



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

Item No. 14.1.6
Halifax Regional Council
September 6, 2016

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by _____
John Traves, Q.C. Acting Chief Administrative Officer

Original Signed by _____
Jane Fraser, Acting Deputy Chief Administrative Officer

DATE: August 25, 2016

SUBJECT: Land Titles Clarification – Property Tax Relief

ORIGIN

Motion approved at the December 17, 2014 Audit & Finance Standing Committee item 11.2.1:

Audit & Finance Standing Committee forward the Private and Confidential staff report entitled Land Titles Clarification – Program Mandate dated December 2, 2014 to Regional Council as an In Camera Item.

Motion approved at the January 13, 2015 Halifax Regional Council meeting item 13.4.1:

This matter was dealt with during the public session.

The following was before Council:

A private and confidential report from the Audit and Finance Standing Committee dated December 2, 2014.

1. Approve a staff mandate to assess the role of HRM in a land title clarification program through collaboration and discussions with the external stakeholders including but not limited to the Property Valuation Services Corporation (“PVSC”), Nova Scotia Legal Aid (“NSLA”), Nova Scotia Barristers’ Society (“NSBS”), Legal Information Society of Nova Scotia (“LISNS”) and the Provincial Departments: African Nova Scotian Affairs (“ANSA”), Service Nova Scotia (“SNS”), and Natural Resources (“DNR”).

2. That the Private and Confidential staff report dated December 2, 2014 is not to be released until such time as the mandate of HRM is determined in relation to any potential program which may arise from collaboration and discussions with external stakeholders.

RECOMMENDATION ON PAGE 2

LEGISLATIVE AUTHORITY

Subsection 59(3) of the *Halifax Regional Municipality Charter* (the “Charter”) states that:

In addition to matters specified in this Act or another Act of the Legislature, the Council may adopt policies on any matter that the Council considers conducive to the effective management of the Municipality.

Administrative Order One, the Procedures of Council Administrative Order, section 109.

Reports and other information arising out of In Camera (in private) meetings, for which the Council determines no legitimate reason exists to maintain such records as confidential information, may be made available to the public upon request in writing to the Clerk.

Section 42 of the Charter states that:

The Treasurer shall promptly advise Council of

(a) all moneys due to the Municipality that the Treasurer considers cannot reasonably be collected after pursuing all reasonable avenues of collection; and

(b) the reasons for the belief that such moneys cannot be collected,

and the Council may write off the amounts determined to be uncollectible.

Subclause 79(1)(av) (i) of the Charter states that:

The Council may expend money required by the Municipality for

(aw) all other expenditures

(i) authorized by this Act or another Act of the Legislature,

Subsection 88(5) of the Charter states that:

Except as otherwise provided by this Act or another Act of the Legislature, the Council may not relieve a taxpayer from all or a portion of taxes.

Land Titles Clarification Act (the “LCA”) subsection 5(8) provides as follows:

When a certificate of claim is issued and filed in the registry of deeds and there are rates and taxes owing in respect of the lot of land described in the certificate, the applicant may apply to the council of the municipality for relief from the rates and taxes owed and the council may give a discharge of all or a portion of such rates or taxes either absolutely or on the condition that a certificate of title is subsequently granted.

Administrative Order 10, the *Partial Tax Exemption Administrative Order*.

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Authorize and direct staff to participate in the “Land Titles Clarification Project” currently being sponsored by the Province of Nova Scotia with the view of continuing to assess the role of HRM in the land title clarification pilot demonstration project through collaboration and discussions with external stakeholders,

2. Adopt the amendments to Administrative Order 10, Respecting Partial Tax Relief, as set out in Attachment B of this report, and;
3. De-classify the In Camera Report, from the Audit & Finance Committee, “Land Titles Clarification – Program Mandate”, from the January 13, 2015 Halifax Regional Council Meeting.

BACKGROUND

Areas in Halifax County that are currently designated as Land Titles Clarification Areas are:

- Cherry Brook
- East Preston
- New Road Settlement (North Preston)
- Oldham
- Terrance Bay and Lower Prospect

The above communities were settled primarily on undeveloped crown land. Some of the land in the communities have issues with respect to land title going back many years. These issues are due to the lack of deeds provided when the land was initially settled, unclear legal descriptions, or a lack of wills, passing along a clear chain of ownership. Having clear title is important as it provides land owners with legal certainty that they enjoy the rights of land ownership. Clear title enables owners to sell, lease, and mortgage land. Title also provides access to tax relief programs, such as HRM Exemption and Deferral Program, the Province's Seniors Rebate Program, as well as other home heating and energy efficiency programs.

At the at December 17, 2014 Audit & Finance Standing Committee meeting, the Committee moved that the report entitled Land Titles Clarification – Program Mandate dated December 2, 2014 be forwarded to Regional Council as an In Camera Item.

At the January 13, 2015 Halifax Regional Council meeting, Regional Council approved a staff mandate to assess the role of HRM in a land title clarification program through collaboration and discussions with the external stakeholders. Staff reviewed the role of HRM and now propose an amendment to Administrative Order 10, the Partial Tax Exemption Administrative Order (“Administrative Order 10”).

DISCUSSION

In August 2015, Natural Resources (“DNR”), African Nova Scotian Affairs (“ANSA”), Department of Communities Culture and Heritage, Nova Scotia Barristers’ Society (“NSBS”) and Nova Scotia Legal Aid (“NSLA”) entered into a Project Charter with a purpose of establishing a pilot demonstration project in East Preston, North Preston and Cherry Brook land title clarification areas to assist residents through the land titles clarification.

On March 2, 2016 the Provincial Department of Natural Resources announced (see Attachment D) that representatives from NSBS, the Association of Nova Scotia Land Surveyors, ANSA and DNR, will support people clarifying titles. Support will be provided through a “Pilot Project” focusing on the communities of Cherry Brook, East Preston and New Road Settlement (North Preston).

The application process under the LCA is made to DNR and may be expensive requiring legal and/or surveying expertise. The resources offered under the Pilot Project may provide residents going through the land title clarification (“LTC”) process with support, expertise as well as alleviate the financial burden of having to fund individually.

The LCA recognizes that rates and taxes may have accumulated on properties when they are in such a state. Subsection 5(8) of the LCA provides as follows:

(8) When a certificate of claim is issued and filed in the registry of deeds and there are rates and taxes owing in respect of the lot of land described in the certificate, the applicant may apply to the council of the municipality for relief from the rates and taxes owed and the council may give a discharge of all or a portion of such rates or taxes either absolutely or on the condition that a certificate of title is subsequently granted.

Practically speaking, DNR typically issues two certificates pursuant to the LCA. The first certificate is called a "Certificate of Claim" which is filed at the Registry of Deeds (the "Registry") and published in the newspaper. After a waiting period (60 days) aimed to protect potential interest holders, and provided all other conditions are satisfied, DNR issues and registers the second certificate, a "Certificate of Title", in the Registry which has the effect of vesting title in the applicant subject to any encumbrances, restrictions, exceptions or other qualifications mentioned in the certificate.

Once the Certificate of Claim has been issued, subsection 5(8) of the LCA allows the applicant to apply to Council for consideration of tax relief provided certain criteria are met. The recommended amendments to Administrative Order 10 would grant staff (Treasurer or delegate) the ability to provide such relief upon securing a Certificate of Claim. Applicants who do not meet the criteria of the Administrative Order 10 would still be able to apply to Council under Subsection 5(8) of the LCA.

There are collateral benefits to title clarification because it creates certainty of title (ownership). Evidence of ownership is often a requirement to other tax policy programs. In this regard, HRM has advised the stakeholders of its current programming respecting Administrative Order 10, Administrative Order 18, Revenue Collections Policy Administrative Order and Bylaw Number T-700, Tax Deferral By-Law. In other words, some of HRM's program benefits are not reaching the intended target groups due to questionable ownership of the applicable property. Advancing an amendment to Administrative Order 10 may provide a stimulus for applicants to move forward with an application under the LCA. Staff hope that the tax relief amendments proposed for Administrative Order 10 will not only help incentive community members to come forward to start a LTCA application, but will also build trust within the communities that HRM and DNR are truly vested in public engagement and policy around land ownership.

Amendments to Administrative Order 10, Respecting Partial Tax Relief:

The amended Administrative Order 10 will apply to all properties in the provincially designated land titles clarification areas, not just to the areas in the Pilot Project currently sponsored by DNR.

Under the amended Administrative Order 10, property owners that are successful in clarifying title through a LCA application, can apply to HRM for tax and interest relief provided they meet they meet the income test per the HRM Tax exemption program. The income test criterion is currently set at \$33,000 of household income.

For property owners that meet the income test under Administrative Order 10, financial assistance will be as follows:

- **100% of interest arrears and any tax sale fees**
- **The greater amount of \$500.00 or 25% of the principle tax and lienable arrears**

For property owners that do not meet the income test under Administrative Order 10, (household income greater than \$33,000), financial assistance will be as follows:

- **100% of interest arrears and any tax sale fees**
- **An interest free 2 year payment arrangement on the remaining principle tax and lienable arrears**

For properties that do not have clear title, but taxes have been paid in full and kept current as of the effective date of this amended Administrative Order 10, will not qualify for tax relief based on a successful LCA application for taxes paid in the past or prior years. They can still apply to the HRM Tax Exemption and Deferral Program.

Housekeeping

Staff are also recommending some housekeeping amendments to Administrative Order 10, as follows:

- the definitions be placed in alphabetical order;
- for consistency throughout the Administrative Order, the colons after some of the headers be removed;
- for consistency with other Administrative Orders Council has adopted, section 2 be amended to replace the header “Definitions” with “Interpretation” and a comma be added before the first clause of this section; and
- for consistency throughout the Administrative Order, brackets be added before clauses b and c in subsection 6.1 so it reads “(b)” and “(c)” and subclauses 6(i) (ii) by renumbered as clauses 6(a) and 6(b).

FINANCIAL IMPLICATIONS

Each year the provision for losses on accounts is budgeted in the operating fund as mandated by the Charter.

Section 93 of the Charter requires that:

- 93 (1) The Council shall make estimates of the sums that are required by the Municipality for the fiscal year.
- (2) The estimates shall include the probable revenue from all sources other than taxes for the fiscal year and make due allowance for
- (a) the abatement and losses that might occur in the collection of the taxes; and
 - (b) taxes for the current fiscal year that might not be collected.

This provision is accumulated each year in the valuation allowance account in order to offset on the balance sheet the value of the receivables recorded in the books of account. In this way, and in accordance with legislation and with generally accepted accounting practices, there is recognition that not all accounts billed will be collectible.

Tax accounts in land titles areas have been allowed for in the valuation allowance. Funding for property tax relief for successful land claims will be funded from General Ledger Account # 2521 – Allowance Uncollectible Taxes. The balance in this account as of July 31, 2016 is \$1,946,263, of which \$1,300,000 is directly related to properties with title and legal description issues.

RISK CONSIDERATION

Based on available information at this time, the risk associated with implementing the recommendations is insignificant. Any financial risk is mitigated through the allowances as per the financial implications section.

COMMUNITY ENGAGEMENT

In alignment with the settlement terms of 2010 between HRM and the Africville Genealogy Society et al, the African Nova Scotian Affairs Integration Office (“ANSAIO”) was established to assist Business Units of the municipality to positively engage African Nova Scotian communities. ANSAIO’s mandate is to provide leadership, strategic direction, policy advice and expertise to all parts of the Halifax Regional Municipality (Corporate and Council) to strengthen the delivery of municipal services to residents of African descent and African Nova Scotian communities within HRM.

Working closely with Finance on the Land Titles Clarification – Property Tax Relief project, ANSAIO is advising on and leading in community engagement between the municipality and African Nova Scotian communities. ANSAIO is collaborating with ANSA and the Nova Scotia Barrister’s Society to develop a Community Engagement Plan for priority African Nova Scotian communities within HRM involved in the Land Titles Clarification – Property Tax Relief project. This plan will provide culturally proficient opportunities for the three organizations to engage these communities in information sharing and consultation.

Through the HRM Bridging Internship Program, ANSAIO in partnership with FICT was successful in gaining approval for a Policy Intern (Researcher) position to support community engagement work on this project. In collaboration with the ANSAIO Advisor, the Policy Intern will liaise with relevant HRM employees in FICT on the Community Engagement Plan and other strategies to support solution-finding around land taxation concerns related to land titles clarification in the Preston areas. Primarily, the Policy Intern will work with partnering organizations on providing relevant information on the Land Titles Clarification – Property Tax Relief project to targeted African Nova Scotian communities within our municipality in an effective and efficient way. The Policy Intern and ANSAIO Advisor will serve as a conduit between the African Nova Scotian community and HRM to ascertain how the voices and concerns of community members can be reflected in further development and amendments to policy, should the need arise.

DNR has 2 law students hired for the summer that are actively engaged in the Pilot Project and working in the communities. DNR hosted 3 community meetings scheduled for August 16th, 18th and 23rd. HRM staff participated in all 3 community meetings and spoke to issues/questions of taxation, tax relief programs, land tiles, boundaries and subdivisions.

ENVIRONMENTAL IMPLICATIONS

There are no known environmental implications.

ALTERNATIVES

1. Halifax Regional Council may choose not to approve the recommendation outlined in this report. This is not the recommended option.
2. Halifax Regional Council may choose to have staff bring each successful LCA application to Council on a case-by-case basis, with a recommended course of action. Staff recommend successful LTCA applications all fall under the transparent policy as proposed in Administrative Order 10.
3. Halifax Regional Council may choose to not have an income test for eligibility for relief of principle tax arrears with respect to LCA applicants.

ATTACHMENTS

- Attachment A: Showing proposed changes to Administrative Order 10
Attachment B: Amending Administrative Order
Attachment C: Administrative Order incorporating all proposed changes
Attachment D: Department of Natural Resources Press Release March 2, 2016

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Jerry Blackwood, Manager of Revenue, Treasurer, 902.490.6470

Report Prepared by: Késa Munroe-Anderson, African Nova Scotia Affairs Advisor, 902.490.3326

Report Prepared by: Ben Fairbanks, Solicitor, Legal, Insurance & Risk Management Services 902.490.1036

Financial Approval by: _____
Ed Thornhill, A/Director of Finance and Information Technology/CFO, 902.490.4480

Report Approved by: _____
Karen Brown, Acting Director, Legal, Insurance & Risk Management Services,
902.490.4226

**Attachment A
(Showing Proposed Changes to AO 10)**

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.

DEFINITIONS: INTERPRETATION

2. In this Administrative Order,

(ab) "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 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).

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

(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; ~~or~~
- (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 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 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 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:

(i) \$100, or

(ii) 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

**Attachment B
(Amending Administrative Order 10)**

**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 that Administrative Order 10, *the Partial Tax Exemption Administrative Order*, is further amended as follows:

1. Section 2 is amended by:
 - (a) striking out the header and colon “DEFINITIONS:” before the section;
 - (b) adding the header “INTERPRETATION” before the section;
 - (c) adding a comma “,” after the words “Administrative Order” and before clause a;
 - (d) re-lettering clause a of section 2 as clause b of section 2 and re-lettering clause b of section 2 as clause a of section 2;
 - (e) adding clause ba after the newly re-lettered clause b and before clause c as follows:
 - (ba) “*Land Titles Clarification Act*” means the *Land Titles Clarification Act*, RSNS 1989, c. 250, as amended;
 - (f) striking out the word “or” after the word and semi colon “possession;” in subclause c (iii);
 - (g) adding the semi colon and word “; or” after the word “property” in subclause c (iv);
 - (h) adding subclause v of clause c after subclause iv as follows:
 - “(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;”
 - (i) striking out the period at the end of subclause c(ii) after the word and bracket “Charity)”; and
 - (j) adding a semi-colon and word “; and” at the end of subclause c (ii) after the word and bracket “Charity)”.
2. Subsection 4.2 is amended by adding the bracket “(“ before the letter and brackets “b)” and “c)” in clauses b and c.

3. Section 5A is adding after section 5 and before section 6 as follows:

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.

4. Subsection 6.1 is amended by re-lettering subclauses "(i)" and "(ii)" as clauses "(a)" and "(b)".

5. Section 7A is added after section 7 and before section 8 as follows:

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.

Done and passed in Council this day of September, A.D. 2016.

MAYOR

MUNICIPAL CLERK

**Attachment C
(Incorporating Proposed Changes)**

**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 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 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 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

Attachment D: Land Titles Press Release

More Support to Help Clarify Preston Land Titles

Department of Natural Resources

March 2, 2016 12:43 PM

Representatives from the Nova Scotia Barristers' Society, the Association of Nova Scotia Land Surveyors, African Nova Scotian Affairs and the Department of Natural Resources, will support people in the Preston area to clarify titles to private properties.

Residents of East Preston, North Preston, and Cherry Brook who have applied to the Department of Natural Resources to make a claim can now get help from lawyers at no cost and receive free advice from a number of land surveyors. Thirty people already have applied for clear land title.

"We understand the concern within the community and want to address the resolution of their issues to get clear title to their land," said Natural Resources Minister Lloyd Hines. "Thanks to the work of the Barristers' Society and the Survey Association, I'm hopeful that Preston area residents will get clarity about their land."

A pilot project focused on the three communities will provide free advice. Through this project, government will learn if there are issues that can be addressed to make it easier in the future for other communities in the province seeking land title clarification.

The additional resources will help with issues such as an existence of a will, unclear boundaries and confusion about land ownership. With clarity of legal title, community members will be able to enjoy free hold on their land, potentially qualify for provincial programming, identify ownership for tax purposes, and reduce conflicts that can result from lack of clear land ownership.

"We learned of the need to clarify long-standing title issues with privately held properties and this team was formed to help. It's a lot of work and takes time, but a new process is in place for a pilot project assisted by lawyers volunteering their time," said Darrel Pink, executive director of the Nova Scotia Barristers' Society.

The Barristers' Society has heard from a number of lawyers who are offering free legal services to Preston land title claimants. The Nova Scotia Land Registry is supporting the project and working closely with the department to ensure filings are addressed in an efficient manner.

The department posted a summer employment position today, March 2, for a law student to perform outreach and work closely with the community.

The department is also working with the Association of Nova Scotia Land Surveyors to provide free services. The Nova Scotia Land Registry is supporting the project and working closely with the department to ensure filings are addressed in an efficient manner.

For more information on the project and the application process go to <http://novascotia.ca/natr/titles-clarification/>.

FOR BROADCAST USE:

People in the Preston area are getting more help to clarify private land titles.

The Nova Scotia Barristers' Society, the Association of Nova Scotia Land Surveyors, African Nova Scotian Affairs, and the Department of Natural Resources are working together to provide free advice and services.

The pilot project will help residents in East Preston, North Preston, and Cherry Brook who applied for land title clarification.

Natural Resources Minister Lloyd Hines says government understands the community's concern and it wants to address the resolution of their issues.

The Department of Natural Resources posted an outreach worker position today (March 2nd) to work with the community.

-30-

Media Contact: Bruce Nunn
902-476-6454
Email: Bruce.X.Nunn@novascotia.ca