



P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No. 10.1i**

<b>Request for Council's Consideration</b>		
<input checked="" type="checkbox"/> Included on Agenda (Submitted to Municipal Clerk's Office by Noon Thursday)	<input type="checkbox"/> Added Item (Submitted to Municipal Clerk's Office by Noon Monday)	<input type="checkbox"/> Request from the Floor
<b>Date of Council Meeting:</b> July 31, 2019		
<b>Subject: Municipal Discretionary Tax Relief: Eligibility of Market Leases</b>		
<b>Motion for Council to Consider:</b>		
<p>That Regional Council direct the CAO to develop options for a grant program for taxes paid on commercially assessed property that is leased by small local registered charities that provide direct social service programs. The proposed options should utilize a standardized formula to estimate taxes paid as described in the June 18, 2019 staff report and other conditions as appropriate.</p>		
<b>Reason:</b>		
<p>HRM has an extensive grants program that provides tax relief for non-profits that own property. As described in the June 18, 2019 staff report though, HRM doesn't provide any tax relief to non-profits that lease rather than own property. This arbitrarily limits tax relief since non-profits that lease end up paying taxes through their landlord. It may also create an artificial incentive to own rather than lease. Devising a grant program for taxes paid as part of leases, however, is complicated by legal and administrative challenges and a lack of knowledge about the fiscal implications (how many charities and non-profits there are leasing space in HRM).</p>		
<p>HRM should, therefore, proceed cautiously with a pilot program to work out the administrative challenges. The suggestion is to start with direct social service providers since they (1) tend to be small charities (2) are often limited in their ability to relocate to lower cost areas because of the need to be where they can be accessible to their clients (3) their clients rarely have an ability to pay, making paying taxes a more difficult burden. Organizations such as food banks, clothing banks, shelters etc.</p>		
<b>Outcome Sought:</b>		
Staff recommendation report		
<i>Councillor</i> Sam Austin	<i>District</i> 05	