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Item No. 15.1.5
Halifax Regional Council
February 7, 2023

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Cathie O'Toole, Chief Administrative Officer

DATE: January 27, 2023

SUBJECT: **By-law T-800 Respecting Property Tax Billing for Tax Relief Recipients and Amendment to Administrative Order 18 Revenue Collections Policy**

ORIGIN

This is a staff initiated report.

LEGISLATIVE AUTHORITY

- *Halifax Regional Municipality Charter, S.N.S. 2008, c.39*

Payment of taxes

123(1) The Council may determine
(a) the due date for taxes;
(b) that taxes are payable in one sum or by instalments.

Power to make by-laws

188(2) Without restricting the generality of subsection (1) but subject to Part VIII, the Council may, in any by-law

...

(b) regulate any development, activity, industry, business, animal, or thing in different ways, divide each into classes and deal with each class in different ways.

- *Administrative Order 18 Revenue Collections Policy*

4.2.2 Liable Charges – Real Property Taxes

(a) Residential and commercial property taxes are billed twice annually with two due dates, one on April 30th and one on October 31st (or the last working day of the month in question). Residents receive their tax bills approximately six weeks prior to the fiscal due date.

- *Administrative Order 2014-001-ADM Respecting Tax Relief for Non-Profit Organizations*

RECOMMENDATION

It is recommended that Halifax Regional Council

1. Adopt By-law T-800 Respecting Property Tax Billing for Tax Relief Recipients, the purpose of which is to permit once per year property tax billing for organizations that have been accepted into the Municipality's Tax Relief for Non-Profit Organizations Program, as set out in Attachment 1; and
2. Adopt the Amending Administrative Order, the purpose of which is to amend Administrative Order 18 Revenue Collections Policy section 4.2.2, as set out in Attachment 2.

BACKGROUND

A re-design of the Tax Relief for Non-Profit Organizations Program has been initiated with the aim of standardizing eligibility criteria and increasing predictability and consistency. Pending Council's approval of a new Administrative Order for the program it is anticipated that property tax billing for program participants will continue to be once a year (Fall) until new policy is adopted and the computerized tax billing system has been customized.

Pursuant to section 4.2.2 of Administrative Order 18, the Revenue Collections Policy, residential and commercial property taxes are billed twice annually with two dates, one on April 30th and one on October 31st.

DISCUSSION

The processing of tax relief awards under the current Administrative Order requires a two-step calculation to convert properties assessed at the commercial rate to the residential rate and then the application of an additional percentage reduction. These calculations have been done using an Excel spreadsheet which must then be uploaded into the tax billing system. Consequently, billing to those organizations accepted into the tax relief program has been done once a year, in the Fall, and does not comply with Clause 4.2.2 of HRM's Revenue Collections Policy. Notwithstanding this variance in billing practice, Council has the authority under the *Halifax Regional Municipality Charter* to determine the due date for taxes and collection in one sum or instalments and/or to implement a by-law allowing for a different practice with respect to organizations accepted into the tax relief program.

The proposed amendment to Administrative Order 18 provides that residential and commercial property taxes may be billed to eligible non-profit organizations receiving tax relief under Administrative Order 2014-001-ADM, the Tax Relief for Non-Profit Organizations Administrative Order, in accordance with By-Law T-800, the Property Tax Billing for Tax Relief Recipients By-law. A by-law is required under the *Halifax Regional Municipality Charter* in order to regulate a class (organizations accepted into the tax relief program) in a different way (once annual billing).

The proposed By-law T-800 provides that unless Council determines otherwise by resolution, residential and commercial property taxes shall be billed to an eligible organization once every fiscal year with one due date on October 31st, or the last working day of October, whichever occurs first. Eligible organizations will receive their tax bills approximately six weeks prior to the due date. Eligible organization means an organization that was provided tax relief in the fiscal year immediately preceding the current fiscal year.

These recommendations provide clarity to tax relief recipients until such time as the tax relief program can be amended to enable computerized billing and the capacity to issue two bills (Spring and Fall) has been established.

FINANCIAL IMPLICATIONS

There are no financial implications identified.

RISK CONSIDERATION

Low.

COMMUNITY ENGAGEMENT

No community engagement was required. The by-law is an administrative procedure.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVES

Regional Council may choose to:

1. Modify the proposed By-law T-800 Respecting Property Tax Billing for Tax Relief and amendments to Administrative Order 18, the Revenue Collections Policy, as set out in Attachments 1, 2 and 3 of this report. If this alternative is chosen, specific direction regarding the requested modifications is required and may require a supplementary staff report incorporating the proposed changes.
2. Refuse to adopt the proposed By-law T-800 Respecting Property Tax Billing for Tax Relief and amendments to Administrative Order 18, the Revenue Collections Policy, as set out in Attachments 1, 2 and 3 of this report. This option is not recommended: the proposed changes provide clarification with respect to the issuance of one tax bill annually to those organizations accepted into the Tax Relief for Non-Profit Organizations Program. Once the capacity to issue two tax bills under the Tax Relief for Non-Profit Organizations Program is established the by-law can be repealed.

ATTACHMENTS

1. Proposed By-law T-800 Respecting Property Tax Billing for Tax Relief Recipients.
2. Administrative Order 18, the Revenue Collections Policy, showing the proposed addition of subclause 4.2.2(c).
3. Amending Administrative Order for Administrative Order 18, the Revenue Collections Policy

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.

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**HALIFAX REGIONAL MUNICIPALITY
BY-LAW T-800
RESPECTING PROPERTY TAX BILLING FOR TAX RELIEF RECIPIENTS**

BE IT ENACTED by the Council of the Halifax Regional Municipality pursuant to sections 123(1) and 188(2)(b) of the *Halifax Regional Municipality Charter* as follows:

1. This By-law may be cited as the *Property Tax Billing for Tax Relief Recipients By-law*.
2. In this By-law,
 - (a) “eligible organization” means an organization that was provided tax relief in the fiscal year immediately preceding the current fiscal year;
 - (b) “fiscal year” means the period of time from April 1st of a given calendar year up to and including March 31st of the next calendar year;
 - (c) “Municipality” means the Halifax Regional Municipality; and
 - (d) “tax relief” means a grant or contribution provided by the Municipality pursuant to Administrative Order 2014-001-ADM, the *Tax Relief For Non-Profit Organizations Administrative Order*.
3. Unless Council determines otherwise by resolution, residential and commercial property taxes shall be billed to an eligible organization once every fiscal year with one due date on October 31st, or the last working day of October, whichever occurs first. Eligible organizations receive their tax bills approximately six weeks prior to the due date.

Done and passed in Council this ____ day of _____, A.D. 2023

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 _____, 2023.

Iain Maclean
Municipal Clerk

Halifax Regional Municipality
Administrative Order 18
Revenue Collections Policy

4.2.2 Liable Charges-Real Property Taxes

(a) Residential and commercial property taxes are billed twice annually with two due dates, one on April 30th and one on October 31st (or the last working day of the month in question). Residents receive their tax bills approximately six weeks prior to the due date.

(b) Notwithstanding 4.2.1(a) and 4.2.2(a), the first due date for residential, commercial, and resource property taxes for the 2020/2021 fiscal year, shall be June 1st, 2020.

(c) Notwithstanding 4.2.2(a), residential and commercial property taxes may be billed to eligible non-profit organizations receiving tax relief under Administrative Order 2014-001-ADM, the *Tax Relief For Non-Profit Organizations Administrative Order*, in accordance with By-Law T-800, the *Property Tax Billing for Tax Relief Recipients By-law*.

**HALIFAX REGIONAL MUNICIPALITY
ADMINISTRATIVE ORDER 18
THE REVENUE COLLECTION ADMINISTRATIVE ORDER**

BE IT RESOLVED as an Administrative Order of the Council of the Halifax Regional Municipality that Administrative Order 18, the Revenue Collections Policy Administrative Order is further amended as follows:

1. Section 4.2.2, is amended by inserting clause 4.2.2(c) immediately after clause 4.2.2(b) as follows:

(c) Notwithstanding 4.2.2(a), residential and commercial property taxes may be billed to eligible non-profit organizations receiving tax relief under Administrative Order 2014-001-ADM, the *Tax Relief For Non-Profit Organizations Administrative Order*, in accordance with By-Law T-800, the *Property Tax Billing for Tax Relief Recipients By-law*.

Done and passed in Council this ____ day of _____, A.D. 2023

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 _____, 2023.

Iain Maclean
Municipal Clerk