

HALIFAX REGIONAL MUNICIPALITY

TAX REFORM COMMITTEE MINUTES November 1, 2007

- PRESENT: Mr. David Grace, Chair
Deputy Mayor Sue Uteck
Councillor David Hendsbee
Councillor Andrew Younger
Councillor Linda Mosher
Councillor Reg Rankin
Mr. Patrick Flinn
Mr. Robert Grace
Ms. Giselle Kakamousias
Ms. Janice Malay
Mr. Andrew Murphy
- ABSENT: Dr. Mark Gilbert, Vice-Chair, with regrets
Councillor Brad Johns, with regrets
- STAFF: Mr. Bruce Fisher, Manager, Fiscal & Tax Policy, Finance Services
Mr. Andre MacNeil, Financial Consultant, Finance Services
Ms. Shannon Bennett, Tax Reform Analyst, Finance Services
Mr. Daniel St. Onge, Research Student, Finance Services

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1. **CALL TO ORDER**

The meeting was called to order at 11:15 a.m. in Halifax Hall, City Hall.

2. **APPROVAL OF THE MINUTES** - *October 25, 2007*

MOVED by Andrew Younger, seconded by Andrew Murphy, that the Minutes of October 25, 2007 be approved.

MOTION PUT AND PASSED.

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

MOVED by Andrew Younger, seconded by Patrick Flinn, that the Order of Business and Approval of Additions and Deletions be approved.

MOTION PUT AND PASSED.

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

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

6. **CORRESPONDENCE, PETITIONS AND DELEGATIONS** - none

7. **REPORTS**

7.1 **Presentation on Tax Reform Packages**

Bruce Fisher, Manager of Fiscal and Tax Policy made a presentation to the Committee on proposed Tax Reform Packages.

The Committee discussed how HRM services should be taxed, including: hydrants, solid waste, local roads, sidewalks, Regional road and transit. Bruce Fisher suggested that the construction of new sidewalks and how they will be financed be tabled at this time and revisited after the evaluation of the proposed tax package is complete.

Councillor Mosher asked that definitions of roads be clearer.

Councillor Younger commented that the discussion regarding fees for private roads should be a discussion for the public.

MOVED by Andrew Younger, seconded by Patrick Flinn, that the TRC accept the preceding recommendations as the proposed Tax Reform Package for consultations including:

- individual charges for solid waste, local roads and hydrants
- common tax rates for local recreation, local transit and local

sidewalks

- **4 zones for the regional road costs**
- **4 zones for the regional transit costs**
- **A regional tax rate for the remaining costs**

AND THAT variants to be included in the consultations consist of:

- **including hydrants in the regional tax rate**
- **using frontage for the community road costs**
- **using commuter distance for regional road costs**
- **both serviced and un-serviced roads pay the community road Charge**
- **using 2 zones (not 4) for the regional road and regional transit rates**
- **using user pay for a portion of the solid waste costs**

MOTION PUT AND PASSED.

Bruce Fisher explained that staff need to examine the rates associated with the proposed packages which will provide clarity around the affect the new system will have on municipal taxes. He further explained that there are still major issues outstanding that must be dealt with by the Committee, including dealing with vacant land, Ability to Pay and Deed Transfer Tax.

It was discussed that a move towards flat dwelling unit charges linked to services for taxation would have to be accompanied by enhanced ability to pay programs. It is proposed that the Committee look at "circuit breakers", which limit taxes paid to a percentage of income.

Staff suggested that there could also be a reduced or graduated deed transfer tax rate, as HRM is one of the few municipalities (if not the only) that charges the deed transfer tax on the first dollar.

David Grace mentioned giving a break to first time home buyers to help encourage youth to purchase homes in HRM.

Councillor Younger reminded the Committee that any reduction in the deed transfer tax would have to be made up through the general rate.

Many committee members felt that there was little connection between the money paid for the deed transfer tax, and actual service provided by the city when transferring property. It was suggested that since there was little connection between services provided and the taxes charged, the deed transfer tax should be eliminated.

MOVED by Giselle Kakamousias, seconded by Reg Rankin, that HRM remove the Deed Transfer Tax from everyone (both Commercial and Residential)

The Committee continued to discuss Deed Transfer Tax and passed the following motion:

MOVED by Giselle Kakamousias, seconded by Reg Rankin, that HRM remove the Deed

Transfer Tax from everyone (both Commercial and Residential) and charge people the true cost of the service associated with transferring property

MOTION PUT AND PASSED AS AMENDED.

Staff will look into the actual cost associated with transferring property for both residential and commercial.

The Committee briefly discussed how commercial business should be taxed and will discuss further at a future meeting.

Council Younger suggested that the Committee invite Jim Donovan and Fred Morley to the meeting when discussing commercial tax as this should be tied in with the Economic Plan

8. ADDED ITEMS - none

9. NEXT MEETING DATE

The next meeting date was not set. Staff will contact the Committee with possible dates.

10. ADJOURNMENT

MOVED by Patrick Flinn, that the meeting adjourn at 1:11 p.m.

Carolyn Wiper
Administrative Support Assistant