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**Property Tax Deferral
in Response to COVID-19**

April 14, 2020

Economic Impact COVID-19

- It is too soon to understand the economic impact of COVID-19
- Municipalities across the country are trying to gauge the impact to tax revenue and program revenue
- Many are requesting assistance for tax deferral from the Federal and Provincial governments
- The majority of municipalities are reviewing budgets, service levels and reserve balances

HRM Immediate Proposed Relief Measures

- Defer interim tax bill due date from April 30, 2020 to June 1, 2020
- Temporarily waive Non-Sufficient Funds (NSF) fees
- Reduce interest rate charged on late payment from 15% per annum to 10% per annum

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Financial Impacts

From Moving Tax Bill due date

- Loss investment income from April 30 June 1 \$100k
- Lowering interest rate from 15% to 10% \$2M annually
- NSF cheque revenue \$19k

Other COVID loss revenue (est.)

- Transit fares \$3M per month
- Rec programming \$1M
- Parking fees suspended \$450k per month

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Municipal Responses Across NS

- AMA/NSFM conducted a survey to collect data of what other municipalities are doing
- A number of them are taking the same measures as we are – push out the tax due date until we have an understanding of the impacts
- Deferring tax sales, waive NSF fees
- Those with water utilities are not disconnecting customers in arrears and are looking at interest charges as well as deferring bill payments
- Reviewing budgets and service levels to trim costs

Canadian Responses to COVID

Jurisdiction	Original Due Date	Deferred Due Date
Ottawa	March 19	April 15
Winnipeg	June 30	September 30
Saskatoon	June 30	September 30
Edmonton	July 1	August 31
Quebec City	May 4	August 4

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Proposed Provincial Program

- Presidents of the Nova Scotia Federation of Municipalities (NSFM) and the Nova Scotia Association of Municipal Administrators (AMA) sent a joint letter to Premier of Nova Scotia and the Ministers of Business, Finance and Municipal Affairs and Housing
- **The request:**
 - Tax deferral program, universal criteria for all NS municipalities
 - Defer tax payment billings between April 1 to October 31st, 2020
 - Deferred taxes repaid over a maximum twenty-four (24) month period
 - Requested Provincial Government provide a line of credit for municipalities to ensure continued service to taxpayers

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Questions?

Thank you

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