

NEWS RELEASE

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FOR IMMEDIATE RELEASE

UNSM Disappointed but not Surprised with Province's Position on Capped Assessment Program

Halifax, August 30, 2011: The Union of Nova Scotia Municipalities (UNSM) is disappointed but not surprised that the Province has decided to retain the Capped Assessment Program (CAP) at the current cap rate of the Consumer Price Index (CPI).

The costs to provide municipal services are not decreasing. Property taxes are the primary means for municipalities to pay for the many services they provide. The fairest property tax systems use market based assessments.

“Our biggest concern with the CAP is that it transfers the property tax burden from higher assessed properties to lower assessed properties. Those living in lower assessed properties tend to be individuals and families on low or fixed incomes—the very people the program should have been helping in the first place”, stated UNSM President Mayor Billy Joe MacLean. “The irony with this program is that Nova Scotians with the most expensive properties are seeing the greatest benefit from the cap”, Mayor MacLean further stated.

Under the current program, assessments of single family dwellings, apartments up to four units, resource properties, condominiums and mobile home parks can only go up annually by CPI currently set at 0 per cent. This has resulted in 75 per cent of eligible properties now being capped, which undermines the program's original intent of helping long term home owners experiencing sudden and dramatic assessment increases.

“While the program may be popular among home owners, many are not receiving the tax savings they think they are”, stated UNSM President Mayor Billy Joe MacLean. UNSM's research indicates that in some municipalities, only half of the

capped properties received a lower tax bill. The other half actually paid more taxes than they would have under a market value system.

The UNSM recognizes the market value assessment system is not perfect and that there are home owners truly challenged to pay their property taxes as a result of living on low or fixed incomes. The UNSM also acknowledges there are home owners experiencing dramatically rising assessments. The current Cap Program does not do a good job in addressing either of these issues.

The UNSM prepared a review of the Cap Program which was submitted to the Province. The review recommended a phase-out of the Cap Program over seven years, replaced with programs currently available to municipalities. This would include a province-wide low income tax relief policy and tax deferral policies.