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Item No. 15.2.3
Halifax Regional Council
October 3, 2023

TO: Mayor Savage Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Councillor Paul Russell, Chair, Audit and Finance Standing Committee

DATE: July 19, 2023

SUBJECT: **Administrative Order 10, Partial Tax Exemption Administrative Order and Land Titles Clarification Act Tax Relief**

ORIGIN

July 19, 2023 meeting of Audit and Finance Standing Committee, Item 12.2.2.

LEGISLATIVE AUTHORITY

1. (1) The purpose of the Audit and Finance Standing Committee is to provide advice to the Council on matters relating to audit and finance.
 - (2) The other purposes of the Committee are to:
 - (a) fulfill the requirements as outlined in Section 48 of the *HRM Charter*; and
 - (b) assist the Council in meeting its responsibilities by ensuring the adequacy and effectiveness of financial reporting, risk management and internal controls.

RECOMMENDATION

That Halifax Regional Council:

1. Discharge the property taxes owed by Applicant 1 (as defined in the staff report) for a total amount of \$42,732.79; and
2. Discharge the property taxes owed by Applicant 2 (as defined below in the staff report) for a total amount of \$2,825.49; and
3. Discharge the property taxes owed by Applicant 3 (as defined below in the staff report) for a total amount of \$11,970.85.

BACKGROUND

Audit and Finance Standing Committee received a staff recommendation report dated June 12, 2023 to consider three relief applications for property tax arrears relief.

For further information refer to the attached staff report dated June 12, 2023.

DISCUSSION

Audit and Finance Standing Committee considered the staff report dated June 12, 2023 and approved the recommendation to Halifax Regional Council as outlined in this report.

Following the July 19, 2023 Audit and Finance Standing Committee, it was determined that the Audit and Finance Standing Committee should have recommended that Halifax Regional Council:

1. Discharge the property taxes owed by Applicant 1 (as defined in the staff report) for a total amount of \$42,732.79; and
2. Discharge the property taxes owed by Applicant 2 (as defined below in the staff report) for a total amount of \$2,825.49; and
3. Discharge the property taxes owed by Applicant 3 (as defined below in the staff report) for a total amount of \$11,970.85.

To correct this error this report is being brought forward to Regional Council for consideration.

FINANCIAL IMPLICATIONS

Financial implications are outlined in the attached staff report dated June 12, 2023.

RISK CONSIDERATION

Risk consideration is outlined in the attached staff report dated June 12, 2023.

COMMUNITY ENGAGEMENT

Meetings of the Audit and Finance Standing Committee are open to public attendance and members of the public are invited to address the Standing Committee for up to five (5) minutes during the Public Participation portion of the meeting. Meetings are live webcast on Halifax.ca. The agenda, reports, video, and minutes of the Standing Committee are posted on Halifax.ca.

For further information on Community Engagement refer to the attached staff report dated June 12, 2023.

ENVIRONMENTAL IMPLICATIONS

Environmental implications are outlined in the staff report dated June 12, 2023.

ALTERNATIVES

Alternatives are outlined in the attached staff report dated June 12, 2023.

ATTACHMENTS

Attachment 1 – Staff recommendation report dated June 12, 2023.

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Dorothy Maponga, Legislative Assistant, Municipal Clerk's Office 902.478.2408

RECOMMENDATION

It is recommended that the Audit & Finance Standing Committee:

1. Discharge the property taxes owed by Applicant 1 (as defined below) for a total amount of \$42,732.79; and
2. Discharge the property taxes owed by Applicant 2 (as defined below) for a total amount of \$2,825.49; and
3. Discharge the property taxes owed by Applicant 3 (as defined below) for a total amount of \$11,970.85.

BACKGROUND

There are currently five areas in Halifax County designated Land Titles Clarification Areas:

- Cherry Brook/Lake Loon
- East Preston
- New Road Settlement (North Preston)
- Oldham
- Terrance Bay and Lower Prospect

At the January 13, 2015 Halifax Regional Council meeting, Regional Council approved a staff mandate to assess the role of HRM in a land title clarification program through collaboration and discussion with external stakeholders.

At the September 6, 2016 Halifax Regional Council meeting, the Council authorized and directed staff to participate in the “Land Titles Clarification Project” sponsored by the Province of Nova Scotia. Council approved an amendment to Administrative Order 10, the Partial Tax Exemption Administrative Order (“Administrative Order 10”).

On August 15, 2017, the U.N. Working Group of Experts on People of African Descent released a report regarding its mission to Canada. The report criticizes the current application process as ineffective and placing significant financial burdens on applicants. The Working Group urged governments in Nova Scotia to do more to help African Nova Scotians obtain legal title through the Land Titles Clarification Act.

On September 27, 2017 the Province of Nova Scotia committed \$2.7 million over two years to assist residents in obtaining legal title to land in five communities historically settled by African Nova Scotians. Three of these communities: North Preston, East Preston, and Cherry Brook are within the Halifax Regional Municipality. The Provincial funding is meant to provide on-going support and to alleviate some of the financial hurdles associated with the land titles clarification process by providing funding for surveys and legal fees. Attached as Attachment “A” hereto is the Province’s press release dated September 27, 2017.

On March 5, 2021, the Province of Nova Scotia announced a \$3 million compensation fund to accelerate efforts and help speed up efforts under the Land Titles Initiative. Attached as Attachment “B” hereto is the Province’s press release.

DISCUSSION

The Municipality's Revenue department meets quarterly with the provincial LTCA team and via these meetings, the Municipality is made aware of LTCA customers who are eligible to apply for property tax arrears relief. This report has three relief applications.

The land titles clarification process is generally accepted as expensive and difficult to navigate. Providing tax relief under section 5(8) of the LTCA is one option Council may use to relieve the financial burdens faced by land titles clarification applicants.

Under section 5(8) of LTCA, Council has the authority to discharge all taxes owed on a property once a certificate of claim is issued pursuant to the Act. Administrative Order 10 sets out the general guidelines for offering LTCA-related tax relief to owners and contains a low-income test for applicants. Subclause 5A.6(b) of Administrative Order 10 grants Council the discretion to provide additional tax relief to owners who have obtained a certificate of claim under the LTCA.

Application 1:

The first Applicant ("Applicant 1") commenced an application under the LTCA in 2019 for their property in North Preston (the "Applicant 1 Property"). In September of 2020, Applicant 1 received a tax bill for \$42,732.79 from HRM, which includes interest and arrears going back to 1995. Applicant 1 claims that they were unaware of any arrears. In 2020, Applicant 1 received a certificate of claim and became the registered owner of the Applicant 1 Property in March 2021.

Applicant 1 is seeking \$42,732.79 in tax relief for the period between 1995 and 2021. Based on statutory declaration received and reviewed by staff, discharging the taxes from 1995 to 2021 is requested as they were unaware the taxes were owing.

Application 2:

The second applicant ("Applicant 2") commenced an application under the LTCA for their property in North Preston (the "Applicant 2 Property"). In September of 2020, Applicant 2 received a tax bill for \$2,221.32 from HRM, which includes interest and arrears going back to 2015. Applicant 2 claims that they were unaware of any arrears. In 2020, Applicant 2 received a certificate of claim and became the registered owner of the Applicant 2 Property in October 2022. Applicant 2 has had a lengthy experience with the land titles clarification process which is outlined in the statutory declaration received and reviewed by staff.

Applicant 2 is seeking \$2,825.49 in tax relief for the period between 2015 and 2022.

Based on Applicant 2's statutory declaration, discharging the taxes from 2015 to 2022 is requested as they were unaware the taxes were owing.

Application 3:

The third applicant ("Applicant 3") commenced an application under the LTCA in 2020 for their property in North Preston (the "Applicant 3 Property"). In December 2021, Applicant 3 received a tax bill for \$10,694.32 from HRM, which includes interest and arrears going back to 2005. Applicant 3 claims that they were unaware of any arrears. In 2022, Applicant 3 received a certificate of claim and became the registered owner of the Applicant 3 Property.

Applicant 3 is seeking \$11,970.85 in tax relief for the period between 2005 and 2022. Based on Applicant 3's statutory declaration which was received and reviewed by staff, discharging their taxes from 2005 to 2022 is requested as they were unaware the taxes were owing.

FINANCIAL IMPLICATIONS

Each year the provision for losses on accounts is budgeted in the operating fund as mandated by section 93 of the Charter:

- 93 (1) The Council shall make estimates of the sums that are required by the Municipality for the fiscal year
- (2) The estimate shall include the probable revenue from all sources other than taxes for the fiscal year and make due allowance for:
- (a) the abatement and losses that might occur in the collection of the taxes;

The total arrears of the three relief applications are \$57,529.13. The financial implications are minimal and are 100% allowed for in general ledger account 2521 – Allowance Taxes, which as of June 22, 2023, has a balance of \$1,735,702.94.

RISK CONSIDERATION

There are no significant risks associated with the recommendations in this report. The risks are considered low.

COMMUNITY ENGAGEMENT

The African Nova Scotian Affairs Integration Office (ANSAIO) continue to work closely with Finance & Asset Management on the Land Titles Clarification – Property Tax Relief Project.

ENVIRONMENTAL IMPLICATIONS

No environmental implications identified.

ALTERNATIVES

The Audit & Finance Standing Committee could choose to:

1. decide to discharge only Applicant 1's arrears.
2. decide to discharge only Applicant 2's arrears.
3. decide to discharge only Applicant 3's arrears.
4. decline to discharge all three relief applications.

ATTACHMENTS

Attachment A: Press Release – Government Helping Communities Get Clear Title to Land
Attachment B: Press Release – Investments in Land Titles Initiative to Speed Up Claims

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Renée Towns, Director of Revenue, Treasurer, Finance & Asset Management,
902.293.7983



News release

Government Helping Communities Get Clear Title to Land

[African Nova Scotian Affairs](#) / [Natural Resources \(to July 2018\)](#)

September 27, 2017 - 10:00 AM

Government will invest about \$2.7 million over two years to help residents in five communities get clear title to land on which they live.

The support includes funds to assist with legal fees and costs related to estate administration and migration, and new full-time positions dedicated to the land title clarification areas of North Preston, East Preston, and Cherry Brook in Halifax Regional Municipality and Lincolntonville and Sunnyville in Guysborough County.

“Our government is taking action with new ways to address disparities and systemic discrimination that African Nova Scotians have faced,” said Tony Ince, Minister of African Nova Scotian Affairs. “We’re turning a corner with new supports that will help remove the barriers to the legal title to the land on which many African Nova Scotians live.”

The new initiative includes:

- funding to assist with legal and other fees and costs associated with clarifying ownership of land
- hiring two community liaison officers to help residents in the land title clarification areas to navigate the process to obtain clear title
- hiring a surveyor and two survey technicians to complete surveys and/or compiled plans in support of Land Titles Clarification Act applications
- administrative support from Nova Scotia Legal Aid Commission for issuing certificates to applicants

- support for clarifying ownership of land through the Land Titles Clarifications Act, estate administration through the Probate Act and Intestate Succession Act, and migration under the Land Registration Act
- government will also consider amending legislation to reduce barriers.

“With clarity of ownership, residents will be in a better position to enjoy and use their land and resolve problems that can result from lack of clear land ownership,” said Agriculture and Fisheries and Aquaculture Minister Keith Colwell, on behalf of Natural Resources Minister Margaret Miller. “This plan is a response to recommendations from the communities, and we believe this new approach offers good options and resources to help people get clear title.”

For more information on the project and the application process go to <https://novascotia.ca/natr/titles-clarification/>.

FOR BROADCAST USE:

Government will invest about \$2.7 million to help residents in five communities get clear title to land on which they live.

The support includes funds to assist with legal fees and costs related to estate administration and migration, and new full-time positions dedicated to the land title clarification areas of North Preston, East Preston, and Cherry Brook in Halifax Regional Municipality, and Lincolnville and Sunnyville in Guysborough County.

Minister of African Nova Scotian Affairs Tony Ince says government is taking action with new ways to address disparities and systemic discrimination that African Nova Scotians have faced.



News release

Investments in Land Titles Initiative to Speed Up Claims

[Premier's Office / Office of Equity and Anti-Racism Initiatives](#)

March 5, 2021 - 9:17 AM

Today, March 5, Premier Iain Rankin announced a \$3 million compensation fund to accelerate efforts to address the legacy of systemic racism relating to land ownership in historic African Nova Scotian communities.

This fund will be used to resolve cases that involve parties with competing claims and help speed up efforts under the Land Titles Initiative, which was established in 2017, to provide clear title to residents of the communities of East Preston, North Preston, Cherry Brook/Lake Loon, Lincolntonville and Sunnyville who qualify under the initiative.

Two esteemed jurists, The Honourable Corrine Sparks and The Honourable Valerie Miller (retired), have been named as commissioners to adjudicate disputes.

“Today we are moving in the right direction and I am so pleased that we have been able to make this happen,” said Premier Rankin. “We have learned from working with communities over the last few years that we need to remove barriers and do more to ensure the success of the Land Titles Initiative.”

Lawyer and community leader Angela Simmonds has been named as the executive director of the Land Titles Initiative and will lead the work across the various government departments involved.

Quotes:

African Nova Scotians from our historic Black communities are entitled to clear title to the land they live on. Nova Scotia has a long, painful history of systemic anti-Black racism. These changes will improve access to justice and resolve more land titles claims without residents having to go to court, which can be a costly and intimidating process for many people. We must replace legal barriers with solutions to help create a more just and inclusive province. *Tony Ince, Minister responsible for the Office of Equity and Anti-Racism Initiatives and Minister of African Nova Scotian Affairs*



Hiring an executive director and making this further investment is certainly going to help tremendously. It's going to speed things up and make a big difference in getting the work done. *Spencer Colley, Community Liaison Committee - East Preston*

Quick Facts:

- the Land Titles Initiative launched in 2017 to help residents in five communities get clear title to land
- under the Land Titles Initiative all legal and surveyor fees are covered at no cost to the applicant
- to date, the Land Titles Initiative has been successful in clearing approximately 194 parcels from more than 527 applications received, and more than 850 eligible parcels
- a community liaison committee comprised of residents from the five Land Titles Initiative communities has been formed to ensure the province receives input from affected citizens and ensure government accountability

Additional Resources:

To learn more about the Land Titles initiative visit: <https://ansa.novascotia.ca/landtitles>