem. She said it was flip-flop. She said it was doublespeak and it was deception. I will deal with all of those, but I could only imagine the confusion in the Cabinet when this matter was discussed, because I cannot fathom the idea—I do not think I will ever experience it—of an administration where all of the Members who have spoken on behalf of the Government have so abandoned their leader on this issue of the property tax. Because all you have to do—*[Interruption]* I will tell you what. Just now you will hear what. All you have to do is go back to 2009 and you will understand how they have abandoned their leader on the property tax. *[Desk thumping]*

When you go back to 2009 you will understand about doublespeak, flip-flop, inconsistency and deception. I want to go slowly because everybody had their chance.

“This is not a light matter; taxation is never a light matter. It is for the Government to come clean and say exactly what we are doing. There will be some fallout to it, I am sure, but we cannot go forward under the guise that we fool them and the money will come in down the road when it is too late. Trust is the only thing that the people want from the Government and the only thing to ameliorate or to remove the anger, the resentment and the anxiety that is associated with this tax, is for the Government spokespersons

to come clean and say what we are doing.”

This is not the UNC, this was the hon. Dr. Keith Rowley on Friday, December 18, 2009.

When I read the *Hansard* for the 2009 debate I can only come to one conclusion, that for this piece of legislation to have found its way here for us to debate, while the hon. Dr. Keith Christopher Rowley is the Prime Minister of this country, is that he must have absented himself from the Cabinet when they were considering this. It had to be. How can you say, criticize the property tax brought by a Manning administration? Is it that because you were sitting on the other side at that time it was convenient for you to say that? Is that how we run a country, when you are in Opposition you say A, when you are in Government you say B? This piece of legislation was piloted as bringing equity to the people of this country. And the Minister of Finance and the Minister in the Ministry of Finance said to the country that we have a flat rate and that is going to be bring equity across the board.

The Minister of Finance, Minister Imbert, in the debate in the other place gave all the examples. I have it here. He gave all the examples. Mr. Vice-President, this is the *Hansard* of the 2nd of March, 2018, by the Minister of Finance:

“I am certain you can see, Madam Speaker, how confusing and arbitrary all of this is. The rate of tax was significantly different for properties under the Municipal Corporations Act. This is not widely known though people who are living in these areas know this, but the country does not know. In Port of Spain, the tax rate for residential is 10 per cent; for commercial it is 10 per cent; for industrial it is 10 per cent. San Fernando, it is 8 per cent for

residential, commercial and industrial. In Arima, 10 per cent...residential, 10 per cent on commercial...6 per cent on industrial...Point Fortin...2 per cent...residential; 2½ per cent on commercial, 6 per cent on industrial and 2 per cent on agriculture.”

So the Government has come today and told us that we are providing equity, equity across the board.

Let us see what the hon. Prime Minister had to say when he was in Opposition about equity:

“I will tell you something. Suppose the people of Sangre Grande agreed that they are happy with 2 per cent housing tax and the people of San Fernando said that in the city of San Fernando, we would pay 7 per cent, but for that we must get good sporting facilities, indoor facilities with marshals and police on our roads, they would get something else. They are paying for what they get. Why would there be a problem if the people of San Fernando...”

This is the hon. Prime Minister in Opposition:

“Why would there be a problem if the people of San Fernando or Diego Martin prepare to pay more to their local corporation for a higher standard of living?”

This is how he described what we are debating to amend today:

“This thing about dumping us all down to the same level of mediocrity is nonsense. Absolute nonsense! Total nonsense! It is not equity. It is taking the easy way out. If this country is going to make any paradigm shift and move any quantum leap forward, we have to break those walls. This will pass. I am not here anticipating the legislation but I suspect that when it

happens if it does happen, the same thing would happen with the local government reform argument.”

Just imagine that, prophetic.

“Same thing! We will pass the Bill, carry on, talk and talk and talk and at the end of the day, there would be no significant change in the way we do business at the household level.”

Inconsistency, flip-flop, doublespeak and deception, and this administration wants to point those accusations at the UNC. When your leader was sitting on the other side it was not deception and flip-flop and doublespeak, it was Dr. Rowley who said that it was absolute nonsense to propose a flat rate of property tax across the country. [*Desk thumping*]

It was Dr. Rowley who said, that is not equity. And you know, Mr. Vice-President? You know why? I will tell you why. I am happy that the hon. Minister of Works and Transport is here today. How can you tell the people who are living in Fishing Pond and Bois Bande, and Cedros and Cucharan Trace—how can you tell them to pay the same property tax that you want the people in Westmoorings and Maraval and St. Joseph Village and Gulf View to pay? How could that ever be right? [*Desk thumping*] The people in Icacos cannot get water. They are waiting for a tank to full, and you know what they are doing, they must walk with a pigtail bucket to get water, and you want them—that is equity. They must get water by a bucket and the people who are getting water 24 hours for the day must pay the same property tax. That is equity. [*Crosstalk*] Same rate. Of course, let them pay the same rate, but let some get water and let some get none. So when the people of Westmoorings and Maraval could go into a health care institution in Port of Spain and get medication, and the headline on the *Newsday*

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today is that Marsha Joseph must wait three years to get a cataract surgery because she is living in Tabaquite, “leh all ah we” pay the same rate. That is equity. That is equity across the board, and that is what they are telling us we must support.

Then I want to go quickly to this. You see, Mr. Vice-President, I am happy because whenever the Minister of Energy and Energy Industries makes a contribution it always is a contribution that gives us some history and we always learn something from it. I am happy that the Minister of Local Government has told us that at the end of the day we are getting local government reform.

[Interruption]

Sen. Ameen: No, he is not the Minister.

Sen. G. Ramdeen: Sorry. The Minister of Energy and Energy Industries has told us we get local government reform. I know with the present Minister of Local Government we will get it, we have a chance. But, you see, the problem is the Attorney General. What is going on is he too is engaged with the army right now. What is happening is this, I am very cautious about this idea of placing this power of collecting taxes in the hands of local government, because Dr. Rowley in 2009 raised the issue about accountability, and I think everybody here wants to ensure that there is a certain degree of accountability when you get to the collection of taxes and the distribution of those taxes by regional corporations. I will tell you why. You see, Mr. Vice-President, we heard a lot in the last few contributions about how the PNM cares about poor people, we heard about that, but, you see, yesterday demonstrated how the PNM cares about poor people, because the 126 people they want to pay property tax, who have to vend to pay property tax on Charlotte Street, could not get a place to vend. You know why, because the Mayor in Port of Spain put them out, the PNM Mayor.

You know, while those people, Mr. Vice-President—I want to inform you. I want the country to hear this. While the 126 people that I had to represent—“I eh make no bones about dat”—while the 126 people that I had to represent to go back on the street to make a living could not get from the City Corporation, the Port of Spain City Corporation to be exact, two policemen to go down there and make sure they are safe, or a wrecker to remove the people who are illegally on Charlotte Street while they are vending. Let me tell you, Mr. Vice-President, and let the country and everybody hear about “what does be going on” at the Port of Spain Corporation, the same corporation that under this law, and what the Minister of Energy and Energy Industries said it is going to come, is going to be collecting property tax.

I am saying this also in response to the hon. Minister of Public Utilities who had his opportunity to tell us everything that went on between 2010 and 2015. I usually go before that, but tonight I want to tell you about what goes on between 2010 and 2015 under a PNM Corporation. Let me start. Mr. Vice-President, let me just give you the exact, what I am reading from. I am reading from a letter signed off by Annette Stapleton-Seaforth, Chief Executive Officer of the Port of Spain City Corporation, dated the 5th of April, 2018, to Mr. Douglas C. Bailey, Attorney-at-Law, No. 3 Harris Street, San Fernando, freedom of information application. Listen to this. Listen to this, Mr. Vice-President:

While the vendors on Charlotte Street could not get to vend and could not get provided what the law provides to them from the City Corporation—
Listen to what was going on in the City Corporation:

—between 2010 and 2015 there was a particular law firm called Alexander, Jeremie and Company. Between 2010 and 2015 the Port of Spain City

Corporation that cannot provide a place for the vendors—the poor people that the PNM care about to vend and make an honest living—were paid by the Port of Spain City Corporation \$11.4 million; [Interruption] \$11.4 million in legal fees.

I am coming to what they got paid for just now. I am going through fast. Right, \$11.4 million, one firm, and when your shoe on the other foot it does feel tight. Everybody like to call out how much fees Ramdeen make, hear now:

There was one Kerwin Garcia—

Wait, wait, it is more than two pages, hold on. Let me tell you how much he made. He made a \$3.7 million. Right. So that is 11 and 3—[Interruption] that is a City Corporation, you would think it is a law firm “dey running dong dey”. Right? They had one, Mr. Stuart R. Young, \$335,000, small. But you know what is disturbing about this, Mr. Vice-President? Let me tell you what is disturbing about this, when the poor people of Port of Spain cannot get pavement and pothole fixed in Port of Spain, let me tell you that a law firm was billing the Port of Spain City Corporation for filing. You know what filing is, filing is \$10 and \$20 to file documents. You “doh” file nothing in the High Court for more than \$50, I can tell you. Filing, copy and binding, like if they are running a stationary firm down there, \$230,000. “Ah doh know what dey were filing so.” Right?

Let me just educate the public on one thing, there is a particular law term called perusing, when you get a document you just read it. You know how much people getting paid down by the Corporation to peruse, not to appear you know, to peruse, \$258,000 in one case, \$148,000 in a next case. [Interruption]

Sen. Khan: Mr. Vice-President, 46(1), please.

Mr. Vice-President: Senator, yes, you have read from your document to make

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your point and I am finding it a little bit difficult at this point to see where the relevance is to the Bill that is before us. Remember there are clauses that we are dealing with so I am allowing you, as everybody has had the opportunity with the general principles to speak on that and respond to individuals that have gone before. So I would ask you to just move on, and if you can at some point tie it back. Thank you.

Sen. G. Ramdeen: I am obliged. Mr. Vice-President, I will. I will leave this now. I just want to just mention one thing. For those who understand law, when you have a little party, you “does have to get” a dance hall licence. You does normally just go and appear and fill out a form and that is how “you does get” a dance hall licence. The Port of Spain City Corporation was paying \$281,000 to a lawyer to get a dance hall licence. [*Interruption*]

Hon. Senator: That is a big fete.

Sen. G. Ramdeen: That is what was going on down there.

So when we contemplate that local government is coming to collect property tax, I hope that when that comes, we put some kind of accountability in place so that no [*Desk thumping*] City Corporation is going to be able to spend \$16 million in legal fees to people who are well-known to the administration that is in power today. You see, Mr. Vice-President, I want to get down to the clauses now. This Property Tax Bill is a Bill that provides a mechanism by which the Government seeks to tax properties of persons, but we have been provided with a legislative agenda for the Government that has a number of land Bills, land tribunal, land adjudication, registration of title. All of these things have to do with the regularization of land in the country, and one would have thought that a prudent approach to the implementation of legislation was that you would pass and

implement the legislation that seeks to regularize tenure before you actually come to tax people and collect a property tax. I was going to describe it as putting the cart before the horse, but the way this administration operates is like a cart with no horse because “dey doh go” anywhere. [*Desk thumping*]

Mr. Vice-President, how can you fathom the idea of having legislation for us to debate that seeks to register title, provide a mechanism for land titles to be registered throughout the country, a necessary thing that is directly related to the collection of property tax and the filling out of the forms, but you are so intent on passing property tax? You are so intent on collecting this money because you have no other means of collecting money. This Government has shown they can do two things, they either tax or borrow, and in doing that in the five years that they are there they will eventually bankrupt Trinidad and Tobago by their policies. It is a bankrupt Government of ideas and [*Desk thumping*] they will practically bankrupt the country. Mr. Vice-President, this is just another mechanism. The property tax is just another mechanism, because what have we experienced already, they have increased the Green Fund, business levy, online tax, take off the subsidy on gasoline, take off the subsidy on diesel, increased tax on people who make more than \$1 million, increased tax on financial institutions, and now we have the property tax to deal with.

[MADAM PRESIDENT *in the Chair*]

You see, Madam President, the position is that the Government really does not have a choice in this matter, because at the end of the day the Government has to implement property tax because they cannot generate any investment in this country that is meaningful [*Desk thumping*] and that will create any income. They have not done it in 30 months—[*Interruption*]

Hon. Senator: Thirty-two months.

Sen. G. Ramdeen: They have not done it in 32 months and they are not going to do it in the remainder of the time that they remain there. They are simply warming those seats for us to take up. [*Desk thumping*] You see, Madam President, let me get down to the Act. There is an amendment here to the definition section of this Act, section 3(2), and I do not want to be facetious about it, Madam President, but the truth is the Government has simply tried its best to cast the net as wide as it can to catch as much people as they can, to get as much as they can from the population. So there is a definition here, 3(2), it says—listen carefully to this, Madam President:

“(2) Where—

- (a) a building occupies separately from other buildings, a location on a single parcel of land, the building shall for the purposes of liability to tax under this Act, be deemed to be land...”

Madam President, the net effect of that is that whereas before, and most people in this country think, that the effect of the passage of this piece of legislation is that if you have a dwelling house on a parcel of land, the valuation would be on the annual rental value of the dwelling house. What this particular section does is that if you have a parlour they taxing that, if you have a garage they taxing that, and when I read this it says if you have a latrine they taxing that too. That is how this is operating. Anything you have, any structure you have on a parcel of land, parlour, garage, latrine, as you go along, everything is subject to tax. A dog kennel too, if you are going with that. That is the effect of it. One has to wonder, what really is the policy of the Government behind all of this. Is it simply just to grab as much as you can?

The policy of the Government in this piece of legislation, as I will demonstrate, there is absolutely no relief for the poor people, absolutely none. [*Desk thumping*] This is a Government, Madam President, who wants to tell the country to support them in imposing property tax on people. Everybody wants to pay a property tax they say, but the same administration that is seeking to impose property tax on people are going up to Pine Avenue and breaking down houses in Sangre Grande and making people homeless. This is the same administration that is going down in Windsor Park and threatening to break down people's houses there. [*Interruption*]

Madam President: Sen. Ramdeen, you started by referring to a clause in the Bill and now you have deviated. I need you to be a little more specific about the Bill at hand, please.

Sen. G. Ramdeen: I am obliged, Madam President. This piece of legislation seeks to provide by section 23, according to the Government, some kind of relief to people because they seem to interpret section 23 as being a provision that allows tax to be deferred. One would have thought that if the policy of the Government and the mischief is that they wanted to assist poor people they would not break down anybody houses, what they would do is find or define the people who are most vulnerable in society. Sen. Richards indicated one group. Sen. Chote indicated another. Madam President, there are people in this country obviously who the Government just does not recognize who are simply unable to pay property tax. And at the end of the day the Minister in the Ministry of Finance, when piloting this Bill in the other place, gave an example of someone who makes \$3,000 per month, and I would not read through it, but tries to attract the sympathy of the population by saying that they would pay \$81 property tax per month.

Well, the Minister of Energy and Energy Industries in his contribution pointed out to the fact of how much revenue was lost because the malls were not taxed during 2010 to 2015. So, Madam President, based on the Schedule I of the Bill that we have before us today, I just want to engage the Minister of Energy and Energy Industries on that point and ask the Minister of Energy and Energy Industries—the Minister of Energy and Energy Industries did not want to call a particular name, and I respect that, but I will call a name. I know the monthly square footage rental for Gulf City. Gulf City earns approximately \$15 million per month in rent. Right. When you multiply that by 12 you get \$180 million. When you multiply that by .05 you get \$9 million. When you add that \$9 million to the retroactive clause that the Government wants to put in you get \$18 million. When the owners of Gulf City have to pay \$18 million in property tax who are they going to pass that off onto, not the tenants? And who the tenants going to pass it on to, not the consumer? And right now, right now as we speak Gulf City is losing tenants. So there are people who could hardly pay their rent as we speak now. So when you impose the property tax on those people what are you doing to those people who have a business and have to fork out \$18 million in one mall? Where are they going to get it from, their sales are down? Where are they going to get it from?

So it is all well and good to talk about what happened as this Government—I always call this Government a rear-view mirror Government you know, because they are always in the past, right, but we are in the present, [*Desk thumping*] and we are the future. You could talk about how income was lost by the Government between 2010 and 2015, that is not going to help anybody pay the tax that they have to pay if this Bill is passed for two years. And what was very, very

unfortunate is that this Government has a habit of talking about consultation, but what consultation this Government and this administration could have had when the first time we heard about the retroactive clause is in the committee stage? So how could you have talked to the Chambers, the Chambers gave you all support to do that? How could you have consulted with the Chambers to say, we are moving it back retroactively without any special majority, you are going to tax people? [*Desk thumping*] So telling the country that you have the support—the Minister of Trade and Industry and the hon. Vice-President said they have the support, well, support from whom? And not only support from whom, support for what?—because you cannot have the support of anyone for a provision that you secretly took advantage of a position to put into the legislation, and there is absolutely no way that we can support that. [*Desk thumping*] You know why it is dishonest to do that—[*Interruption*]

Madam President: Senator.

Sen. G. Ramdeen: Sorry, Madam President. Why it was wrong to do that is because neither in the piloting of the Bill, neither in the winding up did the Minister of Finance ever tell us that it was a proposal of the Government to move back the moratorium date retroactively. And, you know, it is characteristic of this Government to do that, because we stood right here, we stood right here and saw the Attorney General do that in the Marriage Bill and pull out the clause in winding up when we had no idea to do it. [*Interruption*]

Madam President: Sen. Ramdeen, please, you know that the Marriage Bill has been debated and passed. That is gone, so please do not make reference to it in the manner you are doing, okay?

Sen. G. Ramdeen: I am obliged, Madam President. So, Madam President, let me

get back to clause 23. Anybody reading clause—[*Interruption*]

Madam President: Sen. Ramdeen. Sen. Ameen, please, yes, comport yourself in a manner befitting this Chamber, okay? Continue, Sen. Ramdeen.

Sen. G. Ramdeen: I am obliged, Madam President, thank you. Madam President, let me state, specifically, the deferral clause. The clause says:

The Board may, upon the application of the owner of land, authorize the deferral of the payment of the assessed tax.

And the Government is seeking to rely on that to say that they are bringing some kind of relief to someone, but here is the operative part:

On the land on the grounds of the impoverished condition of the owner and—

It is conjunctive.

—and his inability to improve his financial position significantly.

Now, who is to judge whether he can improve his financial position significantly, and significantly is not defined? The clause is conjunctive. It is absolutely arbitrary. So this is not going to work and this is not going to provide any relief for anyone.

But, more importantly, Madam President, for persons who want to take advantage of this particular provision and the amendment that is going to be made to 23(3), what educational programme has been embarked upon by the Ministry of Finance so that the poor people of this country who do not have Internet and who cannot go on the Ministry's websites will be able to be informed of the steps that they have to take if they wish to apply for a deferral of the tax? Where have we heard that? I assume that there is none, because the Minister I am sure would have told us if the Ministry had undertaken that. And who is going to help these poor

people? Who is going to help these poor people in Grande and Icacos when they want to take advantage of this provision? Who is going to fill out the forms for them, because there is no form to start off with? So how do we get to the position of talking about a deferral when there is not even the form to make it happen?

8.30 p.m.

Madam President, if the Government wishes to implement a property tax, one would have at least thought that it would have been properly thought out. It is clear that what has been presented to us is a haphazard piece of legislation, [*Desk thumping*] put together simply to provide a mechanism for the collection of a tax to raise money when you have failed in the ability to provide any proper investment that could last, and provide some kind of meaningful income to the country.

So with the provision that has been put in now that allows the Minister, this particular Minister of Finance, to have the power to amend Schedule I with absolutely no—

Madam President: Sen. Ramdeen, you have five more minutes.

Sen. G. Ramdeen: Thank you, Madam President. With absolutely no parliamentary scrutiny, one has to wonder what can happen to the taxpaying public of this country and people who have properties subject to property tax, when the Minister could whimsically, arbitrarily and in any way possible—we could wake up tomorrow morning and find out the tax on agriculture is 10, on industrial it is 20, on residential it is 15. What is the objection to having parliamentary scrutiny over a power like this? What is the objection?

Again, the last debate that we had the Minister said the Government must be given more power—I do not know. You know the old saying, “absolute power corrupts absolutely”. If it is that the Government wishes to impose another tax on

the people of this country by virtue of the amendments to the property tax legislation, and to bring to life the provisions that were passed in 2009, the least that the Government could have done is to have some kind of compassion and caring for the less fortunate people in society.

We on this side understand what the pensioners go through, what the squatters go through. There are people in this country who cannot put bread on the table when the day comes, and these provisions are going to tell those people to pay a property tax. To the ordinary person that \$500 more per month is quite a lot, and we understand that on this side. Therefore, I want to join with the other Senators who have proposed to the Government to look at the provisions of the Act and how it applies across the board. There are people that you do not need to impose a property tax on, because what you will get from them cannot help you in the position that you find yourselves in today. It cannot improve your revenue position if you get \$500 more from a squatter.

You are not prepared to do anything for the home-working class in the country: You are not prepared to regularize the position of the squatters around the country. You are not prepared. Only this morning I was doing a case where the Land Settlement Agency has not processed a certificate of comfort for 18 years. Those are people who have nowhere else to go. That is the squatting class. And if that group of people were entitled to anything, they would have been entitled not to be subject to this particular piece of legislation. [*Desk thumping*]

We make no apologies, absolutely none, for not imposing that property tax between 2010 and 2015. But what we do promise the country is that we will not support this legislation in its current form, and as soon as we resume power in this country we will provide relief to the citizens of Trinidad and Tobago as they

deserve. I thank you, Madam President.

Sen. Jennifer Raffoul: Thank you, Madam President. Colleagues, it is always a pleasure to be here to contribute to this debate. I would like to start with a commendation. I recognize that the intent of this Bill is to reduce the fiscal deficit without incurring more debt. Currently our debt-to-GDP profile is significant, it is 77.5 per cent, and empirical evidence shows that anything above 56 per cent is detrimental to a country. In particular, the interest payments can be onerous and take expenditure away from development projects, and really prevent development from progressing. So our intention is to stabilize the economy without incurring more debt, and I think that is very commendable.

I will also like to commend the staff of the Ministry of Finance and all the personnel from private sector and public sector that are working to serve country.

Very often we have political parties that are criticizing each other, and I think we also do need to remember as individuals that what a party might have done three years ago or 20 years ago, we do not have the same set of individuals now today in this House as we have had in the past, and we are all here to serve our country and to do what we can to help the future of our country.

The tax regime in Trinidad and Tobago, specifically the property tax as was stated, is quite convoluted. It was partially administered by local authorities and partially administered by central government. Part of it originated in 1902, part in 1920, a big change was made in 2009. It was a significant change and it was a political issue. The population did not necessarily feel that there was equity or value for money.

So in 2009, new legislation was passed; 2010 to 2015 the new administration that came into power did not pursue the property tax. It is notable

that despite this the property tax itself was not repealed and the legislation was not changed. We had a new government come into power in 2015, and in that year the budget statement did not include any mention of the property tax. Same thing happened in October 2016, so fiscal 2017 there was no mention of if the property tax would be implemented or not.

In fiscal 2018, i.e. in the budget statement in October of 2017, it was stated that property tax would be reintroduced. About a month ago it was debated in the House of Representatives, and the most contentious clause has to deal with the date of extension for the moratorium. The draft that was introduced in the House of Representatives pointed to 2018 for the extension of the moratorium. Then during the committee stage it was changed to 2016. What that would result in is that property taxes would be able to be implemented retroactively and now the public will have to pay for 2017 and 2018, because that extension will be valid up until 2016.

I wanted to note the value of collections that has been mentioned. According to our revenue statements, it is expected to be \$253 million. It was noted in this House that it might be higher, around \$500 million, and that is residential only, not also including industrial properties. If you estimate that industrial properties could add up to another \$500 million, then in total, between residential and industrial, that could be \$1 billion. If we are imposing the tax retroactively, that could sum to \$3 billion, which is a substantial fee, and that is why this debate today is so important.

In my contribution today I wanted to talk about two major things. First, the timing and the retroactivity of the tax, and then second the equity of it. In terms of the timing, if we look at the current draft before us today and what it would entail,

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if we look at fiscal year 2017, which is October 01, 2016, to September 31, 2017, the current legislation means that the notice of assessment from the Board of Inland Revenue would be due by the 31st of March, 2017, which is already passed. Payment would be due by the taxpayers by the 30th of September, 2017. That date has already passed also. Penalties and interest would accrue after 15th of March, 2018. This date has already passed.

The notice of non-payment from the Board of Inland Revenue to citizens that have not paid would be issued after the 15th of March, 2018. This date has already passed. The demand notice to seize assets from non-compliant citizens would be issued three months after the issuance of the notice of non-payment. There was not a date specified in the legislation that I could find, and it should be, but that date is also likely to have been passed. Another date that was not mentioned is the seizure of assets date, and this is the date by which the State can seize the assets of the person that is non-compliant.

As Sen. Hosein noted, it was noted by Minister West on October 04, 2017, in a Loop article at a presentation made at AMCHAM, the American Chamber of Commerce, that there was no plan to retroactively implement taxes. The article states:

“Speaking at the American Chamber of Commerce Trinidad and Tobago...Post-Budget Forum on Tuesday, Minister in the Ministry of Finance, Allyson West said valuations were not completed for those years so there would be no assessments on which to base a tax to be collected.”

This is in reference to 2016 and 2017. And then the article continues:

“West said that the current challenge in the introduction of the property tax is getting valuations completed...”

‘So, we are moving ahead subject to the limitations of the court matter in progress to get the valuations done.’”

And then the article continues:

“We are hoping to get it done in 2018, once we do the tax will certainly become effective then.

She stressed that it was not Government’s intention to tax for the years 2016 and 2017 as no valuations had been done for this period.”

So what we can do now—we have two options available to us—we can either keep the initial date that was in the draft that went to the Lower House, which was 2018, or we can change it to 2017. If we keep it at 2018, then the exemption on property tax would continue up until 2018, and then in 2019 it would be applicable. This would give us more time to have valuations completed, staff recruitments, technical training and whatnot, and to be able to do it in a way that is equitable for the population.

If we change it to 2017, then it is still possible we can collect taxes for this year 2018. If we did that I would suggest we change some of the dates in the wording for 2018, specifically this. What would apply if we left it the way it is now is that the notice of assessment would be due at the end of March; this has already passed for 2018.

So if we wanted to collect property tax for this year, but that date has already passed, we could change it just for this year to the end of September. This is the notice of assessment from the Board of Inland Revenue notifying citizens how much they owe. So the payment is due by March 15th of the following year. So for this year, 2018, citizens would be notified by the end of September and then their payment would be due at the latest by the 15th of March, 2019. So that is a

possibility. So option one is we can keep the moratorium at 2018 or we can change it to 2017.

Going through the *Hansard* record of the debate in the Lower House, I have to believe that it was human error, just a miscommunication, the fact that it was changed from 2018 at the last minute to 2016, and I cannot see a logical reason for this because it is political suicide for a government to try and retroactively tax the population for three years especially when the expectation has been set that there will be no retroactive taxes imposed. I think it is because we have two Ministers. We are not robots, we cannot read each other's minds. I think it is normal that there are some elements of miscommunication. It is human nature, and it is better for us to say, "Whoops, we made a mistake", than to stick by it and penalize the population for three years of tax and create massive uncertainty and fiscal penalties because of it. We are all human. I think the population would appreciate that.

Again, I bring up the example of my respect for the Government in admitting or acknowledging that doing the rapid rail system was not something that they could implement, even though it was an election promise, because when the analysis was done it was just not financially viable, and especially because there were changes in the international economic climate and we had received a much lower allocation of revenues than we expected. I think that it is respectable to say we have to correct, change course and do what is right, and I think that it would be better for us to change the date back to 2018 for the moratorium, so the extension would continue up till 2018. [*Desk thumping*]

So, what that would mean as a result is that the property tax would be implemented from 2019 onwards, and the population would have more time to adjust to understand what is happening. It would allow the Board of Inland

Revenue the time to hire the staff that is required to do the training and to do the valuations properly. So that is on the issue of timing.

On the issue of equity—there were two main reasons why the rationale has been given for why this tax applies. One, which is a really good rationale, is saying that we as citizens have a responsibility to be paying for the services we receive. The hon. AG said in his contribution last week that potholes have a cost, garbage collection has a cost, and we as citizens have a responsibility to pay it. I agree with that, but I have to add, we do pay it. We pay it through our income taxes.

In other countries what happens is there is a fund for local governments. In Trinidad and Tobago we do not have it. We pay everything to our central government fund which is called the Consolidated Fund. So citizens pay income taxes to the Consolidated Fund, and through that, allocations are then made to local authorities for those services that we receive. So to use the argument that citizens are not paying, I think that argument does not hold because we do pay our income taxes which go into the Consolidated Fund, which then go to local authorities.

The justification for arguments against the property tax is on issues of equity. Do citizens feel that they are getting something of value out of their payments to our Consolidated Fund? If you look at the data—first of all we all have anecdotal stories to share. For example, Sen. Roach this morning said, you know, when you step outside you do not always have paved pavements, potholes fixed. Sen. Creese was saying earlier, in a lot of rural communities you do not have pavements at all. A lot of anecdotal stories can be told, but what does the data actually show us?

If you look at our fiscal data 2005 to 2014, the reason I chose these dates is

because these are the years we have surveys of living conditions. Madam President, 2005, we had fiscal revenue of \$24 billion; 2014, I think it was 62—let me just check my notes—\$62 billion. So \$24 billion in 2005 to \$62 billion in 2014. What also happened is that we had an increase in poverty. So our fiscal expenditure increased by a multiple of 2.5—\$24 billion to \$62 billion, but we had an increase in poverty from 16.7 per cent to 24 per cent. That is an increase in poverty of 50 per cent. What could explain that? Maybe we spent less on transfers and subsidies?—no. The data actually showed that from 2009—I do not have the 2005 data on me for that—but from 2009 to 2014 our spending on transfers and subsidies doubled, from \$7 billion to \$14 billion. Also, there was an increase in jobs reported by the Central Bank, an increase of 47,000 jobs. So where did all this money go, and why was there an increase in poverty?

According to the data it shows that much fiscal expenditure goes into leakage. What leakage means is that money that is spent on transfers and subsidies and consumption ultimately goes into imports. The United Nations environment programme estimates that for the Caribbean 80 to 90 per cent of total government expenditures goes into imports. That is the volume of the leakage, so that is the amount that is—it is an indicator of fiscal unsustainability and low impact.

If we want to look at one or two other variables, the fiscal multiplier is a good variable to look at. The IMF estimates that Trinidad and Tobago has a very low fiscal multiplier, 0.32. What it means is that it is an indicator of how much money that we spend, goes into nominal GDP in the following year. So only 32 per cent of government expenditure goes into GDP in the following year. A 2012 study by Dabla-Norris and others showed that only 27.5 per cent of fiscal expenditure is productive, which means that 72.5 per cent of government

expenditure is not productive.

I think it is really also quite interesting to look at the World Economic Forum global competitiveness rankings, because it is based on perception. The population has been reporting for several years that crime has been the number-one impediment to doing business. But numbers/reasons two through five have to do with corruption, bad fiscal spending and white collar crime. So the perception is that fiscal expenditure by the Government on behalf of the State is not being done very well.

Now, there is also an extremely interesting study that was done on the Heritage and Stabilisation Fund and the broader issue of fiscal management, done by Keyra Primus. She was at the Central Bank and she is now at the IMF. She found that over 100 years of Trinidad and Tobago's oil history we only saved \$2.6 billion of funds in the Heritage and Stabilisation Fund. Anything else that was in the fund was due to investment by the fund manager, but we only actually saved \$2.6 billion.

She also found that we should be saving about 80 per cent of our energy revenues because there is volatility in energy. Coincidentally when you look at that figure that is exactly what happened to us this year. We had a decline of 80 per cent of our energy revenues. Fascinating that she found that we should be saving 80 per cent because this is the volatility of energy revenues, and yet this is the exact decline that we had this year, a decline of 80 per cent of energy revenues.

The point that I really wanted to emphasize today is that there is an elephant in the room, and that is tax leakage. We have spoken quite at length during the budget debates and in previous debates on fiscal matters about tax leakage. What this is, is the amount of revenue that could be collected or is due but is not

collected by the Board of Inland Revenue. Most economists estimate that what is collected is only about 40 to 50 per cent of what could be collected.

Currently, our non-energy revenues are about \$25 billion according to our official estimates. So we have \$25 billion of collections from the non-energy sector. If we estimate that that comprises 40 to 50 per cent of what could actually be collected, then there is another approximately \$25 billion available funds that could be collected. To put this in perspective, the value of the property tax that we are targeting is somewhere between \$253 million, which is the official estimate, or \$500 million, which is the value that was said last week here in this Chamber, or a potentially larger figure if you add industrial properties and make it retroactive. But it is certainly much less than the \$25 billion that is available if the Board of Inland Revenue was strengthened instead.

Another estimate that hon. Minister West stated in her budget contribution was that the estimates from UWI are somewhere between \$12 billion and \$15 billion of fiscal leakage. So if the initial estimate of \$25 billion might be an overestimate, then another estimate is \$12 billion to \$15 billion of available taxes that could be collected but is not. Now, this number is massive because this could take the fiscal deficit that we are currently experiencing and change it to a fiscal surplus.

A question that I have, that I have not seen in any of the data or presentations is, what is the cost of administering the property tax? I was alarmed to find out last week that the cost of administering VAT is so substantial that we spend half of what is collected in VAT in order to collect it. So the cost of administering VAT is 50 per cent of what is collected. Have we estimated realistically how much property tax would cost us to implement, especially if we

are going to be creating a new tribunal, going through loads of paperwork?

One number that was mentioned last week is that we have 700,000 households in Trinidad and Tobago, 700,000 properties. The specific example that was raised last week was if 500,000 households contribute \$1,000 then that total sum of revenue collected could be \$500 million. But that would be assuming that you have a worst-case scenario of 200,000 applying for exemptions.

Madam President, 200,000 households applying for exemptions. Can you imagine the paperwork and the cost of the manpower to process and verify all of those applications for exemptions? Is this going to be such a high cost that at the end of the day we are not going to be collecting very much? Is it worth the mental stress and the headache that we are imposing on the population, that they now have to go and wait in line in multiple government offices to do this, and then the uncertainty factor of knowing if they are going to be approved or not? Is it worth it, for the sake of collecting how much at the end of the day? And more importantly, is it equitable?

The reason why I spoke about the tax leakage is because that to me is directly correlated with the argument of equity. Currently, we get most of our non-energy revenues from emolument income earners. To translate what emolument income earners are, these are salaried employees which—I think all of us in this room are salaried employees. So it means that by law all employers have to deduct a certain portion of an employee's salary and submit it to the Board of Inland Revenue. So emolument income earners are taxed according to the rate at which they should be taxed at. What that means though is that persons who are self-employed or business owners might not be paying.

I would like to quote from the *Hansard* record of 24th of October, 2017,

Minister West. It was the contribution on the budget debate, and it was specifically on this issue of tax leakage. Minister West had said:

Madam President, the purpose of this debate is to provide for the service of Trinidad and Tobago which requires the collection and management of the public revenue. We therefore need to talk about tax administration.

Then she said:

“The challenges in the current system...deficient human resource management; inadequate management capability, accountability and training; inadequate staff development, training and accountability; lack of control over and accountability for budgetary allocations; inadequate employee compensation packages; high incidence of corruption and corrupt practices; inefficient systems for internal investigation and enforcement; inadequate information exchange and coordination between the administrations”—meaning Customs as well as Income Tax—“and the various taxes levied; poor customer relations; anti-business rules and regulations; lack of appropriate information technology systems; poor physical infrastructure and accommodation; deficiencies in the legislative framework.”

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And then it continues, and the Minister said that there was partial success in strengthening the Board of Inland Revenue through technology upgrades and through training, but a big problem remained and that is this.

“...attempts have been made to address the other issues but with little success. For example, countless appeals and requests have been made to the Service Commissions to fill vacant posts, however, in the face of inadequate

responses, successive governments have had to resort to engaging employees on term contracts; a less than ideal arrangement.

Significant investments have been made in training in all areas of deficiency, with little discernable improvement in the level of service to taxpayers.

Madam President, it is not only the structural and institutional inadequacies that hinder the effectiveness of our tax administration.”

Madam President: Sen. Raffoul, if I may just interrupt. You are quoting extensively from the *Hansard*. I think you need to just shorten the quotes and just say what it is, you know, you want to present in terms of what has been said in the *Hansard*.

Sen. J. Raffoul: Thank you, Madam President, I am guided. The last, if you will permit me, the last few sentences I wanted to quote were about tax evasion specifically. And Minister West said:

“In Trinidad and Tobago, there is a serious concern regarding the equity in the administration of the taxes. There are many economic actors in society who are earning a good living and are clearly avoiding their fair share of taxes, while benefiting from the services provided by the State. In other words, we have wage earners who are relentlessly taxed by the week or the month, who may be living from pay cheque to pay cheque, while a wide range of persons making quite a good living are not bearing their share of tax. This is regressive and repressive.”

So my point in quoting that was ensuring that there is acknowledgment that the weakness of the current tax administration system affects tax leakage, and there are methods and mechanisms and intentions to improve it, specifically looking at the semi-autonomous revenue model that was suggested by the World Bank in a 2004

paper. I think this is commendable. I look forward to it.

But I think that this is the obvious route to go, and I think that it makes much more sense for us to be pursuing, strengthening the Board of Inland Revenue and moving to that semi-autonomous revenue authority model rather than taxing the tax compliant population. For me, it is a matter of equity, and it is saying that everyone has a responsibility as citizens of Trinidad and Tobago to pay their fair share, but it almost seems that it is easier to do property tax than to strengthen the Board of Inland Revenue.

Since I was a student 15 years ago, in every single budget speech it has been made mention that we will improve the Board of Inland Revenue and strengthen it, and there has not been that impetus to do so. Sen. De Freitas earlier said that 2009 was the year in which property tax was changed because, what he had said was, in 2009 we were in a surplus year and it was recognized that to be responsible fiscally we needed to diversify our revenue streams, and to make sure that we were on a sustainable footing. But the data shows that 2009 was the first year in which we had a deficit, 2008 was our last year of surplus, 2009 we had a \$6.7 billion deficit. So, I wanted to point out that was a deficit year and not a surplus year.

Another excerpt from what Minister West had said in that *Hansard* speech was that:

“An effective tax system is one in which taxpayers are motivated to freely comply. One of the criteria for such a system includes equitable distribution of the tax burden.”

So for me that brings the question: Why are citizens evading taxes? Is it because they do not feel that there is equity in the system? Or is it that they are inherently selfish, and do not care about fellow man and do not feel a sense of responsibility

in needing to pay taxes that are for, in effect, for the common good?

The data and the perceptions data seems to indicate that citizens do not feel that there is value for money in the tax system. What I would suggest is that we prioritize the strengthening of the Board of Inland Revenue and moving to that semi-autonomous revenue authority model before implementing the property tax because it is an issue of equity and magnitude. If we go after tax leakage we can gain anywhere from \$12 million to \$15 billion, that was the estimate by UWI, or \$25 billion is the estimate from most economists in annual tax leakage. That is much more significant than the \$253 million to \$500 million that is estimated that could be collected from the property tax, and also not including the cost thereof. If we were to take the same effort and the same manpower and strengthen the Board of Inland Revenue, then that would be much more constructive in my opinion, and effective. [*Desk thumping*]

Another point to note is that also in our Global Competitiveness rankings we have noted year upon year that our ease of doing business rankings are quite low. If we, again, were to take the same manpower and put it into strengthening the business climate and the institutions, then without changing the tax rate at all, we should have a higher volume of business growth in Trinidad and Tobago, and then higher receipts and revenues as a result, even if we do not change the actual tax rates.

I think it is really interesting to look at what other countries in the region have done. Jamaica is currently the country in the world with the strictest fiscal policies. They were aiming for a fiscal surplus last year of 7 per cent and they achieved a 7.7 per cent fiscal surplus. Cayman Islands and Grenada are the neighbours that we can look at that have had fiscal surpluses.

A point that I forgot to mention in the study about the HFS, the Heritage and Stabilisation Fund, is that there is also a World Bank study that looks at pro-cyclical fiscal policy, i.e. when fiscal revenue goes up we spend more as a country. When fiscal revenue goes down, we spend less as a country. And Trinidad and Tobago's data shows that we are very pro-cyclical. We spend when we have, and we reduce when we do not have. It is human nature to do so, but the data shows that it leads to some negative repercussions, specifically inflation, lower competitiveness, low income levels crowding out private sector investment and it is a major driver of volatility. So there are some convincing arguments for us to consider having legislated fiscal rules and in particular where the—

Madam President: Senator, you have five more minutes, and as you use those five minutes, I just want to tell you, this is not—it is a Bill about taxes, but it is not a finance Bill. So in the last five minutes if you could just be a little more specific to the Bill that is before us. Okay?

Sen. J. Raffoul: Thank you. Before I conclude I wanted to respond to a statement that was made by Sen. De Freitas earlier. He used the example of a homeowner that was renting out their property at a value of \$3,000 a month, saying that \$81 a month is small and reasonable. And I agree with that, it is small. For me the issue is not the size, but the principle behind it, the equity.

But I also wanted to point out that if that homeowner had that property at \$3,000 a month, and as you said, it was a side property, so it is just something that they do just on the side, then that means that they should be paying income tax based on that property, and the revenues they are gaining from that property.

So if they are paying income tax at the rate of 25 per cent, they would already be paying to the State \$750 a month; that will be 25 per cent. Now if they

made less than the personal allowance and whatever they were doing, then that would have to be accounted for, but if they are making over that and it would be a rough 25 per cent or \$750.

So in conclusion I would recommend that we extend the moratorium that is in the draft Bill before us today from 2016 which is what we have to 2018, so that the exemption would continue up until the rest of 2018. And then from 2019 onwards the property tax will be applicable.

In terms of other recommendations for strengthening our fiscal management, I would suggest that we consider legislating fiscal rules and we do that before we allow an increase in the tax burden on the population.

And I would also recommend that we prioritize strengthening the Board of Inland Revenue or the transition to the Revenue Authority before we implement a tax that is questionable in its equity. With that, I thank you all for your time and your attention, I appreciate your ears. Thank you very much. [*Desk thumping*]

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): [*Desk thumping*] Thank you very much, Madam President, for allowing me to join in this debate. I think I am number 22 on the list of speakers [*Crosstalk*] and, Madam President, I feel like the unfortunate soul delivering the vote of thanks after a lengthy wedding reception. The only good thing is that I do not stand in the way of any dinner that is being offered upstairs.

My colleague Sen. Ramdeen is not here, but I wanted to start off right away in suggesting to Sen. Ramdeen that he should not place too much reliance on Ralph Maraj. Ralph Maraj, of course, is somebody both sides could lay claim to in equal proportion. He is a friend of mine. I am an ardent listener to him. But, Madam President, just to assist Sen. Ramdeen, let me go back to this *Guardian*

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article. I do not quote from the newspaper often, but— and it is the *Guardian* of Tuesday, July 30, 2013, under the headline “Analysts: Kamla, UNC’s future in doubt”. And this was in the wake of Jack Warner’s by-election win in Chaguanas West. My colleague Sen. Singh was his opponent on that occasion, and I believe my colleague on the other side, Sen. Ameen.

And the *Guardian* story opens, it is a story written Geisha Kowlessar and opens:

“The landslide victory of Jack Warner speaks to the demise of the UNC and could also signal a real possibility of the former national security minister becoming the country’s next prime minister, says former government minister Ralph Maraj.

Examining what Warner’s win said about the national consciousness, Maraj added, ‘So-called validating elites in this country would tend to frown upon the emergence of somebody like Jack Warner and his possibility of becoming the prime minister, but clearly after tonight that is a very real possibility.’”

And later on Maraj is quoted again. He says:

“Warner’s victory, Maraj said, also represented a much larger picture, one that questioned the future United National Congress.”

And I quote:

“Kamla Persad-Bissessar—under her leadership and...influence of the cabal, the UNC continues to shrink back into that heartland, which in itself is shrinking, because younger people are growing up and the more professional class are moving out and moving into the urban areas.”

So, Madam President, as a former columnist myself, I would caution Sen.

Ramdeen to be very careful as he approaches the columns of Mr. Maraj, because if there is anything that tells that Maraj lacks the foresight, it is an observation like that. At that time I myself was writing about the expected demise of the political career of Jack Warner.

Madam President, let me also since Sen. Mark and Sen. Ramdeen quoted so lavishly from the hon. Prime Minister and his contribution in 2009, let me quote and put something on the record that places the Prime Minister's entire contribution on that evening in context, and I quote:

“...the anger that is associated with this particular measure is not a fundamental anger against taxation and property, it is an anger against an unnecessary situation which could have been avoided had we acted differently.”

And, Madam President, we all know on that evening Dr. Rowley was speaking in the context of being a former PNM Cabinet Minister then relegated to the back bench. In one year's time the PNM would lose. In 2010, Dr. Rowley would take the mantel of the party, and lead the party to victory in 2015.

But there was a particular context and that night Dr. Rowley was reflecting on the position he had taken in relation to UDeCOTT and the expenses, and the lack of accountability, and he had been making the point throughout his contribution that while the taxes may be good and taxation may be good and necessary, in the context of certain positions he had taken in relation to a Government of which he was a part, his contribution must be read in that context, and I say no more about that.

And just, Madam President, I see my colleague Sen. Hosein is here and let me put the facts about the Charlotte Street vendors on the record. The hon.

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Minister, Sen. Hosein was in this House in response to a question asked on the Charlotte Street vendors and he made it very clear that as line Minister with responsibility for the Port of Spain City Corporation, he did not agree with the action that had been taken, and he set out and he said then that he was going to reverse the action that was taken. And it is Sen. Hosein, the honourable line Minister, who took steps to reverse what had happened in relation to the Charlotte Street vendors. [*Desk thumping*] And I thank Sen. Ramdeen for attending the celebration [*Laughter*] and for making a lovely photo in today's newspaper.

Madam President, there is so much that has been said and so much that is left to be said. And I like coming at number 22 because it gives me an opportunity to set the record straight, and I will make a few points. The first is that a property tax regime exists in this country. For a long time that property tax regime was in the form of the Lands and Buildings Taxes Act enacted in 1920, and there was really no change of significance to that regime until the Property Tax Act in 2009. And my colleague Sen. Khan made a point that we must emphasize. The United National Congress "Axe the Tax", United National Congress and the Congress of the People and the other components of the People's Partnership ran on the strength of axing the tax.

And, Madam President, to this day absolutely nothing has been done to remove the Property Tax Act, 2009. [*Desk thumping*] So, Madam President, we are not creating a property tax regime in this country, one exists and one exists notwithstanding the PNM being voted out partially on account of it, and notwithstanding the clear objections of the United National Congress in Opposition, in Government and back in Opposition again. But the PNM in Government has to return this country to a system where in accordance with the

existing legislations and the amendments that are proposed, property taxes are collected from citizens of this country who are willing to pay.

Madam President, what did the UNC do? I have listened to—there are two things that have surprised me. The passion of my friends on the other side for property taxation. And secondly, well even more surprising, their passion for local government reform. The comfort I find in that is that legislation will sail through this House because there seems to be overwhelming support, whether or not the cart is before the horse or behind the horse, the support is there, and I urge my colleague Minister Hosein to work assiduously with the Attorney General to bring that here.

But, Madam President, let me tell you about the United National Congress in Government in relation to property tax. This Opposition that so loves the Lands and Buildings Taxes Act, the effect of the Property Tax Act, 2009 was to repeal the much loved Lands and Buildings Taxes Act, and one would have thought, having campaigned and won an election partially on the strength of that issue, and being so enamoured with the concept of land and building taxes that the UNC would have rushed to enact that legislation; and maybe they rushed, Madam President.

In 2011, the UNC brought to the Parliament the Lands and Buildings Taxes Act and laid the Bill in the Parliament, and not long after the Bill lapsed. At the end of that session the Bill lapsed never to return in any form or fashion again. That, Madam President, was the UNC's contribution to the matter of property taxes in this country. They enacted no legislation, they amended no legislation and collected no property taxes. An Opposition that is so enamoured with the land and building taxes and armed with a constitutional majority to do whatever they felt like doing, and they did, beyond this Bill, absolutely nothing. And if you are

convinced, we are not convinced.

And, Madam President, since 2015 this United National Congress on their Monday forum and whatever other nights that they have their forum, have been making mayhem with our attempt to collect taxes as we are entitled to under the existing law. And I have heard this thing about distress and forfeiture and this and squeezing “de small man” and all “ah dat” and the 1 per cent and rah, rah, rah, rah, rah.

Madam President, this concept of this straining on people who do not pay property taxes is rooted in the 1920 Lands and Buildings Taxes Act, and it is not like—I cannot blame the United National Congress for that piece of legislation, but I can hold them accountable for their 2011 Bill which was placed before the Parliament. This is their work. And in that legislation, the distress and forfeiture that they go on the platform and they complain about that the Minister of Finance is going to take people’s property and so on, those are fundamental parts of the Bill that you yourself laid. You yourself laid that.

Clause 29 provides for forfeiture if taxes are unpaid for one year. You could lose your property if the taxes are unpaid for one year. If you really felt for the “small man” and felt for people, you would not have put that into your Bill, but you understand that there must be some compulsion for the collection of something as significant as this. You understand that.

In your Bill, clause 33, you provided that unoccupied and unassessed lands that remain unoccupied and unassessed for five years would face forfeiture. That was there before and you kept it in your Bill, and if you really wanted to address the concerns that you have raised in this debate, you would have dealt with it. As a matter of fact, you have raised issue [*Crosstalk*] with this concept of

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retroactivity—

Madam President: Sen. Ameen.

Sen. Ameen: Sorry.

Madam President: No.

Sen. Ameen: Sorry. Sorry.

Madam President: Yes. I really do hope you are sorry because I would like you to be silent while the Minister is speaking. Minister, continue.

Sen. The Hon. C. Rambharat: And you have talked about draconian. What could be more draconian than this? Your clause 15 which requires after the publication of the assessment rule that a notice be issued to the taxpayer, and that notice will cause the taxpayer to pay the tax.

But in your proposed clause 15, you also provide that the failure to send the notice or the non-receipt of the notice does not affect the liability for the tax or the validity of any tax or any warrant of distress or forfeiture. What could be more draconian than that? The State having failed under clause 15 of this Bill, the State having failed to issue a notice of the taxpayer not having received a notice, is still at risk of distress and forfeiture.

Madam President, and clause 16, I would not go into it, but clause 16 and elsewhere in this Bill there are provisions for retroactive applications. So retroactivity is not something we created.

Madam President, let me deal with this issue of squatters because I get the impression that people feel that the PNM is now imposing a tax on squatters. And during the debate on the Valuation of Land (Amdt.) Bill, in response to the temporary Senator at the time, Sen. Brian Baig, I read and explained the definition of “owner” in the Valuation of Land (Amdt.) Bill. He had raised issue with that

and I said to the Senator that that definition appears elsewhere in the legislation.

And, Madam President, the fact is this, I will make two points on squatters. The first is to say that the way our law has evolved, somebody living on land without permission of the owner, in some cases acquires rights, equitable rights, and in some cases acquires a legal interest in the land. So that we have all different levels of squatters in this country. We have all different levels and every Government has pursued a programme relating to squatter regularization.

So that once the definition of “owner” moved over time from an owner being somebody who has the legal interest in the property, and moved into very many variations, eight different scenarios in the definition, squatters were caught because, Madam President, the definition of “owner” in this Lands and Buildings Taxes Bill of 2011, and in the Valuation of Land (Amdt.) Bill that we passed, and in this legislation, “owner” includes occupier.

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And once owner includes occupier whoever is on the land, whatever the circumstances of their presence on the land, that person falls in a position where they could be taxed. It is a matter for the Government in relation to public policy to determine whether the net is going to be narrowed in some way, whether there are going to be categories or there are going to be conditions, and the Government will decide in accordance with its public policy how it approaches the issue of occupiers. But, from the time we expanded that definition of owner we included squatters, and we put squatters on notice that they could be taxed.

And, Madam President, I listened to all of my friends on the Opposition Bench, and yet, again, I was surprised that squatters had so much support on that bench. And I listened to them regale us with stories about their certificates of

comfort and so on. And I do not have to go back very far, I just have to go back to former Minister, Jairam Seemungal and a memorable quote of his, Madam President, where he told the country that in the five years of Government they had granted a grand sum of 70 leases. Now, I am sure they granted certificates of comfort. And I am sure that the PNM in Government has a responsibility now to clean that up. We have a responsibility to clean that up. But the fact is that as you went about granting these certificates of comfort, you were not converting them to leases.

And, Madam President, again, if I came into Government with all this enduring love for the squatters and wanting to sort out the squatters and so on, because the bad PNM in 2009 wanted to tax the squatters out of existence, one of the first things I will do is place something on my legislative agenda, and lay a Bill dealing with squatters. But when did the United National Congress, in Government, attempt to deal with squatters?

Madam President, the United National Congress laid on the 29th of May, 2015, a Bill entitled the State Land (Regularisation of Tenure) (Miscellaneous Amendments) Bill, 2015. That was their first attempt, 29 May, 2015. I would not forget the date, because less than two weeks after, the election date was announced, and the Bill lapsed. The Bill lapsed. The Bill lapsed on June 15, 2015, and that was the attempt. There was so much in the media about this. There was so much in the media about the attempt by the then Government to expand the list of sites around the country, for which COCs could be granted, and a promise was made to the squatters— 60,000 squatters were to be brought into the COCs process by virtue of this Bill that was laid and, of course, there was no time to pass it.

So, Madam President, for my friends to come here and champion the cause

of squatters, let me say that the People's National Movement Government will deal with the squatters. We will deal with the squatters [*Desk thumping*] as the Minister of Housing and Urban Development has been doing, through the LSA. Madam President, the love for the local government reform—very comforting, very comforting. The last time we have had any fundamental change in local government in Trinidad and Tobago, has been the 1990 Municipal Corporations Act. Madam President, once again, the UNC, once again in Government, my friends in Government waited until 2013 and laid in the Parliament the Municipal Corporations (Amdt.) Bill, 2013. And this did not seek all the things they are asking for, that your property tax should go to the municipal corporations. Somebody said when you step out you could land on a pavement, and your potholes, and all of that. Well, Madam President, where was the legislation to do all those things? This Municipal Corporations (Amdt.) Bill, 2013, was bare politics. This was a piece of legislation disguised as an attempt at proportional representation, to allow for the selection of the number of aldermen based on a mathematical formula of votes cast for the various parties.

And, Madam President, if I quote, and this Bill was piloted by the then Minister of Works and Infrastructure, the hon. Suruj Rambachan, and this was on the 6th of September, 2013. And if I will quote a little bit, because I like the opening, it says:

“Madam Deputy Speaker, there are always going to be those who will say that now is not the right time, that we need more time, that we need more dialogue.”

And we hear that in this House all the time. Then he says later on, and I quote:

“But this amendment is not the only amendment that the Government is

interested in. This amendment is an important one in that it signals the intention of the Government to engage in reform of local government.”

And the *Hansard* record says:

“*[Desk thumping]*”

They obviously liked that. And then he goes on. Hon. Rambachan goes on to talk about the White Paper on Local Government Transformation and Modernization, 2013, which contains a wider package of reforms, which will transform the way the local government is conducted, and the way the communities are brought into the ambit of participatory democracy and decision making. And towards the end, Madam President, Member Rambachan says:

“So reforms are taking place, even as we speak reforms are taking place in local government, and during the next three years an entire package of reforms will of course be introduced into local government and maybe at a”—little—“later stage of these deliberations, I will speak about some of those particular reforms...taking place.”

“At a later stage of these deliberations”, and he ended one minute after, with the words, “I beg to move.” And in 2015 move he did. *[Desk thumping]*
[Laughter]

Madam President, the only thing then Minister Rambachan was correct about—he was straight on the point when he said in three years’ time, because in three years’ time in 2016, the PNM Government set the train, the reform of local government. *[Desk thumping]*

Madam President, I listened to the discussions on agriculture, and I commend—in fact, I commend all my colleagues in this House for a full contribution and active participation, and everything. I think everybody gave it

their all. And at number 22 I have to give it my best. Everybody contributed, and I know that Sen. Haynes dealt with agriculture, and I want to make a point, because Sen. Haynes spoke about PNM putting farmers into poverty with this tax. I want to say two things about that, Madam President, I want to say two things about that. The first is to say, I recently had cause to request a valuation of a parcel of land from the Commissioner of Valuations, and this, Madam President, is a memorandum dated, February 01, 2018. It is from the Commissioner of Valuations to the Commissioner of State Lands, and I would read parts of the valuation report. And it says:

I am of the opinion that the sum of \$4.5 million is a fair estimate of the market value of the subject parcel of land comprising 59.5908 hectares. 59.5908 hectares is approximately 147 acres. And the Commissioner of Valuations then goes on to say:

In accordance with the new administration and distribution policy for land, Ministry of Planning and Development, 19 November, 1992, the rental to be charged for a 30-year agricultural lease, with an option to renew for a further term of 30 years is \$90,000 per annum.

Madam President, what does that work out to? That works out to an annual rental value of \$612 an acre per year. And the property tax on that will be 1 per cent of the annual rental value. The property tax on a one-acre parcel of agricultural land in Claxton Bay is \$6.12. This is not going to send the farmers—Madam President, several speakers have said, that in some parts of the country, because of the hodgepodge arrangement with different municipalities and different taxes, that the tax on agricultural land could be as high as 10 per cent.

And my friend, Sen. Saddam Hosein raised the issue of Barbados. Well, let

me compare. If this land, this 147 acres, agricultural site was in Barbados, the annual tax would be \$31,458 or the equivalent of \$214 an acre, or 50 times the tax that is applicable in Trinidad and Tobago. So that, Madam President, there is no comparison. Barbados is not served as a model for us, simply because in Barbados, as somebody pointed out, the tax is calculated on the market value of the property as opposed to the annual rental value.

So, Madam President, in response to Sen. Haynes, there is no danger. There is no danger to the farmers. Madam President, let me explain what represents a real danger to agriculture and the thrust of the Government in relation to agriculture. Madam President, I have here agricultural leases. As everybody knows and it is well established and known in Trinidad and Tobago, that in 2003 the PNM took a policy position in relation to the future of the sugar industry, which led to the offer of a VSEP to Caroni workers. And part of that VSEP package included the offer of a two-acre parcel of land for agricultural purposes, and the offer of a residential plot for those who had not owned a residential plot. And I believe Sen. Hosein pointed to 8,440 leases—leases he described them as.

Sen. Hosein: Persons. Persons.

Sen. The Hon. C. Rambharat: Persons. I am happy that you corrected yourself. *[Laughter]* And this is your typical agricultural lease, and this is offered, and this is available to those persons for \$200 a year. Two hundred dollars is what they would pay as the rent per year, and you can extrapolate from that what the property tax would be.

But, Madam President, part of, and a lot of speakers dealt with this issue, and I said it before in my contribution on the Valuation of Land (Amdt.) Bill, that in dealing with property tax and valuation of land we have to deal with the issue of

land administration. And let me tell you, Madam President, what could happen. This is an agricultural lease. This was meant to make a contribution to agriculture production in this country. And then, in some mysterious way, this is 2013, this is an agricultural lease granted in 2011. And, in some mysterious way, by the time we got to 2014 there is, from a senior public servant in the Land Management Division of the Ministry of Agriculture, Land and Fisheries, there is from a senior public servant a letter dated 24 July, 2015, in which the officer is asking the Commissioner of Valuations to do a valuation of this two-acre parcel, and this is what this senior public official is saying:

One acre of this two-acre parcel will be donated to the Sanatan Dharma Maha Sabha for religious purposes, and the other parcel will be converted to multi-residential and commercial use by the applicant.

So this is an agricultural parcel, and this, Madam President, is part of the struggle that we face. That bureaucrats, senior public servants, operating on their own, put policy makers in these positions, where on their own volition—nothing in here has been sanctioned by Cabinet. Nothing in here has been sanctioned by Cabinet, and this file, thankfully came into my possession.

Madam President: Minister, you have five more minutes.

Sen. The Hon. C. Rambharat: Thank you. But, Madam President, that is the real issue. That is what will put our farmers into poverty if we do not deal with corrupt public servants, who seek to undo [*Desk thumping*] public policy.

Madam President, no one has spoken to the provision in the Bill dealing with charitable status. But let me give you an example of what people endure in dealing with land administration in this country. Madam President, this is a file—Sen. Haynes talked about when she was in primary school [*Laughter*—in 1978,

the Islamic Ladies Social and Cultural Association was granted approval as a charitable body in Trinidad and Tobago, 1978. In 1981 they made a formal application for a parcel of land in Carlsen Field to conduct their business. The Minister at the time was Minister Muriel Donawa. Madam President, every year after that they kept writing and writing to the various bureaucrats, and absolutely nothing was being done. And then they went through a period, when neither side was doing anything, and then in 2015 they picked up the ball again. The parties picked up the ball again, and from 2015 the organization has renewed its interest in getting this one-acre parcel of land.

Madam President, I as the Minister, when this was brought to my attention on the 15th of December, 2016, requested this file. And on the 13th of April, 2018, the file came into my possession. It is 40 years since this organization, a charitable organization, sought a one-acre parcel of land to conduct their charitable activities and they have made absolutely no progress in 40 years. And while we deal with the valuation, and while we deal with the imposition, and the calculation of the tax, the matter of land administration, which is partially addressed in other Bills that will come before us, is a matter of urgent priority, and it straddles every administration, because from 1978 to now, the PNM has been in power for 24 of those years, other persons have had their hands on the wheel, and we are all to blame for the situation this organization and others have found themselves in.

I thank you, Madam President. [*Desk thumping*]

Sen. David Small: Thank you very much, Madam President, for giving me the opportunity to join in this debate.

Sen. Khan: You are number 23, I am letting you know that.

Sen. D. Small: Twenty-three. That is an interesting number, Madam President,

the number 23. I first want to say I commend the Government for bringing this Bill. I think there would have been an easy road out for the Government, and to have this later down at the end of the parliamentary schedule in terms of the legislative agenda, probably sometime in early 2019 or 2020.

Madam President, for those of us who follow sports, 23 is an icon number, because we are in basketball season, and there was a guy, few of us might remember him, a guy call Michael Jordan, and that was his number. I would just want to start with a quote by Michael Jordan. He says:

“I can accept failure, everyone fails at something. But I can’t accept not trying.

Talent wins games, but teamwork and intelligence wins championships.

Some people want it to happen, some wish it would happen, others make it happen.”

So, Madam President, I am here to make my contribution, to make it happen, because I believe that where we are, I want to just put a couple facts on the table, if you would allow me, to help us to bring this debate into broader focus. Madam President, there is an institute called the International Property Tax Institute, so I went to their website. According to them there are 195 countries in the world, 14 of those countries do not have property tax. So you have 181 of 190 or 195 countries in the world who have property tax. So, property tax is not something that is alien, or strange, or unusual. By and large across the world, it is the norm. It is a normal usual tax that is applied. So, I have listened intently, and I just want to make sure when I put my arguments on the table I have facts to back me up.

Madam President, let me be clear, I have listened to many of the arguments throughout the day we have been here. I do not believe that this tax is about

foisting things upon the populace. I believe, rather, it is about getting us all aligned to a nationalistic view that costs change, and that we must all contribute. Madam President, Trinidad and Tobago has an interesting history. We have a history and a culture of freeness and entitlement. That is our history. And it has been inculcated into the citizens over decades, and it is difficult to change. When you try to change something that people are used to having, or not having in this case, you would get resistance. I believe that we have to understand that where we are as a country, we are in a place where the environment around us is changing. When the property tax—Madam President, I want to refer to the *Estimates of Revenue* for 2010. In the *Estimates of Revenue* for 2010 the estimated revenue from property tax was supposed to be \$325 million out of a budget of \$45 billion. So, roughly 7 per cent of Government revenue was going to come from property tax. In the *Estimates of Revenue* 2018, the Government had estimated \$253 million in property tax, out of a budget at \$53 billion, or 4.8 per cent.

Madam President, what we are saying here is that the Government recognizes that property tax is one of a series of taxes to help sustain the local economy. We recognize now that oil and gas, while they were predominant for many, many, many years, we are actually surviving now on the non-energy side of the equation, and property tax is part of that. And all, I think, the amendments being brought, are to try to make sure that we have a system in there that treats with that and allows for the Government to collect these taxes. I want to talk, I am not going to spend a lot of time, because I want to say, Madam President, I noted the contribution by the hon. Leader of Government Business, and that he outlined the framework for how the Government is going to treat with it in terms of the local government entities, and one of my concerns are supposed to be the same

concerns many other persons had about the deferral period. I indicated I understand, and I noted that the hon. Leader said he is going to have a look at it. He did not make any particular position, but the Government has heard the concerns and they are going to have a conversation about it. And I believe that is the way we are going to move this thing forward. So, I look forward to hearing the outcome of that conversation.

Madam President, I believe also that when I look at the Bill, I was particularly enthused when I saw the provision regarding the taxing of condominiums and apartments. So, I could probably share, Madam President, if you would allow me. Probably two decades ago now, almost, I went to the UK to study, and I moved into my flat in London, and I moved in probably on a Wednesday or Thursday. All I can tell you is the next morning the council tax notice arrived. It was £109. This is 20 years ago. That is a lot of money. And I was just renting the ground floor flat. I went to the—there is the council that I say, I was living in North London and studying in North London, and the council there is the Barnet Council. I went to the Barnet Council website during this debate to find out what is the property tax for that same apartment. The property tax for 2018 for that same apartment is £1,397. So, it moved from £109, 20 years ago to £1,397. And it is because in the UK the property tax—there is an escalator built using the retail prices index. Because they understand the cost of services increases every year. And it is something that notionally we in Trinidad we understand, and we accept it in many cases. We understand that prices change. Prices do not remain the same. If you pay \$5 for something this year, it is very likely you are going to—but what we seem to have a block on, anything to deal with the Government and the Government charging a fee, we expect it to be a flat

number forever.

I do not live in that world. I do not live in that world. And I am not prescribing that we should have an annual escalator. But what I am saying, in other places where people understand the cost of services. We live in a place here in Trinidad and Tobago, a lot of the government entities are unionized, and instead of the union's agreements you have annual increases. And even when you have union agreements you have incrementally, central government service. The cost of servicing people's salary and their allowances throughout the year increases every year, yet the Government is hamstrung in many cases in terms of how it is able to increase its revenue base, while its costs continue to escalate. And there is a mismatch. There is a mismatch, and it is not sustainable. I probably—because of my time in another place, I understand that clearly. And that mismatch, we are going to run into a serious problem. Probably we are already there, but we are going to run into a serious problem where Government revenue is at a level that is platooning or decreasing, and the cost of sustaining the Government expenditure is going up, and at some point in time we as citizens have to realize something has to change.

So, Madam President, I had noted exemptions in the schedule, and I went back to the—I found it interesting, I looked at all of the various entities in there, and I just wanted to share from the UK Property Tax Act, I found it interesting. They had several exemptions that seemed novel and unique or at least different. And a couple of those included: a dwelling in which at least one person who would otherwise be liable is a diplomat; a hall of resident provided predominantly for the accommodation of students; where the previous occupants have died and their estate has been granted probate or letters of administration. They have a series of

exemptions that are different. Every country is different, but I found some of these exemptions really, really interesting—compared to where we have just essentially looked at the state entities and what we call some charitable organizations—they have exemptions to deal with people's situations.

So that, for instance, where the occupant has moved into a hospital or care home and the dwelling that is taxed had been their sole—so what they are saying, is somebody is now no longer resident in their home, but they are removed to a care home, or to a hospital, or hospice, they are not going to charge them property tax on the property that they own. I just found it interesting. What they have done out of the UK tax, is that they have looked at people's personal situations. So, they have given the usual exemptions for state entities and for school and all, and places of worship, but they have done a deeper dive to really look and try to understand, to treat with the issues of human beings and their human situation, and how their circumstances change. And I think that, in the way in which we prescribed things in a particular way because we have been operating with a particular frame. This is the frame we have been working with, and all I am saying, the environment in which we are operating in is changing, and perhaps we should look at that frame or broaden the lens. At least look at it, you may be surprised at what could work.

Madam President, I want to say that land is the core basis of wealth as we all know. People have fought and died for land and property. The hon. AG has posited that people hide and launder money through land and other things. But, property tends to be one of safest investments in the world. Land tends to increase in value over time, more times than not. And all land owners or property owners are generally very happy with this situation where there is appreciation of their assets. Then it should follow that applicable taxes should increase with time.

10.00 p.m.

Because what we have is another mismatch. You have or you own a property and over a period of time the value of that property increases and then the tax should increase accordingly. Yeah? I know I am going to be disruptive but that is fine. I have no challenge with that, Madam President, because I am putting some things in the record to put into the pressure cooker, into the thinking process of the hon. Minister, that when we are doing things like this I always try to apply a different lens.

Again, Madam President, the issue at clause 10 regarding the provision for objection assessments, I have laid my concerns on that because I have the similar concern as when we did in the valuation Bill and the issue of how they are going to treat with the extension and if the reasons that people give, I raise it again but I note from the last debate the reasons given by the Minister that they are going to apply it in a humane way in terms of people coming for an extension and asking for an extension. The issue with the deferral, the hon. Leader of Government Business has treated with that.

Madam President, I want to share from the International Property Tax Institute, www.ipti.org. There are a couple of researchers called Enid Slack and Richard Bird. And they put some interesting statistics in a paper entitled:

“Land and Property Tax in 25 Countries: A Comparative Review”

And they did an analysis of property tax as a proportion of local government revenues. I think this is a 2004 report. It is dated, but I just found the data interesting. In Australia property tax represents 38 per cent of local government revenues; in Canada, it is 53 per cent; in Japan, it is 25 per cent; in the UK, it is 33 per cent. So what you find is that in, certainly the developed world, property taxes

are at a level that can sustain local services. And I think that is the issue I wanted to put on the table, that we are all screaming about what things are but it is important to understand the world that we are living in. Even in countries like Argentina, is 35 per cent; Chile, 35 per cent; Mexico is 59 per cent.

So that I mean, at the other end of the scale you have—Russia at 7 per cent; Nicaragua is 6 per cent; China 5 per cent, but by and large, South Africa 21 per cent—several other countries. In their study they have demonstrated that property taxes are a significant proportion of what they call local government revenues and I am not sure where we are with that in Trinidad and Tobago because the data is not available for the past several years.

And one other piece of data I would like to share, Madam President, if you permit me, in another paper entitled:

“How to Reform the Property Tax: Lessons from around the World”
—also by Enid Slack and Richard Bird, University of Toronto. I find all of these things under the website of the International Property Tax Institute. They did an analysis of: “Recurrent Property Taxes at a Percentage of GDP”. Now this is a big number for me. In Australia up to—over a period—from 1965 through 2010 they have been relatively constant. Property taxes are 1.4 per cent of GDP. Now that is a huge number in a country like Australia with the size of budget that they have, and several other countries. The UK has remained the same, essentially from 1965 to 2010 is 3.4 per cent; Mexico is two-tenths of 1 per cent; France is 2.5 per cent. What you find—Canada, 3 per cent.

I found that this data demonstrated to me that countries who are relatively well developed, they recognize how important property taxes are and property taxes represent a reasonable portion of your GDP. And this is an international

bench by which you can measure your development as a country. And these are the types of things that when I start—I look at the things we are talking about, I try to look in a different direction because my view is that we should be thinking about Trinidad and Tobago, we are here, we are trying to do the best for Trinidad and Tobago and to make us world comparable. That is where we should be going.

And, Madam President, I thank you for your levity in allowing me to put some data on the record because I believe the context for this is simple. I believe that. I have looked at the provisions. I had a couple of concerns and those concerns would have been addressed by some of the issues raised by the hon. Leader of Government Business. I also—particularly around the deferral of the tax, I have dealt with that. The issue at clause 10, the objections to the assessments.

But, Madam President, let me be clear. I, like probably a lot of other citizens, am not excited about giving up more money to the State. I will say that and I will say that, but however, Madam President, as a citizen of this country I fully accept that the Government of the day has to generate funds to run the country. And given the benefits that I as a citizen continue to receive, I believe that is reasonable. And what “pray tell” are the benefits of being a citizen of Trinidad and Tobago? I only have two pages of benefits, Madam President, because I think we in Trinidad and Tobago do not understand fully the benefits that we have. I, having had the opportunity to live in another place and realize I have to pay for every single thing and I have pay hard cash; things that we get here and we take for granted because we are used to getting it and it is part of the culture and how we do things.

So permit me, Madam President, I am going to run through the first 15

quickly, quickly—

Sen. Khan: Take your time.

Sen. D. Small: Yeah. For my entire lifetime to date we have one of the lowest cost of electricity in the world; one of the cheapest water rates for provisions in the world. Many will argue that they do not get water, but for those who get the rate, the rate is very low. Personal taxes that are still at the low end when compared to many others in the world.

Madam President, KPMG says the world average for taxation, personal tax is 32 per cent; we are at 25. Free health care. Again, many will argue that the services should be better, and I agree, but the services that are available are free. CDAP provides free medication for chronic ailments. Driving and road systems without any toll or direct use. The rates of the previous land and building taxes regime were so cheap as to have zero impact on people's expenditure patterns. A state-owned mortgage bank that has allowed many thousands of citizens to realize their dreams. Through the GATE Programme many thousands of citizens have a free tertiary education. Through the fuel subsidy, citizens and burgesses have been paying very low prices; this has only been recently changed. Through the policy of the State we have our own national airline, challenged as it is.

There are about 365 airlines in the world, Madam President, and many countries do not have their own airline. All I would like to say on that, Madam President, is that on a sunny afternoon 37 years ago I made my first flight on BW424, on board an aircraft registered at 9YTGN, an L-1011 TriStar, going Port of Spain to Barbados to JFK with Captain—a guy named Franklin Bobby Thomas at the controls. So forgive me for being nostalgic, Madam President, I apologize for digressing. I may have my challenges with that entity but I have good

memories, good memories of what it was then and potentially what it could be in the future if things are fixed.

Hon. Senator: The TriStar is in Chaguaramas.

Sen. D. Small: That is the same one, yeah. It has taken me many journeys to and across the Atlantic and back safely and I am still here. Thankful for that, praise God.

Madam President, this is not a new tax. The property tax, the previous—the original land and building tax I believe was in 1920 and the Property Tax Act of 2009 was an effort to bring some sense of modernity to that particular Act. Why is it, Madam President, that for the sake of undefying policy and something that is un—the ability to demonstrate robust analysis and data to support a decision, we damage the economic fortunes of our country.

Madam President, if we are doing something and we want to get it done I am always the first to say, make sure when you are doing something you can demonstrate the robustness of your argument and provide the data to support it. Taking decisions to roll back taxes without anything that I, as a reasonable non-economist can look at, I have a challenge with that. I have a challenge with that. And that is just my view as a random citizen of Trinidad and Tobago trying to make my way, Madam President.

So, Madam President, I am going to begin to wind up now because I believe that the issue at clause 3, increasing the catchment pool, I like that. I had one question though, I think it is on the Schedule, where I think the University of Southern Caribbean came off the list. I was to ask about that. I found it interesting that they came off the list—right—and I had one other thing I wanted to ask about, yes, and I think I have dealt with that.

So, Madam President, this amendment Bill we have spent some time debating I have only been speaking for about 15 minutes. I try to keep it tight. You know, Madam President, there was an old Western when I was a much younger guy, I watched it. There was a Western called *The Good, the Bad and the Ugly* and there is a particular scene where a guy called Eli Wallach said to a guy, “If you come to shoot, shoot, don’t talk”.

So, Madam President, I am going to wind up because I believe—

Hon. Senator: Who come to talk, talk. [*Laughter*]

Sen. D. Small: Madam President, this is not a new tax. As a law abiding citizen of this country, I believe that this tax is not an unreasonable tax; it is not a burden; it is nothing new; it is nothing novel. It is not—I have looked at the rates and even for what I would consider people who are living in normal circumstances I do not get that this a burdensome tax. Yes, there is an argument that says it is an additional tax, but as I have just laid out, out of 195 countries in the world, there are only 14 countries for which there is no property tax. So Trinidad actually, by not having property tax, stands in a very small group of a country like Latvia and some other countries who do not have property tax, and Monaco other places that are blessed otherwise.

So that a property tax is normal. It is not unusual. And I do not see that it is something that is going to place this huge burden upon people as if everybody is going to run screaming in the streets, “Aaah”, as if you know we have a major problem. I believe that my colleagues on this Bench have raised particular issues. I understand the Minister will look at those issues, as the Minister has always indicated she would do and—oh yes, Madam President, the last which I want to talk about is the issue with squatters.

Madam President, we have this perception, squatters and retirees. Squatters, we tend to want to assume that squatters are persons who are revenue challenged or income challenged. I want to share, Madam President, if you would permit me, please permit me. A particular entity was laying down cable lines in the area that I worked. So they would come, they lay down—and the nice ladies ringing your door bell wanting you to sign up for the package. So I told them that I already have a service provider and I looked at the prices of the top package. The top package is like \$1,500 a month and I asked her, does anybody buy that? She said yes, people around the train line. And I say what do you mean? She said, the people who squatting on the train line, all of them took the \$1,500 package.

We have a perception that everyone who is a squatter is somebody who is revenue challenged. I would like to say that I am sure they are, but by that same token I am sure there are people who are squatters who would be able to comfortably afford to pay their tax. I think we have to find a balance. So that when we are saying that, yes, squatters are going to be forced to pay the tax or make to pay the tax, I do not believe that all of the squatters are people who cannot afford it. I do not believe that. My experiences tell me otherwise.

And as for retirees, Madam President, I think that retirees are also in the same boat. I probably hang around too many retirees now to know that they are not short of funding and I think that when we make these arguments— because there is no empirical data to state what is the income levels of people who are squatting. What is the income level of the average retiree in Trinidad and Tobago? That is where, if you wanted to make that argument, they needed to have some empirical evidence. I do not have that access to that empirical evidence because the CSO is in the state that it is in.

So as I close, I think, Madam President, the amendments inside of here, subject to the changes that I expect the amendments that will come from the Government in terms of the points that have been raised by several Members, will come. I think this is a good Bill, it is entirely supportable and I believe that where we are as a country this is something that adds to the revenue pool of the country. It is not something that is oppressive, it is not something that places undue burden on citizens. That is my respectful posit to this House and I thank you for giving me the opportunity. [*Desk thumping*]

The Minister in the Ministry of Finance (Sen. The Hon. Allyson West): [*Desk thumping*] Thank you, Madam President. I would first like to start by thanking the persons who contributed to the discussion and especially those that made suggestions for amendments and improvements of the legislation. The Ministry of Finance is currently in the process of going through the *Hansard* so that we can ensure that we identify all the suggestions, review them and then come back to you with our reactions to those suggestions. So I would really like to thank you for that. We do want to go out with the best possible configuration of this Bill.

Having said that, I will start with a question raised by Sen. Roach, although he is not here. Is this tax necessary at this time? And, yes, the tax is necessary at this time for reasons that I have outlined, but more importantly I think it is incumbent on us to recognize that in the context of where Trinidad and Tobago is not necessarily financially, but the nature of the economy, what we want the Government to supply, how we want to supply it, the fact that we have to improve on the delivery of services, it is a tax that is required. It is a tax that is prudent.

So the timing is not ideal. It would have been best if we have had a smooth transition from the land and building taxes to the property tax. So there was no—

because the introduction of what appears to be a new tax is always traumatic. So if we have had a smooth transition and, admittedly, the education campaign at the time was not ideal; if we had had a smooth transition, we had properly explained the reason for the changes, then I think it would have been a lot more palatable. But having said that, we are where we are. We have to, as Sen. Richard's correctly indicated, somebody has to stop kicking the can down the road. And the PNM has decided that this is the—that we are the Government that will stop kicking the can down the road, because the tax is a tax that Trinidad and Tobago needs to accept because of where we want to go.

So I would urge, both the Members of this House, and the public at large, to stop thinking that this is a fearsome thing, that the Government is trying to take away your property, that this is something unreasonable and start seeing it for what it is, an approach that allows us the latitude and the ability to provide the country with the level of services that it needs.

Is it fair? Sen. Haynes also mentioned that this is an additional tax and Sen. Small repeated that. It is not an additional tax. It is a tax that has been in existence for a century and all we are trying to do is improve the operation of the tax. So it is not a new tax, although the Opposition Members who contributed to the Bill accused, people like Sen. Haynes and Sen. Obika, accused the Government of only being intent on introducing new taxes and greater taxes burdens on the administration, I would like to remind this House that the adjustments that this Government has made to the taxes have been targeted by and large at people who can afford to pay. There have not been amendments to the income tax system, there have not been an introduction of new taxes, there has not been a significant amendment to the corporation tax except for the people who it is felt can afford to

Property Tax (Amdt.) Bill, 2018 (cont'd)
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pay more in the context of the fact that the revenue of Trinidad and Tobago from the most important sector dropped from \$20 billion to \$1.9 billion. There has not been any wide scale imposition of tax.

I would also like to remind my friends on the other side that the last time there was any significant adjustment to the tax system was when the VAT was introduced, the same VAT that they are crying about that the PNM is trying to kill people with, the VAT was introduced under a Government of which they form part at 15 per cent. All the PNM has done in respect of that VAT is try to bring it back from the adjustments of the tax that made the administration of the tax expensive as Sen. Raffoul indicated. When the VAT started out, the cost of collection, administration of the VAT was supposed to be 1 per cent of the collections. And the only way it can be that is if it is a simple tax with few exceptions. When the UNC came in power they went wild and they exempted everything.

Sen. Khan: Senator.

Sen. The Hon. A. West: The philosophy—

ADJOURNMENT

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Madam President, I beg to move that this Senate do now adjourn to Friday, 11th of May, 2018, at 1.30 p.m. During that sitting we hope to conclude the debate on property tax and also take the Bill through its committee stage. Time permitting, we will begin the debate on the Insurance Bill. Thank you very much, Madam President.

Madam President: Hon. Senators, before I put the question on the adjournment, leave has been granted for two matters to be raised on the Motion for the Adjournment of the Senate. Sen. Mark.

Islamic Group, ISIS
(Threat to Energy Assets)

Sen. Wade Mark: [*Desk thumping*] Thank you, Madam President. Madam President, in an article written in a well-known and reputable oil and gas media house, known as *August*, dated the 2nd of April, 2018, the world was informed that the energy assets of Trinidad and Tobago were under a direct threat from what we have come to know as some Islamic group, ISIS, having a local cell in Trinidad and Tobago.

Madam President, this made international news and of course the energy companies that are located in Trinidad and Tobago would have been very concerned about this development. It was no other person than the Prime Minister who indicated to this country that there was a terrorist cell in this country and as I said, Madam President, the energy companies located here, mainly from the United States and the United Kingdom obviously were concerned. And it is against this background I have taken the opportunity on behalf of the Opposition to raise this matter of this threat to our energy assets. I am therefore seeking to get from the Government whether there were any truth in this particular report, because no one has denied this particular development and this particular story that appeared in this newspaper or this oil and gas media outlet.

Now, Madam President, you will know that we in this country have a lot of assets on land, on the coastline and in the seas and therefore if there is any truth in what we were told in this article then it is cause for some alarm because Trinidad and Tobago depends on the energy sector to generate revenues for its development, its growth and its transformation in spite of the challenges that we face at this particular juncture.

Now, Madam President, we have Atlantic LNG, we have Shell, we have

bpTT and this article went on to say that the security services and the Government held discussions with diplomats from the United States, the United Kingdom, Canada and Australia on this particular threat which would involve oil installation, natural gas installation, LNG installations, petro-chemicals as well as fertilizers in terms of installations. And therefore, the companies, as a result of these threats coming out from this particular magazine and the Prime Minister consolidating that by indicating that there was a terrorist cell in this country, companies began to strengthen internal security measures and monitoring systems to ensure that whatever untoward threats, they would be able to deal with it. And, of course, the Trinidad and Tobago Defence Force would have had to get into this act, Madam President, and therefore, as you know, Trinidad and Tobago has been involved in a number of military activities, recently and in the past.

We know that, just recently, Madam President, we have had a major training exercise here, titled, "Fused Response 2018", involving the United States Southern Command and the Trinidad and Tobago Defence Force. And therefore, the US military and intelligence bodies have been at the forefront of advising, informing the Trinidad and Tobago Government and security services of homegrown ISIS sympathizers to the point, Madam President, as you are aware, there were several raids in this country during the Carnival period leading to several citizens being arrested and later being released.

So it is against this background that the national community would like to hear from the hon. Minister of Energy and Energy Industries as to the veracity, authenticity of these claims and reports coming from sources abroad that Trinidad and Tobago energy assets are under direct threat from Islamic terrorists who the Prime Minister claims has a cell planted in the Republic of Trinidad and Tobago.

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So it is against this background—

Madam President: Sen. Mark, you have one minute.

Sen. W. Mark: Madam President, I have raised this matter and I look forward to the hon. Minister of Energy and Energy Industries or whoever would want to volunteer clarification. I thank you very much, Madam President.

The Minister of National Security (Hon. Maj. Gen. Edmund Dillon): [*Desk thumping*] Thank you very much, Madam President. Madam President, it is well-known in the international security environment that terrorism is on the forefront in most jurisdictions, Trinidad and Tobago not exempt from such phenomenon. In Trinidad and Tobago we have continued to deal aggressively with the whole phenomenon of terrorism. The Government of Trinidad and Tobago, the Government of which I feel proud of serving, has taken three different type of interventions to deal with the whole question of terrorism.

10.30 p.m.

We have done it in terms of at the strategic level, at the legislative and regulatory framework level, and also at the capacity building level. Like any other country in the world, we continue to treat with it at the international level to liaise with our international partners because the reach of terrorism does not belong to any one jurisdiction. And so, in treating with the threat we have to rely to a large extent on our international partners.

But, Madam President, this Government is proud to be very responsive because when we look at the Anti-Terrorism Act from the last administration between 2010—2015, one would recall that they failed to really operationalize the Act. What we have seen over the last two and half years is a very aggressive legislative agenda to treat with terrorism. What we have seen also is a very

aggressive operational agenda to treat with terrorism. We have also seen a very aggressive pursuit to treat with our international partners to develop what is considered to operationalize our partner matrix to treat with the same aspect of terrorism, and even when Sen. Mark made his pronouncement, I think he also gave some of the solutions himself because he suggested that we had some dealing with the United States through his response. And so, that also tells us demonstratively that the Government has been treating aggressively with this phenomenon, and our counterterrorist strategy, Madam President, dealt with three strong pillars:

1. To protect and prevent our people, our institution and our resources;
2. To pursue and to respond if there are any terrorist attacks in Trinidad and Tobago and in its environs; and
3. Also to bring this country to some sense of resilience, to bring it back to its normalcy as soon as possible.

And we are done so across really two real strands of a legislative framework and capacity building.

Madam President, when we look at the amendments to the 2018 Anti-Terrorism Bill, we introduced the broadening of the definition of terrorism to include persons who contribute to terrorist activities. We are redefining terrorism to broaden the scope of the Act; strengthening the laws relating to the operation of services for the commission of financing of terrorism; the criminalization of joining and belonging to a terrorist organization or receiving training from such an organization; criminalization of travel for the purpose of committing terrorist acts and deeming such individuals as foreign terrorist fighters; provisions to allow the Minister of National Security to designate geographical areas, travel to which without providing requisite notices leads to a rebuttable presumption that the travel

is for terrorist act; the revision of the designated process of individuals and organizations to be characterized as terrorist entities and the application of a financial sanction to said entities; a clear mechanism for Trinidad and Tobago to propose names to the United Nations Security Council on subsidiary bodies and also an expansion on the power of the law enforcement agencies to gather information to cover documents, computers, electronic devices, et cetera; the revision of the provisions for the investigation as a suspected terrorist and gathering information with the Financial Intelligence Unit; the revision of the mechanism for seizure and forfeiture assets belonging to suspected entities; and finally strong provisions to address specific risks posed to children including recruiting and taking them to conflict zone.

These are measures, Madam President, that have been adopted into the Anti-Terrorism (Amdt.) Bill, 2018. Again, the strong aggressive legislative agenda of this Government, and I can quote from the Attorney General, in *Hansard*, page 43 on the 26th of January, 2018, and he says:

“...these amendments are aimed at addressing practical challenges we have identified by...operationalizing specific components of the Act, the existing law, which are absolutely necessary to protect our national security and to fulfil our international obligations. We are seeking to do our part as a country to address factors that contribute to increased radicalization domestically and internationally. Failure to address these deficiencies will also have far-reaching negative impact on Trinidad and Tobago’s ability to participate in the global economy which in turn negatively impacts the economic and physical security of the Republic of Trinidad and Tobago.”

Madam President, I say this again just to illustrate the aggressive legislative pursuit

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of the Government of Trinidad and Tobago.

Madam President, with respect to the energy sector, it was this Government who started the initiative with what is called the energy sector security initiative and it went dormant for the last couple of years because I do not believe that the last administration understands the security nature of our energy sector. We have since re-established that initiative to the extent where as Minister of National Security I have held meetings with the captains of industries, from bp, BHP Billiton, EOG Resources, Atlantic LNG, Shell, and those meetings were high-powered meetings to deal with concerns with the energy sector and how can they partner together with the Ministry of National Security, and the Government by extension, to treat with issues pertinent to the energy sector.

Madam President, tomorrow morning I am meeting with the Point Lisas Energy Association to discuss similar issues. Again, this Government is very proactive because we understand the need, we understand that terrorism affects us all and, therefore, we have to reach out to our international partners, to our international corporate sponsors, our corporate entities, to ensure that they feel secure that Trinidad and Tobago can provide the kind of safe and secure environment for them to invest and do business here in Trinidad and Tobago. And so, it is against that background, that we have seen an increase in capacity building in a strategic services agency, we have seen it in the Trinidad and Tobago Police Service in terms of their cybersecurity investigation, the Financial Intelligence Investigation Branch. The Special Branch has just established what is called a Terrorism Interdiction Unit. We have seen the training exposure being given through our international partners insofar as dealing with terrorism.

Madam President, we have also built the capacity in Trinidad and Tobago

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Defence Force by exposure to training. Recently, we had what is called exercise “Fused Response”. Fused Response, while it was a crisis management exercise, also touched on building the kind of capacity to deal with incidents of terrorism attacks and so on. So that the Government through its legislative framework and its operational framework continued to strengthen its resolve to treat with those issues.

When we look at the ESSI, or the energy sector initiative, it is really based on prevention and mitigation of any unwanted occurrences within the energy sector, and it is intended to ensure that Trinidad and Tobago’s energy based resources and assets are effectively protected against activities that can result in major disruptions occasioned through wilful intent, accidents or natural disasters. The principal focus of the SI is a public/private partnership with Government and the energy giants in Trinidad and Tobago, to create a sustainable mechanism to prevent, mitigate, repair for, respond to, and recover from possible threats and vulnerabilities. This starts with the following objectives, Madam President, to address critical energy infrastructure protection, establish a partnership among the Government energy and—[*Interruption*]

Madam President: Minister, you have one more minute.

Hon. Maj. Gen. E. Dillon: Thank you, Madam President. Madam President, we also continue to look at countering violent extremism so that not only in terms of the energy sector per se, but in the wider threat of terrorism in terms of radicalization of our young people, and so on, we continue to address those issues by dealing with the round table discussion, inviting members of different religions, and so on, to come to the table, let us discuss it, let us speak with one voice to give again our energy sector corporate entities a sense of security that they can do

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business in Trinidad and Tobago.

The Government cares, the Government will secure that environment.
Madam President, I thank you. [*Desk thumping*]

ODPM

(Disaster Management Preparedness)

Sen. Wade Mark: Thank you very much, Madam President. Madam President, on the issue of preparing this country to face any major social disaster including major earthquakes, I wish to raise the following matter. Madam President, there is no doubt that this country suffers from some very serious deficiencies in its hazard preparedness. Disaster management is of global concern and the Hyogo and Sendai Frameworks for comprehensive disaster management were designed to guide the regional agencies and signatories as they advance a disaster management programme.

We should not be only be addressing legislation and codes that might be weak, but we should be looking at establishing an umbrella under which effective disaster management may be achieved.

Madam President, comprehensive disaster management should not be treated as a political matter for when a large magnitude event occurs, whether geological, meteorological climate, or a social phenomenon, all are affected whatever the political persuasion. Therefore, the agency and staff responsible for disaster management should not be political short-term appointments, but should have security of tenure. This is important to ensure the agency grows and develops institutional memory and there is continuity of expertise. Disaster management is of such critical importance to national sustainable development and resilience that it should not fall under the Ministry of National Security, but under the Office of

the Prime Minister. This should allow programmes pursued by the agency to be treated with the fitting urgency and priority required.

Madam President, there should be in place a legislated building code along with a framework for enforcement to ensure that the building stock is appropriately designed and constructed. Land use development should be based on planning guided by proper scientific input. These can be addressed in the short-term as the recrafting of the agencies undertaken. When we look at what is taking place in our country and we seek to look at developing a model, the Tobago model appears to be working well. There is a very hands-on approach and it should be noted that it has grown through the commitment of long-term staff. Madam President, all hazards appear to be at a stage where they are primed to deliver their large magnitude events and, therefore, we are saying on this side that the Government has tried a response agency, a management agency, and we have something call the ODPM, but there are serious deficiencies in these agencies that we have tried thus far.

Madam President, I wish to draw to your attention an article in the Friday *Express* of the 16th of March, 2018, and the headline is: “Port of Spain in grave danger of sinking”, and this seismologist rather from the University did in fact predict that if we were to be hit by a 7.5 magnitude earthquake, we can see this building that we are currently occupying faced with a lot of disaster. What this seismologist was indicating to us, Madam President, in this article is that in a situation where you a 7.5 magnitude earthquake:

“...buildings falling apart would not be as much an issue as buildings being swallowed up into the ground.”

He went on to say:

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“You might not see the building cracking and collapsing but you will see the building sinking...”

And therefore, what it says is that there is an urgent need for Trinidad and Tobago to take disaster preparedness very seriously, and we should really move this issue of national disaster preparedness from under the purview of the Ministry of National Security, place it in the Office of the Prime Minister, provide it with the necessary resources that is required, and like Cuba when you have any activity taking place in that island there are annual drills taking place.

And therefore, I raise this issue this evening because there is—and we have been advised in this article that 2,200 small earthquakes are recorded on average each year in our region. Two thousand, two hundred small earthquakes are recorded in our region every year and, Madam President, it is incumbent that we take these things seriously because if we do not then disaster will strike and there will be many fatalities and casualties in our country and, therefore, I have raised this matter this evening to bring to the attention of the Minister of National Security, and to this honourable House, that we should begin paying attention to proper building codes. It must not just be in the Ministry of Housing and Urban Development—[*Interruption*]

Madam President: Sen. Mark, you have one more minute.

Sen. W. Mark: Yeah—but it should be legislated. So I call on the hon. Minister to really get cracking and bring legislation to establish a proper national disaster planning agency and have that housed in the Office of the Prime Minister. I thank you very much, Madam President.

The Minister of National Security (Hon. Maj. Gen. Edmund Dillon): Thank you, Madam President. Madam President, I thank you very much for opportunity

to respond to this Motion with respect to disaster preparedness, in particular the whole question about earthquake in Trinidad and Tobago and preparedness for that. Madam President, with respect to disaster, the Office of Disaster Preparedness and Management, which was established in 2005, in Trinidad and Tobago, is the agency responsible for coordinating the national response for disasters, manmade or otherwise, in Trinidad and Tobago, and in fact manages all phases of disaster management cycle, prevention, mitigation, preparedness, response and recovery, as well as climate change adaptation programmes.

Now, Sen. Mark raised the issue of comparing what is happening in Tobago, and he has to understand that what is happening in Tobago must be based along comparison to what is happening in the corporations in Trinidad and Tobago. The ODPM is coordinating for Trinidad and Tobago, and Tobago TEMA actually coordinates for Tobago in comparison to the corporations in Trinidad and Tobago and, therefore, what we have to do is build on the corporations in Trinidad and Tobago to equate them with Tobago's response. That is what is required. At the level of local government this is where we need to put the emphasis on. And I know if you understand the structure, if you are comparing Tobago, do not compare Tobago with ODPM. Compare Tobago with the regional corporations. We are first responders and, therefore, you need to get your facts correct. The ODPM has been there to do this sort of coordination that is required, and even with respect to earthquake there is in fact a national earthquake plan for Trinidad and Tobago. It is a living document and it is also practised and rehearsed on several occasions.

Documents have been developed to provide a sound basis for earthquake-oriented emergency programmes, and to establish organizational and operational

concepts and procedures designed to minimize the loss of life and property, and to expedite the restoration of essential services following a major earthquake. It has been exercised by first and support respondent agencies, inclusive of the Ministry of Rural Development and Local Government, the Trinidad and Tobago Fire Service, Trinidad and Tobago Defence Force, as well as Tobago Emergency Management Agency. There is also what is called the National Response Framework and that again is a document that is live and allows the participants to practise.

The principle of that National Response Framework is as follows: It deals with what you call engaged partnership. It really deals with four responses. Engaged partnership: engaging partnership within the local entities. It signals ongoing communication among leaders at all levels towards alignment of capabilities and mutually supported preparedness activities. These capabilities are strengthened through integrated planning, resource identifications, training and simulation exercises. Also important for success are partnerships that are engaged at the community, national and regional level. There is also what is called a Tiered Response which refers to the ability of the response system to handle incidents from the lowest jurisdictional level, strengthening capacities from the individual and community levels to the regional municipal corporations which is therefore key to the effectiveness.

There is also the aspect of scalable, flexible, adaptable, operational capabilities which are essential for handling the range of extreme events that may have disastrous consequences. The number, type and sources of resources must be able to expand rapidly to meet needs associated with the given incident. The ability to manage this is based on what is called unity of effort through unified

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command, which means bringing all the resources together at the same place at the same time in a concentrated manner so that all the efforts are concentrated with respect to restoration, with respect to dealing with the incidents and, of course, readiness to act is very important which means in terms of preparations to deal with the issues at hand.

So the framework response is there. It is a document. The Comprehensive Disaster Management Policy Framework is there, it is a document, and these things are practised and rehearsed to treat with the whole issue of earthquakes and other national disasters, manmade or otherwise. There have been what we call an arrangement of accessing damages, and so on, and that is done by the ODPM, but also there are trained individuals in municipal levels and throughout. The Disaster Management Unit at each of the corporations are trained in shelter management, in First Response activities, similar to what TEMA does. So there is in fact a system in place to treat with earthquake and other disasters in Trinidad and Tobago. There is a public awareness drive that takes place and this is done through the ODPM along with Seismic Research Centre and the Met Office who are responsible for the nation's public education and awareness programme.

So you have the public awareness campaign, and in treating with the incidents of earthquake or any national disasters it is not the question of a single entity of Government, and you are suggesting that we should move it from the national security. This is a whole-of-government approach. It involves all the Ministries of Government, and not only Government, but things of national disaster must involve the whole country response. I do not know if you realized what happened in Cedros quite recently when we had that calamity in Cedros. You know who the First Responders were? The neighbours. The neighbours of those

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people in Cedros who actually took them into their home because they were on spot, because when that calamity struck these are the people on the ground. And thus we have to engender it is a sense of community spirit in the time of natural disasters. So that this is what we have to do. Those are the first responders. Your neighbour next door is your first responder. So come out and help in times of fire, in times of earthquake, in times of flood. Those are the first responders and what this Government is doing is to engender that sense of community spirit again and then you can get, as I said, the tiered response with respect to that.

And so, we are in the sense of developing those kind to schemes, those kind of awareness to treat with the whole question of, as you mentioned earthquake, but I widened about the natural disasters in its entirety. This Government is there to ensure that we provide the kind of tools, equipment and resources that are required, but also develop the kind of mentality, the mental attitude to treat with in any event, earthquakes and other natural disasters. I thank you, Madam President.

[Desk thumping]

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 10.54 p.m.