HALIFAX

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Item No. 15.1.2
Halifax Regional Council
March 22, 2022

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by

Jacques Dubé, Chief Administrative Officer

DATE: January 26, 2022

SUBJECT: Commercial Assessment Averaging Program and By-Law

ORIGIN

May 4, 2021, Halifax Regional Council motion (Item 11.1.2):

MOVED by Councillor Mason, seconded by Deputy Mayor Outhit

THAT Halifax Regional Council direct the Chief Administrative Officer to:

1) Implement commercial assessment averaging, starting in fiscal year 2022/23 with 2021/22 as the base year, conditional on a successful upgrade of HRM's tax billing system to the SAP Tax and Revenue Module.

MOTION PUT AND PASSED.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, subsections 92C(2),(3),(4),(6), and (9), as follows:

92C (2) Notwithstanding subsection 71(2) but subject to Section 92D, where the Council considers it necessary or advisable, the Council may, by by-law, provide for
(a) the phasing-in of an increase in the taxable assessed value of an eligible property located in a commercial development district over a period not exceeding ten years; and
(b) the cancellation, reduction or refund of taxes paid as a result of the phasing-in of the increase.

(3) Subject to subsection (4), a by-law made pursuant to subsection (2) must establish, in accordance with a municipal planning strategy, one or more commercial development districts.

(4) A commercial development district may only be established in an area that is serviced by wastewater facilities and a water system.

(6) A formula prescribed by clause (5)(c) must not result in the calculation of the total increase in taxes payable during the phase-in period being less than fifty per cent of the total increase in taxes that would be payable during the same period in the absence of the application of the formula.

RECOMMENDATION ON PAGE 2

(9) Nothing in this Section authorizes the application of a commercial tax rate to an eligible property other than the commercial tax rate set by the Council pursuant to Section 94 for the area of the Municipality determined to be an urban area receiving an urban level of services.

RECOMMENDATION

It is recommended that Halifax Regional Council adopt By-law C-1200, the *Commercial Development Districts By-law*, as set out in Attachment 1 of this report, with an effective date of April 1, 2023.

BACKGROUND

On May 20, 2016, the Province of Nova Scotia passed Bill 177, 2016 SNS, c. 13, s. 3, which amended the Halifax Regional Municipality Charter allowing Halifax Regional Council, by by-law, to implement up to 10-year assessment phase-in in a Commercial Development District (CDD). Such a CDD must be in an area that is serviced by wastewater facilities and a water system and must be in an area of the Municipality determined to be an urban area receiving an urban level of services. As well, the by-law must be established in accordance with a municipal planning strategy.

On July 16, 2019, Halifax Regional Council directed the Chief Administrative Officer to "develop and return to Regional Council for its consideration a by-law to phase-in commercial tax bills that uses a three-year rolling assessment average [and] is targeted towards properties with assessment growth more than 5 percent above the HRM average." On May 4, 2021 Halifax Regional Council further directed the Chief Administrative Officer to "implement commercial assessment averaging, starting in fiscal year 2022/23 with 2021/22 as the base year."

The purpose of the Commercial Assessment Averaging program is to reduce the impact on property owners (and their tenants) of unexpected spikes in commercial assessments. The program is intended to support the principles of increasing stability and improving predictability for commercial property owners.

Three key steps are required to implement the Commercial Assessment Averaging Program, as follows:

1) the Regional Municipal Planning Strategy (RMPS or Regional Plan) must be amended (including approval by provincial Minister) to enable the establishment of Commercial Development Districts beyond the Regional Centre;
2) a by-law must be adopted to establish the Commercial Development District and the Commercial Assessment Averaging Program (including approval by provincial Minister); and
3) the new program must be implemented, including:
   i. the incorporation of assessment averaging in the new property tax billing system and
   ii. communicating with commercial property taxpayers on the new program, focusing on those within the CDD.

Update of Progress

On October 26, 2021 Council adopted the Regional Centre Secondary Municipal Planning Strategy which included Policy IM-29 enabling one or more CDDs, as follows:

> Council may establish, by by-law, one or more commercial development districts in the Regional Centre to mitigate impacts of increasing commercial property assessment consistent with the provisions set out in the *HRM Charter*.

The Centre Plan came into force on November 27, 2021.

On December 7, 2021 Halifax Regional Council amended the Regional Municipal Planning Strategy (RMPS) and added Policy EC-17 enabling one or more CDDs, as follows:

> Council may establish, by by-law, one or more commercial development districts across Halifax Regional Municipality, provided the district is serviced by wastewater and water infrastructure.

On February 5, 2022, the RMPS amendment came into force.

The implementation of SAP Tax and Revenue Module has been delayed from February 2022 to June 2022, which no longer allows time this spring to configure the Assessment Averaging features. This will shift the implementation of the Commercial Assessment Averaging Program to the 2023/24 tax bill (with 2022/23 as the base year). However, the by-law can proceed on its planned course so the features of the approved program can be configured into the new system in 2022/23, in preparation for the 2023/24 taxation year. The effective date in the by-law is April 1, 2023. This means that assessment averaging may be implemented at the same time as Regional Council's proposed small business tax zones.

This by-law determines the taxable assessed value for commercial properties within a commercial development district. This is separate from the commercial tax options for small business that Committee of the Whole debated on February 15, 2022, which will determine the commercial tax rates applied to that taxable assessed value.

DISCUSSION

Program Features

Incorporating feedback from commercial industry stakeholders in late 2021, staff have developed a by-law to implement the Commercial Assessment Averaging program. The by-law has the following features.

No Application Required

Eligibility will be determined, and averaging carried out, each fiscal year by HRM staff based on the annual commercial assessment information provided by the Property Valuation Services Corporation (PVSC) for commercial properties located in the CDD. Eligible properties will be notified of their acceptance into the program (each year) prior to or with their final tax bill. Exact communications are still being worked out and businesses will be further consulted on the process.

Assessment Increase Threshold set at 5%

The annual commercial assessment increase required (based on assessed values provided by PVSC) to be eligible for assessment averaging is proposed to be set at 5%. This 5% threshold quantifies in policy the minimum "assessment spike" that needs to be addressed by the program. This a change from the Council direction provided in July 2019 for a program with eligibility based on an assessment increase "more than 5 percent above the HRM average." This change is recommended to improve certainty for business owners and predictability of the program. The 5% threshold removes a risk of reduced transparency since business owners would not have been able to confirm the annual "HRM average". A threshold, such as 5%, is included to limit the number of eligible properties in the program, in part to reduce the impact of the program on those properties that are not increasing. This feature reduces the amount the tax rate will need to increase to keep the program revenue neutral for commercial taxation.

Halifax Regional Council can change the 5% threshold set out in the by-law at a future date, as financial or economic conditions change. However, this is considered a resilient feature of the program and should not adversely impact the performance of the program, should commercial assessments increase significantly or minimally in future years.

Program Refreshes each Fiscal Year

The "Base Year" moves forward by one year each fiscal year, so each commercial property within the Commercial Development District can be eligible for the program each and every year they meet the eligibility requirement. The phase in of applicable current and past year commercial assessments will be combined to determine the taxable value for each given year. The phase in of assessments from up to three fiscal years could be "layered" to determine this taxable value. Property specific information will be provided to each commercial property owner in the assessment averaging program.

Program Carries Forward to New Owners
The assessment averaging will continue for commercial properties sold the prior year. This provides predictability to new property buyers, but also to tenants in buildings being sold (if they are responsible for commercial property taxes as part of their lease). This also eliminates the need for PVSC or HRM to confirm whether a property has had a "beneficial ownership" change rather than a simple name change or minor restructuring, i.e. reduced administration and red tape.

New Construction Eligible for Averaging
Increases in commercial assessment value due to renovations, expansions, or new construction will be eligible for the three-year assessment averaging. There will be no need for PVSC or property owners to explain the reasons for increased assessments. This feature is included to support commercial investment and to reduce administration (for PVSC or HRM) and red tape for businesses. Staff considered excluding new construction from the averaging calculations. However, in many cases the data on new construction will not be available and so exclusion of all new construction is not possible. In order to minimize the impact from large construction projects, staff propose a limit on the total amount that can be averaged.

Program is Targeted to Small Properties/Businesses
The maximum annual increase that may be averaged is limited to $1,500,000 per commercial property (taxable account). This feature is being proposed to target the benefit to smaller properties. For example, a property valued at $1,500,000 – which is roughly the average value for all commercial properties and in the range of assessed values of the highest-taxed small properties – could double in value in one year and be allowed to phase in the full increase over three years. By contrast, if a piece of vacant land were developed and increased in value from $1,000,000 to $10,000,000, only $1,500,000 of the $9,000,000 assessment increase would be eligible.

The limit on the eligible annual assessment increase also provides a benefit to those commercial properties that are not increasing. This feature limits the total annual assessment base impact, thereby reducing the amount the commercial tax rate will need to increase to keep the program revenue neutral for commercial taxation.

Assessment Averaging Example 1:

	Base Year	**Year 1**	**Year 2**	**Year 3**
Market Value	$1,500,000	**$3,000,000**	**$3,000,000**	**$3,000,000**
After Assessment Averaging				
Taxable Value	$1,500,000	**$2,000,000**	**$2,500,000**	**$3,000,000**

A mid-sized commercial property that doubles in value from $1,500,000 to $3,000,000 would see the full $1,500,000 increase phased-in or "averaged" over three years.

Assessment Averaging Example 2:

	Base Year	**Year 1**	**Year 2**	**Year 3**
Market Value	$1,000,000	**$10,000,000**	**$10,000,000**	**$10,000,000**
After Assessment Averaging				
Taxable Value	$1,000,000	**$9,000,000**	**$9,500,000**	**$10,000,000**

A property with an increase over $1,500,000 would see any increase over $1,500,000 applied in Year 1. Then, the eligible $1,500,000 increase would be "averaged" over three years.

Eligibility Excludes New Properties and Subdivisions
A taxable commercial property must exist in both the "Base Year" (prior fiscal year) and the "Current Fiscal Year" to be eligible. New tax accounts are not eligible for the program in their first year since they have no "Base Year" value. They would be eligible the following year as they would then have a Base Year. Similarly, subdivisions (one property in the prior year → multiple properties in the current year) and consolidations (multiple properties in the prior year → one property in the current year) are not eligible in their first year but would be eligible the following year. By definition of the HRM Charter, a "subdivision" includes both a division of an area of land into two or more lots and a consolidation of two or more lots.

Adjustments for Appeals
As the PVSC assessed values of commercial properties are successfully appealed, the resulting phase-in amounts and taxable commercial assessments will be recalculated. This process will be automated, so taxable value changes – potentially over multiple years, past and future – will be known.

Phase-in Details

First Year Phase-In Not Less than 5% Threshold
When assessment increases are phased-in for eligible properties, the first-year increase shall not be less than the 5% threshold. This aspect of the by-law is easier to demonstrate than to explain. See the table below showing examples of percentage increases for each of the three phase-in years, based on the current year Assessment Increase.

Assessment Increase	**Increase**	**Phase-In Percentage**	
	Year 1	**Year 2**	**Year 3**
0%	0%	n/a	n/a
3%	3%	n/a	n/a
5%	5%	n/a	n/a
7%	5%	1%	1%
10%	5%	2.5%	2.5%
15%	5%	5%	5%
24%	8%	8%	8%
36%	12%	12%	12%

Rounding of Phase-In Amounts
All assessed values provided by PVSC are rounded to $100. The by-law will maintain this rounding by rounding each of the phase-in amounts to $100.

Also, the minimum amount that will be phased-in for Years 2 and 3 is $200, i.e. $100 in Year 2 and $100 in Year 3. So, commercial properties must exceed the 5% threshold by more than $200 to be eligible.

Assessment Averaging Example 3:

	Base Year	**Year 1**	**Year 2**	**Year 3**
Market Value	$1,000,000	**$1,090,000**	**$1,090,000**	**$1,090,000**
After Assessment Averaging				
Taxable Value	$1,000,000	**$1,050,000**	**$1,070,000**	**$1,090,000**

In Example 3: The property value increases nine percent from the Base Year. Five percent of that increase is phased-in in Year 1 and two percent applied in each of Years 2 and 3.

Assessment Averaging Example 4:

	Base Year	**Year 1**	**Year 2**	**Year 3**
Market Value	$1,000,000	**$1,200,000**	**$1,200,000**	**$1,200,000**
After Assessment Averaging				
Taxable Value	$1,000,000	**$1,066,700**	**$1,133,400**	**$1,200,000**

In Example 4: The phase-in amount applied in Years 1 and 2 is rounded from $66,666.67 to $66,700. In Year 3, the remaining $66,600 is added.

Commercial Development District Boundary
The Charter restricts a Commercial Development District (CDD) to commercial properties receiving urban level of services and receiving municipal (Halifax Water) water and wastewater services. To allow the largest possible area the (HRM Finance) Urban/Suburban tax area within the (HRM Planning) Urban Service area has been selected. A map of the proposed CDD area forms part of the by-law as Schedule 1 (Attachment 1). The CDD includes approximately 74% of the 5,450 taxable commercial properties in the region.

An alternative CDD area, for Halifax Regional Council's consideration, is included as Attachment 2. The alternative would add fewer than ten urban commercial properties, in two small areas of Fall River and North Preston to the CDD area. Of the few properties in North Preston, all are owned by public sector or non-profit (with tax relief). So, they would receive no or limited benefit from the Assessment Averaging program. In Fall River, six small commercial properties near Fall River Road and McPherson Road would be included with the alternative map. The vast majority of the commercial properties in Fall River, i.e. those along Fall River Road or Highway #2 with water services, are not included on the alternative map because they do not have piped sewer services. The alternative map, although in line with legislation, is not recommended for the following reasons:

- the small number of properties may benefit little from the new program*;
- the two additional areas include only a small portion of each community;
- a complicated CDD boundary may make rate adjustments for revenue neutrality less transparent*.

** see Revenue Neutrality below: if Halifax Regional Council decides that the rate adjustment applies to the CDD area only, these few commercial properties would pay a higher tax rate than commercial properties surrounding them.*

Revenue Neutrality
Reviewing 2021 to 2022 assessed value changes, 32% of commercial properties in the CDD would be eligible for the Assessment Averaging program (if the program were available in 2022/23). As a result, the assessment averaging program would reduce the average taxable assessment of commercial properties in the CDD* from $1,775,500 to $1,747,100, i.e. 1.6%. To maintain revenue neutrality in the CDD, the

commercial urban tax rate would have to be adjusted from the proposed $3.105 per $100 of assessment to $3.154, a 1.6% tax rate increase. Alternately, a rate adjustment could be made for the CDD area only. Both these options would need to consider how the CDD overlaps with planned 2023/24 boundary changes for the new small business tax zones.

Revised Timeline
Given the new timeline for the delivery of the SAP Tax and Revenue Module, Phase 3 of the project which includes the incorporation of assessment averaging in the new property tax billing system and communications with commercial property taxpayers on the new program, will take place in late 2022 and early 2023.

The first two phases of the project, will remain close to their original schedule. Information on the HRM Commercial Assessment Averaging website will be updated, following confirmation from Regional Council.

Impact on other Possible Incentives
In the past, Regional Council has asked staff to look at applying tax tools to encourage retention and restoration of heritage properties in the municipality. The proposed by-law does not provide any provision to target the assessment of heritage properties within the CDD. Section 92C of the Charter does not apply to residential properties and does not provide the ability to target commercial heritage properties or projects specifically in a CDD. Rather, the by-law applies to all commercial properties in the district. As well, due to the complexity of the averaging by-law, it is extremely difficult to administer both assessment averaging for all commercial properties within the CDD plus any additional assessment averaging for any sub-groups within the CDD. As such, staff do not intend to bring forward additional assessment averaging proposals.

FINANCIAL IMPLICATIONS

Approximately $100,000 of incremental contract funding will be required in 2022/23 to configure the SAP Tax and Revenue Module for the Commercial Assessment Averaging program. This cost estimate for system changes is high level and actual costs may be higher or lower. This can be funded from within the proposed Fiscal Services 2022/23 operating budget. As well, if the commercial averaging is implemented concurrently with the small business tax zones, additional staff may be required to ensure fulsome system testing and customer communications. In 2023/24, when the program is rolled out, additional staff will be required to administer the program, estimated at an incremental annual cost of $100,000.

When the Commercial Assessment Averaging program is put in place in fiscal 2023/24, the urban/suburban tax rate or the rates in the applicable new small business tax zones as adopted by Council will be adjusted to reflect the average 2023 <u>taxable</u> commercial assessment (with the assessment averaging program). This will allow the program to be delivered maintaining the same commercial taxation revenue, with no financial impact to the municipality.

RISK CONSIDERATION

The greatest risk of this program is reducing understanding of the property taxation system by commercial taxpayers. Good communications during the transition to the program(s) and clear information to commercial taxpayer, on an on-going basis, are essential to the success of this program. There is increased risk to implementing commercial tax averaging at the same time as the small business tax zones: from a systems perspective, staff resource perspective as well as the potential to create customer confusion on the range of taxation changes. With any new tax policy program there is potential for unintended consequences. With this initiative there is risk some customers will not receive the amount of benefit they may be expecting while other customers (who were not expected to benefit) may benefit more.

COMMUNITY ENGAGEMENT

In December 2021, Finance staff held virtual consultation sessions with the Halifax Economic Partners group – the BIDs, Halifax Partnership, Discover Halifax and Develop NS – as well as real estate professionals. Participant comments from these sessions were used to refine the final recommendations in this report.

The business community and commercial property owners and the business community will be informed of the progress of this project, as it proceeds, and the details of the program, once finalized. There will be direct correspondence with commercial property owners in the assessment averaging program in the 2023 calendar year to outline the specific changes to their taxable assessment for their specific property.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVES

1. Regional Council could adopt By-law C-1200, the Commercial Development Districts By-law, with the alternative Schedule 1. If Council selects this option, the motion needs to be amended to read as follows:

> That Halifax Regional Council adopt By-law C-1200, the *Commercial Development Districts By-law*, as set out in Attachment 1 of this report, with an effective date of April 1, 2023, with the following amendment:
>
> Schedule 1 is replaced with the version of Schedule 1 attached as Attachment 2 to the staff report dated January 26, 2022.

2. Regional Council could request that staff consider other features for the new program. This would require a supplementary staff report and a revised version of the by-law incorporating Council's requested changes.

ATTACHMENTS

Attachment 1 – Proposed By-law C-1200, the *Commercial Development Districts By-law*
Attachment 2 – Alternative Schedule 1

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, Finance & Asset Management,902.292.4556

ATTACHMENT 1

(Proposed By-law C-1200, the *Commercial Development Districts By-law*)

HALIFAX REGIONAL MUNICIPALITY
BY-LAW NUMBER C-1200
RESPECTING COMMERCIAL DEVELOPMENT DISTRICTS

HALIFAX

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HALIFAX REGIONAL MUNICIPALITY
BY-LAW NUMBER C-1200
RESPECTING COMMERCIAL DEVELOPMENT DISTRICTS

BE IT ENACTED as a by-law by the Council of the Municipality, under the authority of section 92C of the *Halifax Regional Municipality Charter*, 2008 S.N.S. c. 39, as amended, as follows:

WHEREAS Council may, by by-law, provide for the phasing-in of an increase in the taxable assessed value of an Eligible Commercial Property located in a Commercial Development District over a period not exceeding ten years;

AND WHEREAS the taxable assessed value for Eligible Commercial Property, including whether the phased-in assessment increase applies for a given Fiscal Year, will be determined under this By-law each Fiscal Year until the By-law is repealed;

AND WHEREAS Council may, by by-law, provide for the cancellation, reduction, or refund of taxes paid as a result of the phasing-in of the assessment increase;

AND WHEREAS a Commercial Development District may only be established in accordance with a municipal planning strategy, and only within an area of the Municipality that is serviced by wastewater facilities and a water system;

AND WHEREAS Policy EC-17A of the *Regional Municipality Planning Strategy,* and Policy IM-29 of the *Regional Centre Secondary Municipal Planning Strategy,* allow for the establishment of one or more commercial development districts;

AND WHEREAS a Commercial Development District must be located in an area of the Municipality determined to be an urban area receiving an urban level of services;

Short Title
1. This By-law may be cited as the *Commercial Development Districts By-law*.

Purpose
2. The purpose of this By-law is to reduce the impact of increases to the commercial property assessments for Eligible Commercial Properties by:

(a) setting a standard percentage increase; and

(b) phasing-in assessment increases for commercial properties that exceed the standard percentage increase, up to the maximum phased-in amount, over three Fiscal Years.

Interpretation
3. In this By-law,

(a) "Annual Assessment" means the assessed value determined by Property Valuation Services Corporation, and any changes resulting from an assessment appeal or a request for reconsideration;

(b) "Base Year Assessment" means:

(i) for the first Fiscal Year this By-law is effective in a Commercial Development District, the Annual Assessment for the previous Fiscal Year for the same Eligible Commercial Property, or

(ii) subject to section 13, for all other Fiscal Years this By-law is effective in a Commercial Development District, the taxable assessed value for the previous Fiscal Year for the same Eligible Commercial Property;

(c) "Charter" means the *Halifax Regional Municipality Charter*, 2008 S.N.S. c. 39, as amended;

(d) "Commercial Development District" means a district shown on a Schedule to this By-law that is comprised of one or more Eligible Commercial Properties;

(e) "Eligible Commercial Property" means a commercial property, except the forest property owned by a person who owns fifty thousand acres or more of forest property in the Province;

(f) "Fiscal Year" means the period from April 1st in one year to March 31st in the following year, including both dates;

(g) "Phased-in Period" means the current Fiscal Year and the next two Fiscal Years; and

(h) "Subdivision" means subdivision as defined under clause 209(r) of the Charter.

Application

4. (1) Subject to subsection 2, this By-law shall apply to an Eligible Commercial Property that is located in a Commercial Development District.

(2) This By-law shall not apply to commercial properties:

(a) owned by the Province of Nova Scotia or the Government of Canada unless the occupant is taxed under section 128 of the Charter; or

(b) that are subject to taxation agreement, including an agreement under section 92A or 92B of the Charter.

Current Assessment Increase Amount Calculation

5. The Current Assessment Increase Amount is calculated by subtracting the previous year Annual Assessment from the current Annual Assessment for the same Eligible Commercial Property.

Standard Percentage Increase

6. The Standard Percentage Increase for each Fiscal Year shall be five percent unless otherwise specified in the following chart:

Fiscal Year	**Standard Percentage Increase**

Standard Assessment Increase Amount Calculation
7. The Standard Assessment Increase Amount is calculated by multiplying the previous year Annual Assessment for the same Eligible Commercial Property by the Standard Percentage Increase and rounding up to the nearest one hundred.

Threshold Assessment Amount Calculation
8. The Threshold Assessment Amount is calculated by subtracting the Standard Assessment Increase Amount from the Current Assessment Increase Amount.

Maximum Phased-in Assessment Amount
9. The Maximum Phased-in Assessment Amount shall be 1,500,000.

Eligible Phased-in Assessment and Non-Phased-in Assessment Amounts
10. (1) If the Threshold Assessment Amount is two hundred or less, then

(a) the Eligible Phased-in Assessment Amount is equal to zero; and

(b) the Non-Phased-In Assessment Amount is equal to the Current Assessment Increase Amount.

(2) If the Threshold Assessment Amount is more than two hundred but does not exceed the Maximum Phased-in Assessment Amount, then

(a) the Eligible Phased-in Assessment Amount is equal to the Current Assessment Increase Amount for the current Fiscal Year; and

(b) the Non-Phased-In Assessment Amount is equal to zero.

(3) If the Threshold Amount is more than two hundred and exceeds the Maximum Phased-in Assessment Amount, then:

(a) the Eligible Phased-in Assessment Amount is equal to the Maximum Phased-in Assessment Amount; and

(b) the Non-Phased-In Assessment Amount is equal to the Current Assessment Increase Amount less the Maximum Phased-in Assessment Amount.

Yearly Phased-in Assessment Amount Calculations
11. (1) If subsection 10(2) or (3) applies, then the First Year Phased-in Assessment Amount shall be the greater of:

(a) the quotient calculated by dividing the Eligible Phased-in Assessment Amount by three, and rounding up to the nearest hundred; or

(b) the difference calculated by subtracting the Non-Phased Assessment Amount from the Standard Assessment Increase Amount.

(2) The Second Year Phased-in Assessment Amount shall be calculated by:

(a) subtracting the First Year Phased-in Assessment Amount from the Eligible Phased-in Assessment Amount for the current Fiscal Year; and

(b) dividing the resulting difference by two and rounding up to the nearest hundred.

(3) The Third Year Phased-in Assessment Amount shall be calculated by:

(a) adding the First Year Phased-in Assessment Amount to the Second Year Phased-in Assessment Amount; and

(b) subtracting the resulting sum from the Eligible Phased-in Assessment Amount for the current Fiscal Year.

<u>Application of Yearly Phased-in Assessment Amounts</u>

12. (1) Each of the Phased-in Assessment Amounts under section 11 shall be implemented during each Phased-in Period.

(2) For greater certainty, in a given Fiscal Year:

(a) one or more of the following may apply:

(i) the First Year Phased-in Assessment Amount,

(ii) the Second Year Phased-in Amount, and

(iii) the Third Year Phased-in Assessment Amount; and

(b) more than one Phased-in Assessment Amount for more than one Phased-in Period may apply.

<u>Taxable Assessed Value</u>

13. (1) Subject to subsection 2 and section 14, the taxable assessed value is the sum calculated by adding the applicable First Year Phased-in Assessment Amount, the applicable Second Year Phased-in Assessment Amount, the applicable Third Year Phased-in Assessment Amount, and the applicable Non-phased Assessment Amount to the Base Year Assessment.

(2) The taxable assessed value calculated under this section shall not exceed the Annual Assessment for that Fiscal Year and, if such excess occurs

(a) the taxable assessed value determined under subsection 1 for that Fiscal Year shall be reduced to the Annual Assessment; and

(b) the phased-in assessment amounts continue to apply to any subsequent Fiscal Years during the Phased-in Period.

Taxable Assessed Value Where Subdivision

14. (1) If a subdivision occurs to an Eligible Commercial Property during the Phased-in Period,

(a) the taxable assessed value for the Fiscal Year the final plan of subdivision is approved by the development officer shall be the current Annual Assessment for the subdivided lots; and

(b) any phased-in increases during the Phased-in Period that would have otherwise applied, shall no longer apply.

(2) The Base Year Assessment for an Eligible Commercial Property that was subdivided during the previous Fiscal Year is the Annual Assessment for the previous Fiscal Year for that same Eligible Commercial Property.

Reduction in Taxes Over Fifty Percent

15. In accordance with subsection 92C(6) of the Charter, where the phased-in assessment amount applies, the total increase in taxes payable during the Phased-in Period shall be no less than fifty (50) percent of the total increase in taxes that would be payable during the same period in the absence of the phased-in assessment amounts.

Adjustments to Annual Assessments

16. (1) If there are changes to the Annual Assessment due to changes resulting from an assessment appeal or a request for reconsideration, the revised Annual Assessment amount shall be used to recalculate the taxable assessed value for the Eligible Commercial Property under this By-law.

(2) Where recalculation has resulted in a decrease in taxable assessed value, any overpaid taxes may be refunded in accordance with subsection 126(2) of the Charter, and in accordance with applicable Phased-in amounts.

Schedules

17. Any Schedule attached to this By-law shall form part of this By-law.

Review of By-law

18. (1) This By-law must be reviewed by the Municipality within four years of its coming in force and every four years thereafter in accordance with section 92E of the Charter.

(2) This By-law remains in force until it is repealed.

Effective Date

19. This By-law shall come into force on the later of

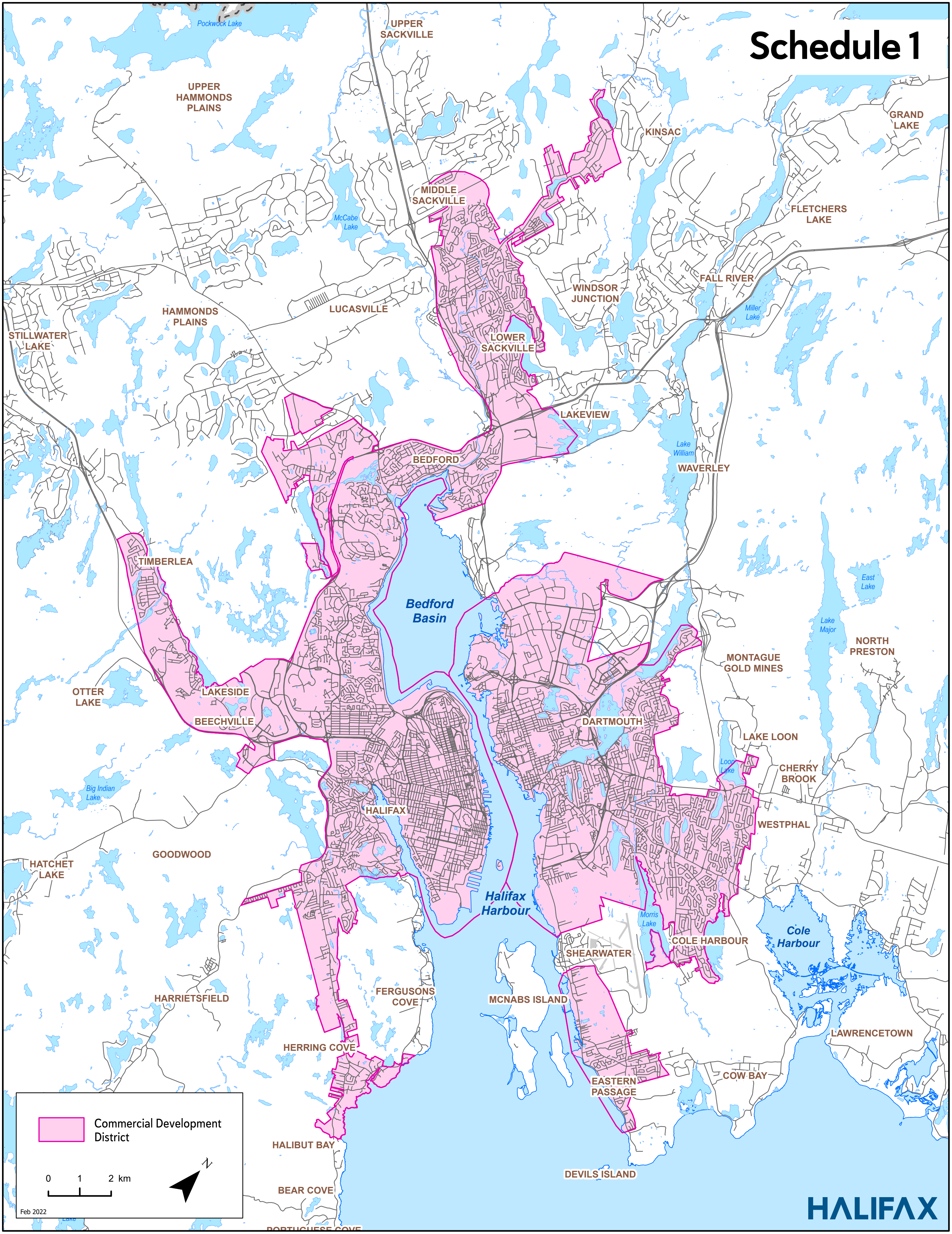
(a) April 1, 2023; or

(b) the date of publication of this By-law.

Done and passed this day of , 2022.

____
Mayor

____
Municipal Clerk


Schedule 1
Pockwock Lake
UPPER SACKVILLE
UPPER HAMMONDS PLAINS
KINSAC
GRAND LAKE
MIDDLE SACKVILLE
McCabe Lake
FLETCHERS LAKE
WINDSOR JUNCTION
FALL RIVER
HAMMONDS PLAINS
LUCASVILLE
Miller Lake
STILLWATER LAKE
LOWER SACKVILLE
LAKEVIEW
Lake William
BEDFORD
WAVERLEY
TIMBERLEA
Bedford Basin
East Lake
Lake Major
NORTH PRESTON
MONTAGUE GOLD MINES
OTTER LAKE
LAKESIDE
BEECHVILLE
DARTMOUTH
LAKE LOON
Loon Lake
CHERRY BROOK
Big Indian Lake
HALIFAX
WESTPHAL
GOODWOOD
HATCHET LAKE
Halifax Harbour
Morris Lake
Cole Harbour
COLE HARBOUR
SHEARWATER
HARRIETSFIELD
FERGUSONS COVE
MCNABS ISLAND
HERRING COVE
LAWRENCETOWN
COW BAY
EASTERN PASSAGE
HALIBUT BAY
DEVILS ISLAND
BEAR COVE
PORTUGUESE COVE
Commercial Development District
0 1 2 km
N
Feb 2022
HALIFAX

ATTACHMENT 2
Schedule 1