

## **Resolution 15A**

### **RESIDENTIAL PROPERTY ASSESSMENT CAP (PASSED)**

⇒ District of West Hants

**WHEREAS** the Province of Nova Scotia has had an Assessment Cap Program since 2005 to protect residential property owners from sudden and dramatic increases in property taxes due to rising assessments; and

**WHEREAS** this assessment cap applies only to residential property and thus shifts the tax burden from capped to uncapped properties; and

**WHEREAS** there has been shown to be a shift in the property burden from high value properties to low value properties which results in a transfer tax burden from the wealthy to the poor; and

**WHEREAS** the commercial taxpayer is already carrying an unfair proportion of the relative property tax burden with the Assessment Cap program further compounding this inequity in the property tax system; and

**WHEREAS** the CAP is removed upon the sale of a property which in itself creates an inequity in the property tax system; and

**WHEREAS** the longer the Assessment CAP Program stays in place the greater the inequity becomes; and

**WHEREAS** the Assessment CAP Program has and will continue to erode the market sales assessment system in Nova Scotia; and

**WHEREAS** the UNSM supports the removal of the assessment CAP in favour of other proven methods of fairly distributing the property tax burden and has called on the Province of Nova Scotia to review the property assessment CAP; and

**WHEREAS** the Province, in meetings with the UNSM, indicated it would look at reviewing the assessment cap if UNSM brought forward alternative solutions;

**THEREFORE BE IT RESOLVED** that the UNSM recommend to the Minister of Service Nova Scotia and Municipal Relations that through a Provincial review, commit to removing the property assessment CAP so as to ensure that the commercial sector not carry an unfair proportion of the property tax burden, that home buyers not be penalized through property assessments and taxes that are consistent with those of their neighbours who own similar properties, and that the market sales assessment system be restored in Nova Scotia.

Response from:  
*Service Nova Scotia and Municipal Relations*

**RESPONSE:**

*Service Nova Scotia and Municipal Relations conducted a full review of the Residential Property Assessment CAP in 2011, including best practices research identified through literature and jurisdictional reviews, data analysis to identify program impacts on taxpayers and input gathered from a broad range of stakeholders including municipalities, the commercial sector and the general public.*

*The review acknowledged the program's limitations, but determined they are outweighed by the benefits to Nova Scotia property owners of protecting them from sudden and dramatic increases in their property assessments.*

*The Province is aware of the municipal tax study commissioned by UNSM, PVSC and AMA, and has committed to considering alternatives to the CAP brought forward by UNSM.*