



NOVA SCOTIA FEDERATION OF MUNICIPALITIES

July 4, 2019

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The Honourable Stephen McNeil
Premier, Province of Nova Scotia
P.O. Box 726, Halifax, NS B3J 1X5

Dear Premier McNeil:

RE: NSFM PRESENTATION TO LIBERAL CAUCUS

I am writing to thank you for granting the Nova Scotia Federation of Municipalities (NSFM) the opportunity to meet with members of your caucus on June 19th to discuss the capped assessment program (CAP).

NSFM is recognized by the legislature as the sole voice of Nova Scotia's 50 municipalities and we are proud to advocate on their behalf to find solutions that support Nova Scotians.

The CAP program is well intentioned. Helping people stay in their homes, or buy their first home, easing the burden of sudden and dramatic increases in assessments and providing predictability are goals NSFM supports. The CAP program, however, does not deliver as intended.

Currently over 50% of Nova Scotians are overpaying property tax because municipalities have been forced to increase tax rates to compensate for a flawed system. Multiple studies have examined the CAP and the data is clear, it is lower income families in lower valued homes that are disproportionately burdened. We need to change that.

NSFM and our members are proposing a plan that addresses the needs of Nova Scotians in a way that is equitable, transparent and fair. The proposal we presented includes:

- a spike protection mechanism to address sudden increases in assessments
- low-income protections (now in 47 of 50 municipalities)
- a slow phaseout, providing a transition over 10 years
- a program for average and below average income households whose market property assessment is dramatically different than CAP (50-100% or more)

- revenue-neutrality in implementation, so tax rates go down at the same speed as the CAP comes off.

We believe that our proposal, as presented, will restore fairness in the system in a way that is manageable for everyone.

NSFM is encouraged that your government is open to discussing the elimination of the CAP and I would like to express our appreciation to Minister Porter, and his staff at the Department of Municipal Affairs and Housing, for working with NSFM to find a solution to what is best described as bad public policy.

Thank you again for the opportunity to meet with your caucus. We would be pleased to meet with you should you have questions on this, or any of our other priorities.

Sincerely,

{Original signed by}

Councillor Waye Mason
President, NSFM