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Item No. 12.2.2
Audit & Finance Standing Committee
March 9, 2022

TO: Chair and Members of Audit & Finance Standing Committee

SUBMITTED BY: - Original Signed -

Denise Schofield, Acting Chief Administrative Officer

DATE: February 17, 2022

SUBJECT: **Amendment of Partial Tax Exemption Administrative Order (AO 10)**

ORIGIN

Staff report to Budget Committee, January 28, 2020, Item 6.

"The combined impact of the average tax increase is \$94 for the average single-family home and \$1,989 for the average commercial property. Staff are finalizing a proposal to increase the low-income property tax relief to align with a Halifax living wage and offset the higher property tax bills."

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, S.N.S. 2008, c. 39 :

Section 79A (1) Subject to subsections (2) to (4), the Municipality may only spend money for municipal purposes if (a) the expenditure is included in the Municipality's operating budget or capital budget or is otherwise authorized by the Municipality;

Section 86 (2)(a) The Council may, by policy, grant an exemption from taxation, in the amount or to the extent set out in the policy, for a person whose income is below the amount set out in the policy;

Section 88 (1) The Council may, by by-law, provide for the postponed payment of all, or a defined portion of, rates and taxes by persons whose income is below the amount set out in the by-law.

RECOMMENDATION ON PAGE 2

RECOMMENDATION

It is recommended that the Audit and Finance Standing Committee recommend that Halifax Regional Council:

1. Adopt the amendments to Administrative Order 10, the *Partial Tax Exemption Administrative Order*, as set out in Attachment 2 to this report; and
2. Adopt By-law T-706, amending By-law T-700, the *Tax Deferral By-law*, as set out in Attachment 4 to this report.

BACKGROUND

In 2006, HRM's low-income property tax rebate program and the property tax deferral program were reviewed and updated. These two programs are set out in policy in AO 10, the Partial Tax Exemption Administrative Order, and in By-law T-700, the Tax Deferral By-law. In 2008, Halifax Regional Council approved the addition of a set of formulas to Administrative Order 10 to automatically "index" the eligible income threshold and the maximum tax exemption level annually. The Tax Deferral By-Law incorporates the same income threshold as AO 10, so both increase by the same amount at the same time.

For the 2022/23 fiscal year, Budget Committee is considering a 4.6% increase in the average tax bill – equal to \$94 on the average single-family home – the largest yearly tax increase in more than a decade. Given the current inequalities in economic conditions, HRM staff have recommended that low-income homeowners be shielded from this increase by an offsetting increase in property tax exemptions provided by HRM's Affordable Access Program. In addition, raising the income eligibility threshold to a Living Wage supports HRM's Social Policy goal of enhancing equity and inclusion.

DISCUSSION

Proposed Low-Income Tax Exemption Program Changes

Increasing the Income Eligibility Threshold to a Living Wage

Subsection 4.2(b) of Administrative Order 10 and Section 3.1A of By-law T-700 sets the income eligibility threshold equal to the (most recently published) Statistics Canada Low-Income Cut-Off for a three-person household. Based on the current indexing policy, the threshold would be \$36,000¹ in 2022/23, an increase of \$1,000 from the current year. Staff is recommending that the formula in Administrative Order 10 and By-law T-700 be amended to reflect the Low-Income Cut-Off for a four-person household, **increasing the income eligibility threshold to \$43,000²** in 2022/23. This would exceed the 2021 living wage for Halifax.

According to the *Living Wages in Nova Scotia 2021* report from the Canadian Centre for Policy Alternatives (November 2021), the living wage for Halifax in 2021 is \$40,100.

TABLE 1 2021 Living Wages, Nova Scotia Regions

Individual 2021	Annapolis Valley	Cape Breton	Halifax	Northern	Southern
Hourly Living Wage	\$21.30	\$18.45	\$22.05	\$19.20	\$21.03
Annual Employment Income (gross)	\$38,766.00	\$33,579.00	\$40,131.00	\$34,944.00	\$38,274.60

<https://www.policyalternatives.ca/sites/default/files/uploads/publications/Nova%20Scotia%20Office/2021/11/NS%20Living%20Wage%202021%20v3.pdf>

By increasing the income threshold from \$36,000 to \$43,000, the program is expected to expand to serve nearly 40% more low-income households.

[Notes: 1. LICO for 3-person household, community with population 100,000 to 499,999 (2020, latest available) = \$35,087 rounded up to nearest \$1,000 = \$36,000.
2. LICO for 4-person household, community with population 100,000 to 499,999 (2020, latest available) = \$42,600 rounded up to nearest \$1,000 = \$43,000.]

Increasing the Maximum Tax Exemption

Although increasing the income threshold will expand the number of residents eligible to participate in the tax exemption program, it will not provide additional relief to those with household incomes under \$36,000. To accomplish this, the proposed amendments will **increase the maximum tax exemption from \$1,050 to \$1,200.**

The program has a sliding scale of tax exemptions based on two factors – the homeowner’s household income and total tax bill. With the current indexing the 2022/23 tax exemption table would be:

Household Income Range		from	to	\$0	\$23,001	\$26,251	\$29,501	\$32,751
				\$23,000	\$26,250	\$29,500	\$32,750	\$36,000
Property Tax Bill		Property Tax Exemption Amount						
from	to	100%	80%	60%	40%	20%		
n/a	\$1,900	\$850	\$680	\$510	\$340	\$170		
\$1,901	\$2,900	\$950	\$760	\$570	\$380	\$190		
\$2,901	n/a	\$1,050	\$840	\$630	\$420	\$210		
<i>1% Min. Tax</i>		\$120	\$250	\$280	\$310	\$340		

The maximum tax exemption threshold is set based on the average HRM tax bill in the prior year. In 2021/22, the average single-family home tax bill was \$2,900. Based on the formula in AO 10, one third of the average tax bill becomes the maximum tax exemption for those with tax bills between \$1,901 and \$2,900. The program’s maximum tax exemption of \$1,050 would be available to those with property tax bills above \$2,900 and household incomes at or below \$23,000.

Instead, the maximum tax exemption will be increased, by changing the formula in subsection 4.4(a) of the Administrative Order from one third to 37.5 percent of the average tax bill. That change, combined with the increase in income eligibility, would create a revised tax exemption table for the program:

Household Income Range		from	to	\$0	\$29,001	\$32,501	\$36,001	\$39,501
				\$29,000	\$32,500	\$36,000	\$39,500	\$43,000
Property Tax Bill		Property Tax Exemption Amount						
from	to	100%	80%	60%	40%	20%		
n/a	\$1,900	\$1,000	\$800	\$600	\$400	\$200		
\$1,901	\$2,900	\$1,100	\$880	\$660	\$440	\$220		
\$2,901	n/a	\$1,200	\$960	\$720	\$480	\$240		
<i>1% Min. Tax</i>		\$150	\$310	\$340	\$380	\$410		

In the table above, the lowest income range is also expanded from “\$0 to \$23,000” to “\$0 to \$29,000.” This requires a revision to the formula in subsection 4.2(a) of Administrative Order 10. The three proposed changes to Administrative Order 10 are shown in Attachment 1.

The impact of these changes is that the average rebate for the roughly 1,600 homeowners currently in the program is estimated to increase from \$641 to \$886, an increase of \$245 or 38%. In addition, 600 new households are expected to be added to the program, with an estimated average rebate of \$323.

Income Range		Current AO	Proposed AO	Change (\$ and %)	
Up to	\$5,000	\$937	\$1,067	\$131	14%
\$5,001	\$10,000	\$824	\$926	\$103	12%
\$10,001	\$15,000	\$808	\$906	\$99	12%
\$15,001	\$20,000	\$849	\$949	\$101	12%
\$20,001	\$25,000	\$772	\$934	\$162	21%
\$25,001	\$30,000	\$569	\$959	\$390	69%
\$30,001	\$36,000	\$259	\$685	\$426	164%
\$36,001	\$43,000	\$0	\$323	\$323	n/a
Avg Program Rebate		\$641	\$733	\$92	14%

The Partial Tax Exemption Administrative Order, as amended, will continue to “index” in future years with the revised reference points. So, the income eligibility threshold and the maximum tax exemption will gradually increase in future years without further amendment to the Administrative Order.

During the upcoming 2022/23 fiscal year, HRM staff will undertake further research on the program on possible additional changes linking the program to the Federal GST Credit and/or Child Benefit. The objective would be to streamline its administration while providing some measure of relief for families according to the number of children, and single-parents or disabled status.

FINANCIAL IMPLICATIONS

As a result of the proposed changes, the Property Tax Exemption Program is expected to see a 40% increase in applications and a 16% increase in the average tax rebate provided. The revised program is estimated to require annual funding of approximately \$1,700,000. This is included in the proposed 2022/23 Fiscal Business Unit operating budget.

This may lead to increases in income eligibility thresholds for other HRM Affordable Access programs, such as the low-income Transit Pass Program, which has proposed 2022/23 operating budget funding of \$470,000. Given the relatively low program participation at this time, the current funding should be adequate for the Affordable Access Transit Pass Program in 2022/23, even if the income eligibility threshold were increased.

RISK CONSIDERATION

There will need to be clear coordination with other Affordable Access programs and the Seniors Snow Removal program to make clear the impact of the change to the Property Tax Exemption Program, to avoid confusion to participants in other HRM programs.

COMMUNITY ENGAGEMENT

No community consultation has taken place. Current participants in the Affordable Access Property Tax program will be advised of the changes with the information package that is sent out to prior year applicants in June. HRM standard and social media releases and website updates will distribute information to the broader community.

ENVIRONMENTAL IMPLICATIONS

No environmental implications.

ALTERNATIVES

The Audit and Finance Standing Committee may refuse to recommend the amendments to Administrative Order 10 as set out in Attachment 2 to this report, or the amendments to By-law T-700, as set out in Attachment 4 to this report.

ATTACHMENTS

Attachment 1 – AO 10 Showing Proposed Changes
Attachment 2 – Amendments to Administrative Order 10
Attachment 3 – By-Law T-700 Showing Proposed Changes
Attachment 4 – Amending By-law T-706

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Andre MacNeil, Senior Financial Consultant, 902.292.4556

**ADMINISTRATIVE ORDER 10
RESPECTING PARTIAL TAX EXEMPTION FOR RESIDENTIAL TAXATION**

BE IT RESOLVED as an Administrative Order of the Council of the Halifax Regional Municipality as follows:

SHORT TITLE

1. This Administrative Order shall be cited as Administrative Order Number Ten, the Partial Tax Exemption Administrative Order.

INTERPRETATION

2. In this Administrative Order,

(a) “exemption” means the amount by which taxes levied on a residential property are reduced pursuant to this Administrative Order;

(b) “income” includes wages, salaries, emoluments, gratuities and honorariums arising from employment; fees, earnings and profits from any profession, trade, business or calling after deducting the expenses of earning the same; interest and dividends received directly or indirectly from shares, stocks, bonds, debentures, deposits, mortgages, agreements for sale, estates, loans and other investments; pensions, annuities, retiring allowance, compensation and similar income from any person, business, estate, insurance or other company, government or government agency wherever earned and includes

- (i) all world income for deemed residents and for non-residents working outside of Canada; and
- (ii) any owner withdrawals from a self-employed applicant;

but does not include:

- (i) an allowance paid pursuant to the War Veterans Allowance Act (Canada)
- (ii) a child tax benefit;
- (iii) a GST or HST rebate;
- (iv) an oil rebate;
- (v) a pension paid to armed forces personnel pursuant to the Pensions Act (Canada).

(ba) “*Land Titles Clarification Act*” means the *Land Titles Clarification Act*, RSNS 1989, c. 250, as amended;

(c) “owner” means an ownership interest holder named in a registered instrument at the Nova Scotia Registry of Deeds, and includes

- (i) a part owner, joint owner, tenant in common or joint tenant of the property;
- (ii) in the case of the absence or incapacity of the person having title to the property, a trustee, an executor, a guardian, an agent, an heir, or next of kin;
- (iii) a person having the care or control of the property through adverse possession;
- (iv) a person with a life interest in the property; or
- (v) a person who has been issued a Certificate of Claim by the Minister responsible for Natural Resources pursuant to the *Land Titles Clarification Act* where such Certificate has been filed at the Nova Scotia Registry of Deeds;

but shall not include

- (i) a trustee in bankruptcy; or
- (ii) a corporation (other than a registered Canadian Charity); and

(d) “residential property” shall be the structure in which the owner or owners reside and that connected portion of land assessed as residential or resource with a dwelling under the Assessment Act of Nova Scotia (1989), provided that in the case of property assessed under two or more assessment categories, any partial property tax exemption shall be calculated on the residential assessment or resource with dwelling portion only, and property or land assessed as commercial, farmland, resource, forest, residential farmland, or residential forest shall not be deemed to be residential property.

3.0 ELIGIBILITY FOR PARTIAL TAX EXEMPTIONS

3.1 An application for a partial exemption from the payment of real property taxes rated upon residential property within the Municipality may be made in writing in the prescribed form to the Treasurer of the Municipality.

3.2 The applicant must be an assessed owner of the residential property and occupy a structure on the property as the applicant’s principal residence.

3.3 If application is made on behalf of an applicant by a trustee, guardian or executor, or other legal representative, proof of such legal agent status shall be filed with the application.

3.4 Applications for a low-income exemption shall include proof of income from the prior year from Canada Customs and Revenue Agency, and in respect of self-employment income both the Canada Customs and Revenue Agency business statement and personal income tax statement, for all persons eighteen years of age or older occupying the property as their principal residence.

3.5 An applicant for a fire damage exemption shall establish that the structure occupied as their principal residence has suffered a major fire, as identified by HRM Fire Services in a fire incident report. Properties damaged by a fire resulting from arson or other criminal activity carried out by, or with the consent of, the property owner are not eligible.

3.6 An applicant for a low-income exemption may be deemed to occupy a residential property as a principal residence, for up to twelve (12) months, while temporarily displaced due to fire damage. An applicant who wishes to remain eligible beyond this period, on the basis of a delay in re-construction due to financial hardship or insurance settlement delays, may make a request in writing with supporting materials to the Treasurer of the Municipality.

3.7 A property tax exemption will not be granted in respect of a second home, cottage or a rental unit of the applicant or a residential unit used solely to run a business.

4.0 DETERMINATION OF EXEMPTION FOR LOW-INCOME HOUSEHOLDS

4.1 Partial real property tax exemptions in respect of a residential property shall be allowed if the total income of all persons eighteen years of age or older occupying the property as their principal residence falls within the thresholds established pursuant this section.

Income Ranges

4.2 The maximum exemption shall vary according to the household income of the applicant in the prior year based upon the following formula:

(a) The lowest income range shall extend from \$0 to the annual Statistics Canada low income cut-off for a ~~single-person~~ **two-person** household. This figure will be rounded up to the nearest \$1,000 and shall be based on the population of the entire HRM region.

(b) The program income eligibility threshold shall be established using the annual Statistics Canada low income cut-off for a ~~three-person~~ **four-person** household, rounded up to the

nearest \$1,000, based upon the population of the entire HRM region.

(c) Between the lowest income range and the eligibility threshold, the income ranges shall increase in equal increments.

Tax Brackets

4.3 The maximum exemption shall vary according to the amount of tax payable by the applicant in the current year. Three property tax brackets shall be determined, based upon:

(a) The upper value of the middle property tax bracket shall be equal to the average residential tax payable across HRM in the prior year on a property with a single dwelling, rounded up to the nearest \$100.

(b) The upper value of the lower property tax bracket shall be set \$1,000 lower than the upper value of the middle property tax bracket.

Maximum Exemption Levels

4.4 (a) The reference rebate, used to calculate maximum exemption values by income range and amount of property tax payable, shall be equal to ~~one-third~~ **37.5 percent** of the average residential tax payable across HRM in the prior year on a property with a single dwelling, rounded to the nearest \$50.

(b) The maximum exemption for those in the middle property tax bracket and the lowest income range shall be equal to the reference rebate.

(c) The maximum exemption at the lower property tax bracket and the lowest income range shall be \$100 lower than the reference rebate.

(d) The maximum exemption at the higher property tax bracket and the lowest income range shall be \$100 higher than the reference rebate.

(e) Within each property tax bracket, the maximum exemption values shall decrease, as income increases, in decrements equal to the maximum exemption at the highest income range.

5.0 DETERMINATION OF EXEMPTION FOR HOMES DESTROYED BY FIRE

5.1 Upon receipt of an acceptable fire damage tax exemption application, the municipal Clerk shall request the Director of Assessment to have the property reassessed to reflect the condition of the property following the fire. If reconstruction work has been done prior to the time of reassessment, the estimated assessment value for this program shall be based on the property condition prior to the reconstruction work.

5.2 (a) The revised assessment shall be used for taxation, pro-rated for the period commencing from the date of the fire to the end of the fiscal year.

(b) Notwithstanding subsection 5.2 (a), if the fire occurs between the assessment State Date (December 1st) and the end of the fiscal year, the revised assessment shall be used for taxation, prorated for the period: from the date of the fire to the end of the fiscal year, plus the entire subsequent fiscal year.

5.3 An applicant may apply for both the low-income and fire damage tax exemptions in respect of a residential property, if eligible for both. The low-income tax exemption shall be applied to the tax bill for the subject fiscal year after adjusting for the fire damage tax exemption.

5.4 If the property taxes for the subject fiscal year, after adjusting for the fire damage tax exemption,

are below the minimum tax payable identified in subsection 6.1, then the taxes would not be further reduced and the minimum tax payable would not apply.

5A Determination of Tax Relief For Successful Land Titles Application

5A.1 This section shall apply to all properties within designated land titles clarification areas pursuant to the Land Titles Clarification Act.

5A.2 (1) Where a Certificate of Claim is issued and filed in the Registry of Deeds pursuant to the *Land Titles Clarification Act* and there are rates and taxes owing to the Municipality in respect of the lot of land described in such Certificate, the owner may apply to the Municipality for relief from taxes and interest owed.

(2) To be eligible for tax relief pursuant to this section,

(a) a Certificate of Claim pursuant to the *Land Titles Clarification Act* must have been issued by the Minister responsible for the Department of Natural Resources pursuant to that Act; and

(b) a Certificate of Claim must be on file at the Registry of Deeds.

5A.3 If an eligible owner meets the income test pursuant to subsection 4.2 of this Administrative Order, tax relief may be provided by the Municipality in the following amounts:

(a) one hundred percent (100%) of any interest arrears and any tax sale fees incurred on the tax account; and

(b) the greater amount of five hundred dollars (\$500.00) or twenty-five percent (25%) of the taxes owed to the Municipality and lienable arrears.

5A.4 If an eligible owner does not meet the income test pursuant to subsection 4.2 of this Administrative Order, tax relief may be provided by the Municipality in the following amounts:

(a) one hundred percent (100%) of any interest arrears and any tax sale fees incurred on the tax account; and

(b) an interest free two (2) year payment arrangement on the remaining taxes owed to the Municipality and lienable arrears.

5A.5 Tax relief is only eligible for the taxes paid for the most recent taxation year and only for the property to which the Certificate of Claim applies.

5A.6 Nothing in this section prevents an owner from applying:

(a) to the HRM Tax Exemption and Deferral Program; or

(b) to Council for tax relief in addition to the relief provided for pursuant to subsections 5A.3 or 5A.4 of this section.

6.0 MINIMUM TAX PAYABLE

6.1 The low-income tax exemption granted shall not reduce the tax payable on a property to less than the greater of:

(a) \$100, or

(b) 1% of the median point of the relevant income range described in Section 4.2, rounded to the nearest \$10.

7.0 APPLICATION DEADLINES

7.1 An application for a low-income tax exemption for a fiscal year shall be submitted by December 31st of that fiscal year. No application can be made for a retroactive low-income tax exemption.

7.1A Notwithstanding section 7.1, an application for exemption for the 2015/16 fiscal year shall be submitted by March 31, 2016.

7.2 An application for a fire damage tax exemption shall be submitted within six (6) months after the fire.

7.3 Notwithstanding, subsection 7.2, for fires that occurred between December 1st, 2008 and March 31st, 2010, an application for a fire damage tax exemption shall be submitted by September 30th, 2010.

7A.0 Treasurer

7A.1 The Treasurer or delegate is granted the authority to provide partial tax exemptions and tax relief in accordance with this Administrative Order.

8.0 EXEMPTION AND DEFERRAL ALLOWED:

8.1 Nothing in this Administrative Order prohibits an applicant from being granted an partial real property exemption pursuant to this Administrative Order as well as a deferral in respect of those taxes pursuant to By-Law T-700, subject to the terms and conditions therein, in respect of the same fiscal period.

9.0 REPEAL

9.1 Administrative Order Number Ten dated the 12th day of September, 2006 and any amendments thereto is hereby repealed.

Done and passed in Council this 27th day of April, 2010.

Mayor

Acting Municipal Clerk

I, Cathy Mellett, Acting Municipal Clerk of Halifax Regional Municipality, hereby certify that the above noted Administrative Order was passed by a meeting of Halifax Regional Council held on April 27, 2010.

Cathy Mellett, Acting Municipal Clerk

Notice of Motion:	April 13, 2010
Approval:	April 27, 2010
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Amendment # 1 – Application deadline change	
Notice of Motion:	March 8,
2016	
Approval:	April 12, 2016
Effective Date:	April 30, 2016
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Amendment # 2 – Criteria for tax relief applications	
Notice of Motion”	August 2,
2016	
Approval:	September 6, 2016

**Attachment 2
(Amending Administrative Order)**

**ADMINISTRATIVE ORDER 10
RESPECTING PARTIAL TAX EXEMPTION FOR RESIDENTIAL TAXATION**

BE IT RESOLVED by the Council of the Halifax Regional Municipality that Administrative Order 10, the Partial Tax Exemption Administrative Order, is amended as follows:

1. Amending clause 4.2(a) by striking out the words “single person” after the words “for a” and before the word “household” and replacing them with the words and hyphen “two-person”.
2. Amending clause 4.2(b) by striking out the words and hyphen “three-person” after the words “for a” and before the word “household” and replacing them with the words and hyphen “four-person”
3. Amending clause 4.4(a) by striking out the words “one third” after the words “equal to” and before the words “of the average” and replacing them with the number and word “37.5 percent”.

Done and passed in Council this day of , 2022.

Mayor

Municipal Clerk

HALIFAX REGIONAL MUNICIPALITY

BY-LAW T-700

RESPECTING TAX DEFERRALS

BE IT ENACTED by the Council of the Halifax Regional Municipality as follows:

SHORT TITLE

1.1 This Bylaw shall be known as Bylaw Number T-700 and may be cited as the “Tax Deferral Bylaw”;

INTERPRETATION

2.1 In this By-law,

(a) “income” includes wages, salaries, emoluments, gratuities and honorariums arising from employment; fees, earnings and profits from any profession, trade, business or calling after deducting the expenses of earning the same; interest and dividends received directly or indirectly from shares, stocks, bonds, debentures, deposits, mortgages, agreements for sale, estates, loans and other investments; pensions, annuities, retiring allowance, compensation and similar income from any person, business, estate, insurance or other company, government or government agency wherever earned.

(i) all world net income for deemed residents and for non-residents working outside of Canada; and

(ii) any owner withdrawals from a self-employed applicant;

but does not include:

(i) an allowance paid pursuant to the War Veteran’s Allowance Act (Canada);

(ii) a child tax benefit;

(iii) a GST or HST rebate;

(iv) an oil rebate;

(v) a pension paid to armed forces personnel pursuant to the Pensions Act (Canada).

- (b) “deferral” means any portion of the residential and resource property taxes, local improvement charges or trunk sewer charges levied against a property, payment of which is deferred pursuant to this By-law;
- (c) “owner” means a registered title-holder named on the property deed at the Nova Scotia Registry of Deeds, and includes
 - (i) a part owner, joint owner, tenant in common or joint tenant of the property;
 - (ii) In the case of the absence or incapacity of the person having title to the property, a trustee, an executor, a guardian, an agent, an heir, or next of kin; or
 - (iii) a person with a life interest in the property;but shall not include
 - (i) a trustee in bankruptcy;
 - (ii) a person having the care or control of the property through adverse possession; or
 - (iii) a corporation (other than a registered Canadian Charity)
- (d) “residential property” shall be the building in which the owner or owners reside and that portion of land assessed as residential or resource with a dwelling under the Assessment Act of Nova Scotia (1989), provided that in the case of property assessed under two or more assessment categories, any partial property tax exemption shall not be calculated on the residential assessment or resource with dwelling portion only, and property or land assessed as commercial, farmland, resource, forest, residential farmland, or residential forest shall not be deemed to be residential property.
- (e) In the event that the owner’s principle place of residence (“home”) is completely or partly destroyed as a direct consequence of fire, explosion, or an acute weather event so as to render the premises uninhabitable and the owner must reside temporarily at another location during re-construction or repair application may be made to the Treasurer of the Municipality for a property tax deferral or deferral of local improvement charges calculated on a pro-rated basis on that portion of the Residential assessment or Resource with Dwelling assessment that applies to the land.

Additional documentation shall be required to demonstrate that the destruction of the residence was a direct consequence of a fire, explosion, or acute weather event, that the dwelling is uninhabitable or unsafe, and that destruction was not the consequence of a criminal act by the owner

(such as arson).

Such consideration of eligibility shall apply only to a residential dwelling and shall exclude ancillary buildings, recreational cottage, guest house or a non-conforming structure used for habitation.

DEFERRAL

3.1 A person may apply in writing to the Treasurer of the Municipality for the postponement of the payment of the taxes rated by the Municipality upon residential property within the Municipality for the year in which the application is made and such postponement shall be allowed if the person meets the following criteria;

- (a) the person is the owner of the property and uses it for his or her own principle residence;
- (b) the person's gross income together with the income of a spouse or other member of the household over the age of 18 years, including any legally recognized trustee, guardian or executor resident on the property does not exceed the indexed income threshold as set out under 3.1A; and
- (c) the property for which the deferral is applied meets all minimum health and safety laws, regulations and bylaws.

3.1A The indexed income threshold shall be established using the annual Statistics Canada low income cut-off for a ~~three-person~~ four-person household, rounded up to the nearest \$1,000, based upon the population of the entire HRM region.

3.2 If the applicant is a legally recognized trustee, guardian or executor who is not the beneficial owner but is making application on behalf of the resident(s), the applicant shall submit proof of their status and proof of income of the beneficiary pursuant to Section 6.

3.3 Application for a property tax deferral can be made in any of the following manner:

- (a) Property tax deferral on full residential portion or residential and resource with dwelling of billing; or
- (b) Property tax deferral on a portion of the residential billing only with a property tax exemption under Administrative Order 10, taxes deferred will be charged interest each fiscal year; or
- (c) Property tax deferral on a portion of the residential billing only with a property tax exemption under Administrative Order 10, with the option to also defer local improvement charges or trunk sewer charges; taxes deferred will be charged interest each fiscal year.

3.4 A deferral for property taxes shall only be granted on a residential property, or the portion of the property deemed residential or residential resource by the Provincial

Assessment Office and occupied by the homeowner as a principle residence, excluding property taxes assessed as commercial or business occupancy, or strictly resource with no dwelling occupied by the homeowner, a second home, or a cottage, or a mobile home which is on land not owned by the applicant.

- 3.5 The total cumulative value of all taxes and local improvement charges deferred under this by-law shall not exceed 75% of the assessed property value as determined by the Provincial Assessment Office. Should the deferred taxes reach 75% of the assessed property value, payment is required, either in full of the deferred portion or through an active payment plan.
- 3.6 Eligibility awarded under 2.1 (e) of this by-law shall be for a period of one (1) year.
 - (a) If after one (1) year the owner has not re-built, repaired, sold or disposed of the property and wishes to remain eligible for a deferral they may appeal in writing to the Treasurer of the Municipality. Consideration of an appeal shall be on the basis of (a) an unreasonable delay in re-construction due to financial hardship or (b) insurance settlement.

REPAYMENT

4.1 Taxes deferred pursuant to Section 3 shall be repaid to the Municipality in full upon the conveyance of the property or upon the death of the person granted the deferral provided that the deferral may continue if the property is conveyed to the widow or widower of the deceased person and the widow or widower meets the criteria set forth in section 3.

Taxes deferred pursuant to Section 3 may be repaid in full or in part at any time without loss of eligibility for future application to the by-law.

INTEREST

5.1 Interest shall be charged on deferrals at the rate set by Regional Council. Local improvement charges and trunk sewer charges that are otherwise subject to interest are not subject to additional interest under this By-law.

APPLICATION FORM

- 6.1 An application to the Treasurer shall contain proof to the satisfaction of the Treasurer that the application has met the conditions required to be granted a deferral.
- 6.2 The applicant and spouse shall be required to submit required income tax returns, forms and documents including any relevant corporate or business information.
- 6.3 No applicant can apply for a retro-active deferral of any amount of tax, local improvement charges or trunk sewer charges.
- 6.4 An application for deferral for a fiscal year shall be submitted by December 31st of

that fiscal year.

- 6.4A Notwithstanding section 6.4, an application for deferral for the 2015/16 fiscal year shall be submitted by March 31, 2016.
- 6.5 Subject to subsection 6.6, if an applicant does not re-apply for a deferral pursuant to this By-Law or for a residential property tax exemption pursuant to Administrative Order 10 within the year following the fiscal year in which the last application for a tax deferral or tax exemption was made, all amounts to taxes previously deferred shall become payable and collectable in accordance with the Municipality=s official collection policy without deferral.
- 6.6 Amounts deferred can remain deferred although applicants no longer qualify for the program due to changes in circumstances if they have an active mutually agreeable payment plan with the Municipality in respect of the deferred amount on which payments remain current, until payment of the deferred amount has been made in full.
- 6.7 All applicants to the Property Tax Deferral Program and the Deferral of Local Improvement Charges Program are required to make an annual application pursuant to By-law T-700.

REPEAL

- 7.1 By-law T-300 is hereby repealed, provided that any deferral granted pursuant to such bylaw may be continued according to terms of this by-law.

DEFERRAL OF LOCAL IMPROVEMENT CHARGES

- 8.1 This by-law applies to deferrals of real property tax and Local Improvement Charges and Trunk Sewer Charges. Deferrals will not be applied retro-actively on property taxes, local improvement charges or trunk sewer charges. Notwithstanding this by-law, any past due amounts are payable in full.

Done and passed in Council this 14th day of June, 2005.

Mayor

Municipal Clerk

I, Jan Gibson, Municipal Clerk of the Halifax Regional Municipality, hereby certify that the above noted by-law was passed at a meeting of Halifax Regional Council held on June 14, 2005.

Jan Gibson, Municipal Clerk

Notice of Motion:	May 3, 2005
First Reading:	May 10, 2005
Notice of Public Hearing - Publication:	May 28, 2005
Second Reading:	June 14, 2005
Approval of Service Nova Scotia and Municipal Relations:	N/A
Effective Date:	June 18, 2005

Amendment # 1 (T-701)	
Notice of Motion:	August 8, 2006
First Reading:	September 5, 2006
Notice of Public Hearing - Publication:	September 23, 2006
Second Reading:	October 10, 2006
Approval of Service Nova Scotia and Municipal Relations:	N/A
Effective Date:	October 21, 2006

Amendment # 2 (T-702)	
Notice of Motion:	January 23, 2007
First Reading:	January 30, 2007
Notice of Public Hearing Publication:	February 3, 2007
Second Reading:	February 20, 2007
Approval of Service Nova Scotia and Municipal Relations:	N/A
Effective Date:	April 1, 2007

Amendment # 3 (T-703)	
Notice of Motion:	May 15, 2007
First Reading:	May 29, 2007
Notice of Public Hearing Publication:	June 2, 2007
Second Reading:	June 19, 2007
Approval of Service Nova Scotia and Municipal Relations:	N/A
Effective Date:	June 23, 2007

Amendment # 4 (T-704)	
Notice of Motion:	September 16, 2008
First Reading:	September 23, 2008
Notice of Public Hearing Publication:	September 27, 2008
Second Reading:	October 21, 2008
Approval of Service Nova Scotia and Municipal Relations:	N/A
Effective Date:	October 25, 2008

Amendment # 5 (T-705)

Notice of Motion:
2016

March 8,

First Reading:

March 22, 2016

Notice of Public Hearing Publication:
2016

March 26,

Second Reading:
2016

April 12,

Approval of Service Nova Scotia and Municipal Relations:
N/A

Effective Date:

April 30, 2016

**HALIFAX REGIONAL MUNICIPALITY
BY-LAW T-706
RESPECTING TAX DEFERRALS**

BE IT ENACTED by the Council of the Halifax Regional Municipality that By-law T-700, the *Tax Deferral By-law*, is amended as follows:

1. Section 3.1A is amended by striking out the words and hyphen “three-person” after the words “for a” and before the word “household” and replacing them with the words and hyphen “four-person”.

Done and passed by Council this ____ day of _____, 2022.

Mayor

Municipal Clerk

I, Iain MacLean, Municipal Clerk of the Halifax Regional Municipality, hereby certify that the above noted by-law was passed at a meeting of the Halifax Regional Council held on _____, 2022.

Iain MacLean, Municipal Clerk