

# **HALIFAX REGIONAL MUNICIPALITY**

---

## **HRM TAX REFORM COMMITTEE**

### **MINUTES**

**February 14, 2008**

- PRESENT:** David Grace, Chair  
Councillor David Hendsbee  
Councillor Andrew Younger  
Councillor Sue Uteck  
Councillor Reg Rankin  
Councillor Linda Mosher  
Mr. Patrick Flinn  
Ms. Giselle Kakamousias  
Mr. Andrew Murphy  
Ms. Janice Malay
- REGRETS:** Councillor Brad Johns  
Mr. Robert Grace  
Dr. Mark Gilbert
- STAFF:** Mr. Bruce Fisher, Manager, Fiscal & Tax Policy  
Mr. Andre MacNeil, Financial Consultant  
Ms. Peta Jane Temple, Team Lead, Tax Grants & Special Projects  
Ms. Barbara Coleman, Legislative Assistant

Table of Contents

1.	CALL TO ORDER .....	3
2.	APPROVAL OF THE MINUTES - February 7, 2008 - to be approved at next meeting .....	3
3.	APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS .....	3
4.	BUSINESS ARISING OUT OF THE MINUTES .....	3
5.	CONSIDERATION OF DEFERRED BUSINESS .....	3
6.	CORRESPONDENCES, PETITIONS AND DELEGATIONS .....	3
7.	REPORTS	
7.1	Ability to Pay - Presentation - <i>draft</i> .....	3
7.2	Communication Outline - <i>First draft</i> .....	4
7.3	Timeline - March 4 <sup>th</sup> Council - Presentation - <i>verbal</i> .....	4
7.4	Report from Grants Committee - Income Threshold Property Tax and Deferrals .....	5
8.	ADDED ITEMS .....	5
9.	NEXT MEETING DATE .....	5
10.	ADJOURNMENT .....	5

Information Items:

1. Chronicle Herald News Article - "The Climate of Taxation"
2. Chronicle Herald News Article - "Suburbs New Business Areas?"

1. **CALL TO ORDER**

The meeting was called to order at 11 a.m.

2. **APPROVAL OF THE MINUTES - February 7, 2008**

The approval of the minutes was deferred until the next meeting.

3. **APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS**

**MOVED BY Councillor Uteck, seconded by Mr. Flinn that the Order of Business be approved as presented. MPP**

4. **BUSINESS ARISING OUT OF THE MINUTES** - None

5. **CONSIDERATION OF DEFERRED BUSINESS** - None

6. **CORRESPONDENCES, PETITIONS AND DELEGATIONS** - None

7. **REPORTS**

7.1 **Ability to Pay - Presentation - draft**

- A presentation dated February 14, 2008 was before the Committee

Mr. Bruce Fisher, Manager, Fiscal and Tax Policy, Finance Services gave an overview of the presentation. He advised the group that there is very good data for people under \$28,000 who receive support. Although the data is good in this group there are still some people who do not know about tax relief that is available or others who just don't want people to know that they need it so do not apply for it.

Discussion ensued regarding the composition of the family. HRM does not need to reinvent the wheel. It has already been done with the Federal tax system with the HST and the Child Tax Programs. HRM should try and piggy back on to this system.

**MOVED By Mr. Andrew Murphy, seconded by Mr. Patrick Flinn that Tax Reform Committee proposes that HRM has a municipal tax relief program that parallels the Federal HST rebate and the Child Tax Credit systems that reflect family size and family income of those in the dwelling. MOTION PUT AND PASSED**

Further discussion ensued on the different options noting that Option A is more complex

than Option B.

**MOVED By Councillor Hendsbee, seconded by Mr. Patrick Flinn that the Tax Reform Committee recommend a 2% circuit breaker based on a modified basis of 25 on the first \$20,000.00, 4% on the next \$20,000.00 for a tax relief program.**

**MOVED By Councillor Hendsbee, seconded by Mr. Patrick Flinn that the motion on the floor be amended by adding a cap not to exceed \$4,000,000.00. MOTION PUT AND PASSED**

The motion now reads:

**MOVED By Councillor Hendsbee, seconded by Mr. Patrick Flinn that the Tax Reform Committee recommend:**

- 1. A 2% circuit breaker based on a modified basis of 25 on the first \$20,000.00, 4% on the next \$20,000.00 for a tax relief program;**
- 2. Implement a cap so as not to exceed \$4,000,000.00.**

**MOTION PUT AND PASSED.**

Councillor Rankin left the room at 1:13 p.m.

## **7.2 Communication Outline - First draft**

- A draft Communication Outline dated February was before the Committee.

Mr. Fisher reviewed the Draft outline with the Committee members. Communication is a big piece to the success of any tax reform. Several open houses will be held in different areas of HRM to cover as wide a variety of people as possible. Committee members will divide the open houses between them to be able to speak to the issues. Mr. Fisher and Mr. MacNeil will also be on hand to answer the more technical/detailed questions.

Concerns were raised as to how long it would take to receive feedback from the open houses to the Committee. Mr. Fisher will investigate.

## **7.3 Timeline - March 4<sup>th</sup> Council - Presentation - verbal**

Mr. Fisher advised that the report would not be ready for Council until the March 18th session.

**7.4 Report from Grants Committee - Low Income Property Tax Exemptions and Deferrals**

Ms. Peta-Jane Temple gave a verbal overview of the Low Income Property Tax Exemptions and Deferrals and what it could mean to Tax Reform. Her main concern was the people that need the program do not necessarily take part in the program for such reasons as “they don’t know about the program”, “they don’t want their peers to know that they had to take part in such a program”, or “they feel ashamed to take part in such a program”. Ms. Temple advised that Tax Reform would run into the same mind set if there were rebates, discounts, or other means to lower taxes for people that do not have the ability to pay the full amount reiterating what Mr. Fisher had said at the beginning of the meeting.

**8. ADDED ITEMS - None**

**9. NEXT MEETING DATE**

The next meeting date will be February 28, 2008. This meeting will need to be a three hour meeting. Appointments will need to go out to members advising them of the time.

**10. ADJOURNMENT**

The meeting adjourned at 1:47 p.m.

**Barbara Coleman  
Legislative Assistant**