

## Charlotte Tavenor

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**From:** Barry Carroll <bcarroll@modg.ca>  
**Sent:** April 13, 2022 12:07 PM  
**To:** AMA Maritime List Serve  
**Subject:** CFA Taxes  
**Attachments:** 20220413120439592.pdf

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Hi everyone,

Please see attached.

I want to thank Dan and the Municipality of Chester for getting their Council's position out for everyone to see on the Provincial Government non-resident deed transfer tax and property taxes.

Last week, our Council took a position on the matter, and that is attached for people to see.

I have not been directly involved with the AMA Board, as I'm on the back in of the my career, and as some will know, I spent a considerable time on the National CAMA Board, including a term as President, so I believe I had my time in helping shape policies at the Provincial and National levels. As a result, I tend to stay quiet on most things circulating.

I am disappointed that the NSFAM Board, and more so, for me as an Administrator, that the AMA Board has not seen fit to take a position on point #1 in the attached letter. Administrators are meant to be leaders, and although at the Council level, the Mayor/Warden is the chief spokesperson on issues, and as Administrators we're trained to provide the information and briefing to them to speak and then we take a backseat; on matters that are pertinent to Administrators as an Association, we have a responsibility as Professionals to share that concern, in our case to the NSFAM, and to the Deputy Minister level. We should be taking a position and communicating it to them, with no need to circulate to the media.

Regardless of all other issues associated with CFA Taxes, who thinks it's a good idea that the Province is dipping into the Deed Transfer Tax area and Property Tax area to solve a problem whether it be housing, financial, or otherwise? We don't have many tools in our toolbox for revenue generation, unlike the other levels of government. At our level, if we want to be respected, sometimes we have to earn that respect by taking a position that's critical to municipalities.

My comments are not to start a debate here, or to offend anyone, but rather to give something for people to think about.

Hope everyone is staying safe! Although I'm not active on the list serves for comments, I'm always available if contacted directly on any matter that we can be of assistance.

Have a great Easter Weekend!

Barry

Mr. Barry Carroll  
Chief Administrative Officer  
Municipality of the District of Guysborough P.O. Box 79, 33 Pleasant Street Guysborough, NS B0H 1N0

Phone: (902) 533-3705 ext. 228

Fax (902) 533-2749

"Never lose sight of the fact that the most important yardstick of your success will be how you treat other people"  
Barbara Bush

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Office of the Warden

April 11, 2022

Honourable Tim Houston, Premier  
Office of the Premier  
7th Floor, One Government Place  
1700 Granville Street  
Halifax, NS  
B3J 1X5

**Re: CFA TAXES**

Dear Honourable Premier:

At a public meeting held April 6, 2022, Council expressed its unanimous opposition to both the non-resident property tax and the non-resident deed transfer tax that were announced as part of the 2022/2023 Provincial Budget. Although the Municipality supports the objective of making more affordable housing available to our residents, our Council believes that the method being used here by your Government is way off the mark, and will likely prove to be very costly to the Province, especially to Municipalities in rural areas on a go forward basis.

Council is asking that your Government abandon your **CFA TAX** initiative. If the real goal is making more affordable housing available for NS Residents, then we would ask you to bring all stakeholders together to come up key initiatives that do not unfairly attack our residents who live here for periods of the year, and happen to have a full-time residency elsewhere.

Here are some points to consider:

- 1) In Nova Scotia, Municipalities have very few tools that it can call its own when it comes to revenue generation. Two of those tools have been the deed transfer tax and property taxes. Now the Provincial Government is reaching into the municipal toolbox and using tools that are specific to municipalities to raise funds for the Province. If the Federal Government was reaching into the Provincial toolbox of revenue generators, your government wouldn't be too happy about it, and that should give you a sense of why our Municipality stands in opposition to this.

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- 2) Our deed transfer tax is 1% of the purchase price. Our base tax rate is 77 cents per \$100 of assessment. We use every tool in our toolbox to keep those fees and taxes low, including generating less than 40% of our total revenues from taxation. We do this so we can attract more residents to our communities, to keep the cost of living as low as possible for all those who live here, and to stem the tide of outmigration. For a Municipality struggling to stabilize and grow our population, your CFA TAX likely killed all those efforts.
- 3) The annual \$2.00 per \$100.00 of assessment for an additional property tax is simply exorbitant! Compare this to our .77 tax rate and it is quite evident that these new taxes are unfair to our part time residents. For a \$250,000.00 assessment, the part time resident will pay us a base tax amount of \$1,925.00 and now will pay the Province an additional \$5,000.00 in property taxes. And it's not so much about the people that will come here, as they will make that decision with the knowledge about the new CFA TAXES that they will face. But it's patently unfair to those who have made that decision to have a secondary home in Nova Scotia prior to these new taxes being implemented. The deal for those when they made that purchase in Guysborough, was \$1,925.00 with potential marginal increases from the Municipality going forward, not the 'sledge hammer' new CFA Tax that you've implemented.
- 4) Out of Province home purchasers make investments in our communities! If they buy a vacation property or a secondary home, they pay taxes, they buy services, they buy goods, and they contribute to the community through their volunteer work and in other ways to help build our communities. Some make significant investments in business or they take properties that are run down, or have no development potential, and make them into something that everyone can be proud of. Let me give you two quick examples:
  - a) We have an investor from Ontario who happened upon Guysborough almost 30 years ago, fell in love with the place, bought a vacation property, and over time has invested more than \$20,000,000.00 into Guysborough, and the Province as a whole. The family is a wonderful addition to our community, has employed a large number of our residents over the years, and has become a producer and exporter of NS goods. Think about all of the Provincial and Municipal Taxes that this family has contributed to our economy, on top of the jobs and social investments into our communities. About two years ago, the same proprietor bought, what is likely a retirement home in

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the center of Guysborough, and now with these two residential properties, will pay tens of thousands of dollars in additional taxes in the coming years. That wasn't the deal this family signed up for when they came here almost 30 years ago, and it is patently unfair, simply patently unfair!

- b) About 5 years ago, a couple from Ontario who had family connections to our Municipality decided to buy a retirement home in the Shiretown of Guysborough. They didn't buy a traditional home, they bought a post office building from Canada Post, a large towering structure on the main street of Guysborough that had a 'town square type of clock' that wasn't working. Likely the building wouldn't have found a purchaser and would eventually have encountered a wrecking ball. What did this family do? They hired local carpenters, plumbers, and electricians, bought buildings supplies from the local hardware store, spent hundreds of thousands of dollars to restore, including the clock, and today it is a beautifully restored residential home. Now their thank you, is an additional unwelcome bill from the Provincial Government, and more so it's the messaging that you're sending them. As a side note to this story, when we were looking to host a reception for 10 Resident Doctors from Dalhousie in January of this year, guess who stepped up to host them. Yes, this family did. They understand the importance of recruiting health professionals to rural communities, and are a partner in helping us do that.

- 5) Our Council are closest to the housing situation in the Municipality of the District of Guysborough. Our Councillors do not believe that the intention of the new CFA TAXES is going to fix the problem that the Provincial Government believes it's going to fix in a Municipality like Guysborough. We have more than 2100 square kms of land, with a population of 4600 people. We need more housing options for those who can least afford to buy or rent a home, and our Municipality is willing to contribute to those conversations with both the Federal and Provincial levels of government, the levels of government who have traditionally held the responsibility for affordable housing. Levying new taxes on those who invest in our communities, and who have previously invested under a different set of rules, will not solve the affordable housing problem, in rural communities like Guysborough.

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Mr. Premier, sometimes what works in urban areas, have unintended negative consequences in rural areas like Guysborough. We are asking you to rescind your decision on the new CFA Tax model and to engage stakeholders in direct conversations that can positively impact the affordable housing file in all areas of the Province.

I look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read "V. Pitts". The signature is fluid and cursive, written over a light grey background.

Vernon Pitts

Warden

C. Honourable Allan MacMaster, Minister of Finance

Honourable Greg Morrow, Minister & MLA

Ms. Amanda MacDougall, President, NSFM

John MacKinnon, President AMANS

NSFM Municipalities