



**Municipal Affairs and Housing
Office of the Minister**

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May 13, 2020

Pam Mood
President, Nova Scotia Federation of Municipalities
VIA EMAIL: info@nsfm.ca

Juanita Spencer
CEO, Nova Scotia Federation of Municipalities
VIA EMAIL: jspencer@nsfm.ca

Dear Mayor Mood & Ms. Spencer:

Thank you for your e-mail of April 25, 2020, wherein you propose that the Province implement a “property tax deferral program” for businesses in an effort to support the business community during the COVID-19 pandemic (referred to as “Proposal B” in your e-mail).

In your initial proposal of March 30, you identified four potential options for a province-wide tax deferral program. Having carefully considered the alternatives, we concluded that a municipal operating line of credit was the preferred option. As you are aware, the Province recently announced the \$380 million Municipal Operating Loan Program to help municipalities address revenue losses attributable to the pandemic. We appreciate that this is a challenging time for municipalities, and we are happy to be able to offer this support to ensure that municipalities have the financial wherewithal to continue to provide the essential services that our citizens demand.

With respect to Proposal B, we believe that the Province has stepped up in several respects in an effort to support the business community in Nova Scotia. In particular, the Department of Business has introduced a number of initiatives to address cash flow and access to credit for small and medium-sized businesses across the province. That said, the \$380 million for the Municipal Operating Loan Program was approved by the Province for the express purpose of enabling the Municipal Finance Corporation to make short-term loans to municipalities and cannot, therefore, be reallocated to a program such as the one you propose.

Based on information provided by the municipalities, the Department of Municipal Affairs and Housing believes that the operating line of credit will address anticipated municipal revenue shortfalls, including those associated with property taxes. I further understand that the Nova Scotia Federation of Municipalities (NSFM) and the Association of Municipal Administrators (AMA) are developing a model policy for municipalities to adopt if they wish to allow for the payment of taxes by installments. This policy, in conjunction with the Municipal Operating Loan program, will empower municipalities to support residents and businesses during this time of need.

Pam Mood and Juanita Spencer
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The Municipal Operating Loan Program and the model policy are shining examples of what we can achieve when our respective organizations work together for the benefit of the citizens of Nova Scotia. The relationship between NSFM, AMA, and the Department of Municipal Affairs and Housing has always been strong and productive, and we look forward to continuing our great work in 2020/21 and beyond.

Our commitment of \$380 million to an operating loan for municipalities clearly demonstrates our recognition of the important role that municipal government plays in the lives of Nova Scotians. I hope that you, your family and friends are healthy and safe at this time.

Sincerely,



Chuck Porter
Minister