

# HALIFAX REGIONAL MUNICIPALITY

## BY-LAW T-700

### RESPECTING TAX DEFERRALS

**BE IT ENACTED** by the Council of the Halifax Regional Municipality as follows:

#### **SHORT TITLE**

1.1 This Bylaw shall be known as Bylaw Number T-700 and may be cited as the “Tax Deferral Bylaw”;

#### **INTERPRETATION**

2.1 In this By-law,

(a) “income” includes wages, salaries, emoluments, gratuities and honorariums arising from employment; fees, earnings and profits from any profession, trade, business or calling after deducting the expenses of earning the same; interest and dividends received directly or indirectly from shares, stocks, bonds, debentures, deposits, mortgages, agreements for sale, estates, loans and other investments; pensions, annuities, retiring allowance, compensation and similar income from any person, business, estate, insurance or other company, government or government agency wherever earned.

- (i) all world net income for deemed residents and for non-residents working outside of Canada; and
- (ii) any owner withdrawals from a self-employed applicant;

but does not include:

- (i) an allowance paid pursuant to the War Veteran’s Allowance Act (Canada);
- (ii) a child tax benefit;
- (iii) a GST or HST rebate;
- (iv) an oil rebate;
- (v) a pension paid to armed forces personnel pursuant to the Pensions Act (Canada).

- (b) “deferral” means any portion of the residential and resource property taxes, local improvement charges or trunk sewer charges levied against a property, payment of which is deferred pursuant to this By-law;
- (c) “owner” means a registered title-holder named on the property deed at the Nova Scotia Registry of Deeds, and includes
- (i) a part owner, joint owner, tenant in common or joint tenant of the property;
  - (ii) In the case of the absence or incapacity of the person having title to the property, a trustee, an executor, a guardian, an agent, an heir, or next of kin; or
  - (iii) a person with a life interest in the property;
- but shall not include
- (i) a trustee in bankruptcy;
  - (ii) a person having the care or control of the property through adverse possession; or
  - (iii) a corporation (other than a registered Canadian Charity)
- (d) “residential property” shall be the building in which the owner or owners reside and that portion of land assessed as residential or resource with a dwelling under the Assessment Act of Nova Scotia (1989), provided that in the case of property assessed under two or more assessment categories, any partial property tax exemption shall not be calculated on the residential assessment or resource with dwelling portion only, and property or land assessed as commercial, farmland, resource, forest, residential farmland, or residential forest shall not be deemed to be residential property.
- (e) In the event that the owner’s principle place of residence (“home”) is completely or partly destroyed as a direct consequence of fire, explosion, or an acute weather event so as to render the premises uninhabitable and the owner must reside temporarily at another location during re-construction or repair application may be made to the Treasurer of the Municipality for a property tax deferral or deferral of local improvement charges calculated on a pro-rated basis on that portion of the Residential assessment or Resource with Dwelling assessment that applies to the land.

Additional documentation shall be required to demonstrate that the destruction of the residence was a direct consequence of a fire, explosion, or acute weather event, that the dwelling is uninhabitable or unsafe, and that destruction was not the consequence of a criminal act by the owner (such as arson).

Such consideration of eligibility shall apply only to a residential dwelling and shall exclude ancillary buildings, recreational cottage, guest house or a non-conforming structure used for habitation.

## **DEFERRAL**

3.1 A person may apply in writing to the Treasurer of the Municipality for the postponement of the payment of the taxes rated by the Municipality upon residential property within the Municipality for the year in which the application is made and such postponement shall be allowed if the person meets the following criteria;

- (a) the person is the owner of the property and uses it for his or her own principle residence;
- (b) the person's gross income together with the income of a spouse or other member of the household over the age of 18 years, including any legally recognized trustee, guardian or executor resident on the property does not exceed the indexed income threshold as set out under 3.1A; and
- (c) the property for which the deferral is applied meets all minimum health and safety laws, regulations and bylaws.

3.1A The indexed income threshold shall be established using the annual Statistics Canada low income cut-off for a three-person household, rounded up to the nearest \$1,000, based upon the population of the entire HRM region.

3.2 If the applicant is a legally recognized trustee, guardian or executor who is not the beneficial owner but is making application on behalf of the resident(s), the applicant shall submit proof of their status and proof of income of the beneficiary pursuant to Section 6.

3.3 Application for a property tax deferral can be made in any of the following manner:

- (a) Property tax deferral on full residential portion or residential and resource with dwelling of billing; or
- (b) Property tax deferral on a portion of the residential billing only with a property tax exemption under Administrative Order 10, taxes deferred will be charged interest each fiscal year; or
- (c) Property tax deferral on a portion of the residential billing only with a property tax exemption under Administrative Order 10, with the option to also defer local improvement charges or trunk sewer charges; taxes deferred will be charged interest each fiscal year.

3.4 A deferral for property taxes shall only be granted on a residential property, or the portion of the property deemed residential or residential resource by the Provincial Assessment Office and occupied by the homeowner as a principle residence,

excluding property taxes assessed as commercial or business occupancy, or strictly resource with no dwelling occupied by the homeowner, a second home, or a cottage, or a mobile home which is on land not owned by the applicant.

- 3.5 The total cumulative value of all taxes and local improvement charges deferred under this by-law shall not exceed 75% of the assessed property value as determined by the Provincial Assessment Office. Should the deferred taxes reach 75% of the assessed property value, payment is required, either in full of the deferred portion or through an active payment plan.
- 3.6 Eligibility awarded under 2.1 (e) of this by-law shall be for a period of one (1) year.
- (a) If after one (1) year the owner has not re-built, repaired, sold or disposed of the property and wishes to remain eligible for a deferral they may appeal in writing to the Treasurer of the Municipality. Consideration of an appeal shall be on the basis of (a) an unreasonable delay in re-construction due to financial hardship or (b) insurance settlement.

## **REPAYMENT**

4.1 Taxes deferred pursuant to Section 3 shall be repaid to the Municipality in full upon the conveyance of the property or upon the death of the person granted the deferral provided that the deferral may continue if the property is conveyed to the widow or widower of the deceased person and the widow or widower meets the criteria set forth in section 3.

Taxes deferred pursuant to Section 3 may be repaid in full or in part at any time without loss of eligibility for future application to the by-law.

## **INTEREST**

5.1 Interest shall be charged on deferrals at the rate set by Regional Council. Local improvement charges and trunk sewer charges that are otherwise subject to interest are not subject to additional interest under this By-law.

## **APPLICATION FORM**

- 6.1 An application to the Treasurer shall contain proof to the satisfaction of the Treasurer that the application has met the conditions required to be granted a deferral.
- 6.2 The applicant and spouse shall be required to submit required income tax returns, forms and documents including any relevant corporate or business information.
- 6.3 No applicant can apply for a retro-active deferral of any amount of tax, local improvement charges or trunk sewer charges.
- 6.4 An application for deferral for a fiscal year shall be submitted by December 31<sup>st</sup> of that fiscal year.

- 6.4A Notwithstanding section 6.4, an application for deferral for the 2015/16 fiscal year shall be submitted by March 31, 2016.
- 6.5 Subject to subsection 6.6, if an applicant does not re-apply for a deferral pursuant to this By-Law or for a residential property tax exemption pursuant to Administrative Order 10 within the year following the fiscal year in which the last application for a tax deferral or tax exemption was made, all amounts to taxes previously deferred shall become payable and collectable in accordance with the Municipality's official collection policy without deferral.
- 6.6 Amounts deferred can remain deferred although applicants no longer qualify for the program due to changes in circumstances if they have an active mutually agreeable payment plan with the Municipality in respect of the deferred amount on which payments remain current, until payment of the deferred amount has been made in full.
- 6.7 All applicants to the Property Tax Deferral Program and the Deferral of Local Improvement Charges Program are required to make an annual application pursuant to By-law T-700.

## **REPEAL**

7.1 By-law T-300 is hereby repealed, provided that any deferral granted pursuant to such bylaw may be continued according to terms of this by-law.

## **DEFERRAL OF LOCAL IMPROVEMENT CHARGES**

8.1 This by-law applies to deferrals of real property tax and Local Improvement Charges and Trunk Sewer Charges. Deferrals will not be applied retro-actively on property taxes, local improvement charges or trunk sewer charges. Notwithstanding this by-law, any past due amounts are payable in full.

Done and passed in Council this 14<sup>th</sup> day of June, 2005.

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Mayor

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Municipal Clerk

I, Jan Gibson, Municipal Clerk of the Halifax Regional Municipality, hereby certify that the above noted by-law was passed at a meeting of Halifax Regional Council held on June 14, 2005.

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Jan Gibson, Municipal Clerk

Notice of Motion:	May 3, 2005	
First Reading:		May 10, 2005
Notice of Public Hearing - Publication:		May 28, 2005
Second Reading:		June 14, 2005
Approval of Service Nova Scotia and Municipal Relations:		N/A
Effective Date:		June 18, 2005

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Amendment # 1	(T-701)	
Notice of Motion:		August 8, 2006
First Reading:		September 5, 2006
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Second Reading:		October 10, 2006
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Effective Date:		October 21, 2006

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Amendment # 2	(T-702)	
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Effective Date:		April 1, 2007

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Amendment # 3	(T-703)	
Notice of Motion:		May 15, 2007
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Approval of Service Nova Scotia and Municipal Relations:		N/A
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Amendment # 4	(T-704)	
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Second Reading:		October 21, 2008
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Amendment # 5 (T-705)

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March 8, 2016

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March 22, 2016

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N/A

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April 30, 2016