



19 February 2026

Hon. John A. MacDonald
Minister of Municipal Affairs
8th Fl. N., Maritime Centre
1505 Barrington St.
Halifax, NS B3J 2K5

(Delivered via email)

Dear Minister MacDonald,

RE: Capped assessment and the destruction of homes due to natural disaster

Prior to the Fall sitting, one of our member municipalities put forward a request to our Municipal Infrastructure Committee that NSFM advocate to the provincial government for legislation that would extend the Capped Property Assessment (CAP) to all Nova Scotians who lose their homes to natural disaster. This request was also forwarded directly from the municipality to the Department of Municipal Affairs, who stated it was being considered.

During the Fall sitting of the legislature, the government introduced changes to the Municipal Government Act (MGA) that would allow municipalities to adopt policies to reduce property taxes for homes rebuilt after destruction from a natural disaster. Property Valuation Services Corporation (PVSC) can provide a one-time pre-destruction property assessment at the request of the municipal clerk; however, in subsequent years, the property assessment will reflect the value of the new construction. PVSC does not have the authority to preserve or carry forward a property's pre-destruction capped assessment.

NSFM appreciates that section 69A of the MGA already enables municipalities to adjust property taxes based on homes damaged or destroyed by fire or storm and the government may have been looking to apply a consistent approach to *rebuilt* properties. However, because PVSC lacks the authority to preserve capped assessments, this approach shifts the administrative burden to municipalities to calculate annual property value and taxes for homes impacted by natural disasters.

The NSFM supports the approach the Province took after the 2023 wildfires in Shelburne and Tantallon, where those homeowners were able to maintain their pre-disaster capped assessment. The Province's approach to this matter during the Fall sitting is a departure from this previous method, and we are looking for insight from the Department of Municipal Affairs on why this option was selected instead of legislation similar to that which was brought forward to address capped property assessments after the 2023 wildfires.

We look forward to more information.

Regards,

A handwritten signature in black ink, appearing to read 'DMitchell', with a long horizontal flourish extending to the right.

*David Mitchell,
President, Nova Scotia Federation of Municipalities*