HALIFAX
REGIONAL MUNICIPALITY

PO Box 1749
Halifax, Nova Scotia
B3J 3A5, Canada

**Item No. 11.2.1**
**Halifax Regional Council**
**April 27, 2010**

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:** Krista Tidgwell
for Councillor Russell Walker, Chair, HRM Grants Committee

**DATE:** April 16, 2010

**SUBJECT:** **Partial Tax Exemption for Homes Destroyed by Fire**

## ORIGIN

Regional Council motion of June 2, 2009, that Halifax Regional Council request a staff report on developing a policy to allow rebates/reimbursement of property taxes for properties destroyed by fire, and subsequent referral to the HRM Grants Committee for review.

## RECOMMENDATION

It is recommended that Halifax Regional Council approve the Revised Administrative Order # 10 - Respecting Partial Tax Exemption for Residential Taxation, as outlined in Attachment 1 of the staff report dated February 18, 2010 (Attachment E of this report), with the retroactive effective date to remain December 1, 2008.

## BACKGROUND

Further to Regional Council's motion of June 2, 2009 staff provided a report to the HRM Grants Committee for their September 14, 2009 meeting. During that meeting the Committee requested that staff provide additional information pertaining to various aspects of exemption and the assessment cap as outlined in attachment B of this report. Staff provided the requested information as a supplementary report to the Committee on October 5, 2009. The Grants Committee subsequently submitted a recommendation to Regional Council on October 27, 2009 which endorsed Option 2 of the staff report dated September 3, 2009 (attachment A of this report).

During the Regional Council discussion of the Grants Committee recommendation, Councillor Hendsbee requested that the effective exemption date be retroactive to December 1, 2007. Regional Council referred the matter back to the Grants Committee for review. Staff provided an additional information report to the April 12, 2010 Grants Committee meeting, which pertained to the 2007 commencement date. This report also contained a revised Administrative Order 10 based on the proposed amendments (attachment E of this report).

## DISCUSSION

During the April 12, 2010 meeting, the Committee indicated the retroactive date should remain December 1, 2008, as identified in the HRM Grants Committee's recommendation of October 5, 2009.

## BUDGET IMPLICATIONS

Finance staff have advised that the estimated $25,000, to fund up to 30 major residential fires in the 2010-11 fiscal year, could be absorbed within the existing Residential Tax Exemption program budget of $1.5 million.

## FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the 2010/11 proposed Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

## ALTERNATIVES

As per the attached Information Report dated February 18, 2010 and the HRM Grants Committee Report dated October 5, 2009.

## ATTACHMENTS

A. Staff Report to Grants Committee dated September 3, 2009
B. Minute Extract of the September 14, 2009 HRM Grants Committee Meeting
C. Supplementary Staff Report to Grants Committee dated September 22, 2009
D. HRM Grant's Committee Report dated October 5, 2009
E. Staff Report to Grants Committee dated February 18, 2010

A copy of this report can be obtained online at http://www.halifax.ca/council/agendasc/cagenda.html then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Krista Tidgwell, Legislative Assistant, Office of the Municipal Clerk, 490-6519

Financial Approval by: Cathie O'Toole

Cathie O'Toole, CGA, Director of Finance, 490-6308

Attachment A

HALIFAX
REGIONAL MUNICIPALITY

PO Box 1749
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**Grants Committee**
**September 14, 2009**

**TO:** Chair and Members HRM Grants Committee

**SUBMITTED BY:** Cathie O'Toole

Cathie O'Toole, CGA, Director of Finance

**DATE:** September 3, 2009

**SUBJECT:** **Partial Tax Exemption for Homes Destroyed by Fire**

## ORIGIN

Councillor Steve Adams requested, on June 2, 2009, a staff report on developing a policy to allow rebates/reimbursement of property taxes for those properties destroyed by fire.

## RECOMMENDATION

1. Regional Council should maintain its current policy on taxation of homes destroyed or partially destroyed by fire.

## BACKGROUND

On June 1, 2001, Bill 12 received royal ascent in the NS legislature. This bill introduced changes to the Municipal Government Act that would allow Regional Council, by policy, to

> *"provide for the reduction, to the extent that the council considers appropriate, of the taxes payable with respect to a property if a building situate on the property has been destroyed or partially destroyed by fire, storm or otherwise and the assessment of the property does not reflect that the building has been destroyed or partially destroyed, and provide for the reimbursement of any overpayment resulting from the reduction."*

The legislation allows that a municipal policy may be made retroactive to April 1, 1999. The legislation is currently in Section 87 of the HRM Charter.

## DISCUSSION

### Related Reports and Policies

For the last several years relief from taxes for fire damage has been a topic of debate for Regional Council and the Grants Committee. In 2005 staff circulated a draft report for review by the Grants Committee. This outlined an approach that would refund taxes to homeowners where a home had been made uninhabitable due to fire. The level of the rebate was based on the value of their home and the length of time they were out of the house (for repair/replacement). The Grants Committee provided several suggestions to staff. There was considerable concern by staff over the complexity and administration of any such project.

Since that time, a number of adjustments to policies, related to destruction by fire, have been approved by Regional Council. See Attachment 1 - Related Changes to HRM Policies.

### Unclear Rationale for Damage Relief

The argument that one should receive relief for property taxes due to fire damage because municipal services are not available to the property is based more in perception than reality. As it exists today the property tax system is not a service based tax but an ability to pay tax. The assumption behind taxing home values is that those with higher valued homes have a greater ability to pay and that property values are an acceptable proxy for ability to pay. Hence many individuals pay property tax irrespective of the services at their property. For instance, owners of vacant or commercial land pay taxes towards solid waste even though there is no solid waste collection at those properties. Regardless, even after a major fire many municipal services continue to benefit the owners of damaged properties. For example, virtually all services along the roadway would continue, e.g. road repair, police patrols and fire protection will continue while the house is unoccupied and under repair.

Another reason for an exemption might be compassion in times of personal or financial hardship. The program could be targeted at those who experience financial hardship, e.g. those who do not have adequate fire insurance and/or may not qualify for financing (for repairs or reconstruction). This approach may send a "wrong message" and could potentially discourage HRM residents from obtaining adequate fire insurance when it would be the prudent thing to do. It is not the responsibility of the municipality to supplement private home insurance. As a variation, any program could apply to low-income households only. For example, a supplement could be added to the current low income rebate for those who have had fire damage. However, many of the requests made for relief due to fire damage have come from those who are currently not applicants to the low income relief program.

While the exact rationale for providing tax relief for fire damage is not clear, it is obvious that many taxpayers who have experienced major fires are frustrated with the operation of the tax system. For instance, assessment values are based on previous year's information. The assessed value for any home is an estimate of the value for two year's previous (the "base date"), assuming the condition of the home on the previous December 1st (the "state data"). For example, if a house is partially constructed on December 1st, 2008 and completed a few months later, the taxes for 2009 will reflect the partially built house, not the completed and occupied house in place at the time of the tax bill. Similarly, if a house is damaged or destroyed on December 1st, 2008 the loss of the house would not be reflected until the 2010 tax bill. Depending on when during the year a fire occurs, the time lag between the date of the damage/destruction and the taxation change can range from 4 to 16 months. Equally, the same time lag exists for renovations or new construction. This means that some homes will see a decline in their assessed value due to the date of the fire, while others may be long re-built before the assessment system ever has a chance to lower the value of the property. To add insult to injury, homes re-built after a fire lose the benefit of the assessment cap. This administrative complexity is frustrating and confusing to many taxpayers who see such treatment as arbitrary.

If HRM were to implement a relief program for fire damage it would have to address a variety of issues that could complicate any attempt to provide such relief. The two main issues to be addressed are: (1) how do we determine a home is sufficiently damaged to justify relief and for how long is relief given, and (2) how much relief should be given.

**Defining "Destruction by Fire"**

HRM Fire Services respond to 2,000 fires incidents, annually. Of these, approximately 25 are fires that result in major damage to single-family or small multiplex unit. A "**major fire**" is defined a by HRM Fire Services as a fire that involves two or more rooms in home. Records of major residential fires are readily accessible to HRM staff, going back several years. After a major fire, the home may still be occupied, but in many cases it would not. There is no fire incident classification of "totally destroyed".

**How Much Relief should be Provided?**

In the HRM Fire Services investigation report, in most cases, there is no statement of whether a residence remains **inhabitable**. HRM does not monitor how long a family is out of their home, when a residence is damaged. To do so, could be resource intensive (from an HRM perspective) and/or intrusive on the household involved. Depending on the nature of the damage and the specific project, a building permit may or may not be applied for and a occupancy permit may or may not be required/provided. Presumably relief would only last while a property is damaged or cannot be occupied. Depending on the specific circumstances, it could be complex to determine when a property is occupied or occupied and hence again subject to full tax. The administration involved could also prove frustrating to citizens, many already struggling to deal with the loss of their home.

Given this, three options for a Tax Exemption Program are possible. The first would involve a basic formula approach where all are given six months worth of tax relief on the value of their home (but not their land). The second would also provide up to 12 months worth of relief, depending on level of damage, but would require the Property Valuation Services Corporation to re-assess the property to determine the value of the damage. The third would provide relief only while the home was not able to be reasonably occupied. As with option two, relief would be limited to the exact assessed damage.

**Option 1: Simplified Approach** (Average Rebuild Time)

Typically, a home can be (re)built within four months, from the time of approved financing and building plans. Repairs may require less time, depending on the nature of the damage. A mobile home for example, could be replaced in a matter of weeks. In most cases, a home with a "major fire" could be repaired/replaced within 6 months of a fire. Complicating factors could be insurance/financial approvals or availability of specialized contractors, e.g. R-2000 builder.

HRM could provide a 6-month tax exemption for the building portion of the assessment when a "major fire" occurs in a primary residence. The fixed time frame for the exemption could be applied, whether the repair/reconstruction takes 2 months or 10 months. This would have the advantage of simplifying the program for both the applicant and the administrator (HRM). A simplified approach is reasonable for a program that might typically have two dozen applicants per year. To put in place significant new protocols or procedures for such a small program would not be efficient.

The calculation of an exemption for such a simplified program is shown below.

Example 1:

Major fire occurs in a home assessed at $180,000 with total taxes of $2,300 for 12 months. Assessed value of the "building" is $135,000.

$$\text{Exemption} = \frac{\text{value of building}}{\text{total assessment}} \times \frac{\text{6 months}}{\text{12 months}} \times \text{total annual tax}$$

$$\text{Exemption} = \frac{\$135{,}000}{\$180{,}000} \times \frac{6}{12} \times \$2{,}300$$

Exemption = 0.75 x 0.50 x \$2,300 = \$862.50
*( % value x % year x annual tax = exemption )*

Notes:
1. The total annual tax would be based on the September tax bill.
2. If a fire occurs between October 1st and November 30th, exemption would reflect remaining time to March 31st, rather than full 6 months. If a fire occurs between December 1st and March 31st, exemption could be extended to 8 months, half of the potential 16-month time frame to an updated assessment.

Summary: Option 1 is easy to administer and easy for the homeowner to understand and deal with. However, it would be relatively more generous to smaller major fires than to major fires with extensive damage. It should satisfy most taxpayers but there will be some who will expect greater compensation.

**Option 2: Early Reassessment Approach**

Refinements are possible on the Simplified Approach. The extent of the damage could be more-accurately reflected in the exemption, by having the property reassessed shortly after the fire/incident. If the extent of the damage were better known, then the time frame for repairs could be modified, depending on the extent of the damage. For example, if the home were: a) more than 50% destroyed or b) received more than \$100,000 in damage (based on reassessed value), then the exemption time period could be extended from 6 to 12 months.

In the majority of cases, the home will be reassessed -- as part of the normal assessment cycle -- prior to the following fiscal (tax) year, so the period of exemption simply needs to extend to the end of the fiscal year or for a reasonable reconstruction period, whichever is shorter . If a fire occurs between December 1st and March 31st, the assessment cycle is missed and the reassessment would take effect 12 to 16 months later. However, if 12 months, for example, is considered a reasonable period in which to repair/rebuild, then the exemption period need not extend beyond 12 months.

The calculation of an exemption for a program that reassesses each property is shown below.

Example 2:

On June 12th, a major fire occurs in a home assessed at \$180,000 with total taxes of \$2,300 for 12 months. Home is reassessed on June 24th at \$72,000, i.e. \$108,000 lower than before the fire.

$$\text{Exemption} = \frac{\text{reduction in value}}{\text{original value}} \times \frac{\text{days left in fiscal year}}{\text{365 days}} \times \text{total annual tax}$$

$$\text{Exemption} = \frac{\$108{,}000}{\$180{,}000} \times \frac{\text{292 days}}{\text{365 days}} \times \$2{,}300$$

Exemption = 0.60 x 0.80 x \$2,300 = \$1,104
*( % value x % year x annual tax = exemption )*

Notes:
1. The total annual tax would be based on the September tax bill.
2. If a fire occurs between December 1st and March 31st, "days left in fiscal year" would be 365, applicable to the following fiscal year.

Summary: Option 2 adds the PVSC reassessment to better differentiate between smaller and larger major fires, so it requires additional coordination of efforts. It would be relatively easy to administer and easy for the homeowner to understand. It may be considered more accurate or "fairer" to homeowners, since it takes into account the specific damage to each individual property.

**Option 3: Confirmed Occupancy Approach**

Regional Council could make the rebate reflect the specific time that each home is unoccupied, rather than use a fixed time frame of 6 or 12 months for repairs/reconstruction. The number of days "unoccupied" would be the time from the date of the fire to the date when the home may be safely occupied, with all major systems operational. This would normally be limited to 12 months.

The calculation of an exemption for such a program that tracks occupancy is shown below.

Example 3:

On June 12th, a major fire occurs in a home assessed at $180,000 with total taxes of $2,300 for 12 months. Home is reassessed on July 10th at $72,000, i.e. $108,000 lower than before the fire. The home receives an occupancy permit on February 23rd.

$$\text{Exemption} = \frac{\text{reduction in value}}{\text{original value}} \times \frac{\text{days unoccupied}}{365} \times \text{total annual tax}$$

$$\text{Exemption} = \frac{\$108{,}000}{\$180{,}000} \times \frac{256\text{ days}}{365\text{ days}} \times \$2{,}300$$

$$\text{Exemption} = 0.60 \times 0.70 \times \$2{,}300 = \$966$$

*( % value x % year x annual tax = exemption )*

Notes:
1. The total annual tax would be based on the September tax bill.
2. "Days unoccupied" would normally be limited to the number days left in fiscal year, since the tax roll would be corrected by the following year, or 365 days, if a fire occurs between Dec. 1st and Mar. 31st.

*Summary of Options*

| Option | 1. | 2. | 3. | Comments |
|---|---|---|---|---|
| Approach | "Avg Rebuild Time" | "Remainder of Tax Year" | "Exact Time Away" | |
| Value Used for Relief | 100% of Building Value | Portion of Home Destroyed | Portion of Home Destroyed | Option 1 most generous |
| Time Used | Fixed at 6 months | remainder of fiscal year(s) (max: 12 months) | exact time out of house (max: 12 months) | Options 2 or 3 may be shorter or longer than Op.1 |
| Proof of Fire | HRM Fire report | HRM Fire Report | HRM Fire report | No difference |
| Proof of Occupation | not required | not required; however, could set minimum decline in building assessment, e.g. 25%, to be eligible | Requires: 1) affidavit to confirm home unoccupied and 2) occupancy permit (or equiv.) to confirm completion 3) possible site visits by staff | Options 2 & 3 could reduce # of eligible applicants |
| Value of Rebate | Known shortly after fire | Known shortly after reassessment is complete | Known after repairs completed | Options 1 & 2 provides greater certainty than 3 |

**Retroactivity**

If such a program were put in place, it could be made retroactive. HRM has received inquiries from residents who have had major fires in the past. However, if the program were approved retroactively, it could be made available to all homeowners who would otherwise be eligible but had not contacted the municipality. If the policy were made retroactive to include major fires on or after April 1, 2005, an estimated 128 properties would be eligible at a cost of approximately $108,000.

Based on the Simplified Approach, Option 1 shown above, the estimate of program costs for various periods of retroactivity are shown below.

| | | |
|---|---|---|
| On-Going Costs | 24 homes / year | $25,000 / year |
| | | |
| Additional Costs for Retroactivity, if made retroactive prior to April 1, 2010: | | |
| Eligibility Date (fires occurring on or after) | Estimate of Eligible Properties | Budget Implication (total exemptions) |
| December 1, 2009 | 8 | $6,000 |
| December 1, 2008 | 40 | $45,000 |
| December 1, 2007 | 64 | $63,000 |
| December 1, 2006 | 88 | $80,000 |
| December 1, 2005 | 112 | $97,000 |
| April 1, 2005 | 128 | $108,000 |

The cost of exemptions for Options 2 and 3 would not differ significantly from Option 1. However, the administrative costs to HRM of Option 3, tying up Finance and Community Development resources, could well exceed the annual value of exemptions.

**Other Considerations**

The potential program should not be eligible to those who are found guilty of arson or another crime leading to the fire.

There is risk that some will want the program expanded to situations other than damage by fire. The intent of the program is that it be limited to:

- owner-occupied primary residences
  - cottages or rental properties would not be eligible;
- significant damage, outside of the owner's control, due to sudden event/incident
  - demolition by the owner would not be eligible
  - minor damage, e.g. hole in roof from fallen tree, would not be eligible.

The potential program eligibility should not change based on whether the homeowner had adequate home insurance. The program should favour neither those with nor without insurance coverage.

In most cases, when a home is significantly repaired or rebuilt, the assessed value will increase for several reasons. First of all, the construction is newer and in some cases, the building standards will have changed, since the original construction. So the value of the completed work, will likely exceed that which it replaced. Also, the provincial CAP program does not apply to new construction, so any assessment cap will be lost on the portion of the house rebuilt.

## BUDGET IMPLICATIONS

There are no budget implications for the recommended option.

There is currently no budget for partial tax exemptions for homes destroyed or partially destroyed by fire, storm or otherwise. If such a program were to be approved, funding should be sought in the 2010-11 fiscal year, during the annual budgeting process. The 2010-11 funding requirements would depend on the whether, and to what extent, the program is retroactive.

The cost of Option 1 on an ongoing basis is estimated at $25,000 per year. If retroactive to December 1, 2008, the Spryfield - Ferguson's Cove forest fire (April 30, 2009) would add an additional $20,000. Retroactive settlements for the period April 2005 to November 2008, would add an estimated one-time cost of $63,000. Exemption costs for Options 2 or 3 are roughly comparable, but Option 3 could involve considerable administrative expense. The use of a person or half-person of resources from fire or planning could be more costly than the actual rebate to the homeowners.

## FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

## ALTERNATIVES

1.a. The Committee could recommend the partial exemption of residential property taxes -- proportional equal to half of the taxation year on the "building" portion of the assessment -- for taxpayers in owner-occupied homes who suffer from a major fire. The policy change could be made retroactive to properties with major fires that occurred on or after December 1, 2008. The program cost for the period of December 1, 2008 to March 31, 2010 (16 months) is estimated to be $45,000 in total. This includes $20,000 for the unusual losses resulting from the Spryfield - Ferguson's Cove forest fire in April/May 2009. On a go forward basis, the annual costs of the simplified program would be approximately $25,000 / year.

1.b. Alternately, Regional Council could make the policy retroactive to include major fires on or after April 1, 2005 or another date of their choosing. The financial implications of this option are an additional $63,000 for the period between April 1, 2005 and December 1, 2008 (44 months). Therefore, total costs to March 2010 are estimated at $108,000.

2. HRM could make the level of rebate reflect the specific damage that occurred on each property., rather than exempt the total building value. This would allow the program to provide a larger adjustment to those with the larger loss. However, this would require that HRM develop an effective protocol with PVSC (provincial assessment services), PVSC currently provides this reassessment service in other jurisdictions. The budget implications are similar to options 1.a. and 1.b., above.

3. HRM could make the level of rebate reflect the specific time that each home is unoccupied, rather than use a fixed time frame of 6 or 12 months for repairs/reconstruction. This is not recommenced, since it would increase the uncertainty and potential reporting requirements of potential clients, at a point in time when simplicity and certainty would be desired. As well, this approach could consume significant HRM resources, e.g. building inspectors, finance officers, who would need to follow-up for months and possibly years, following each fire. Although, the overall annual cost of exemptions may be somewhat reduced, the administrative effort would not lead to efficient use of HRM resources by a program that may have less than 25 clients each year.

## ATTACHMENTS

Attachment 1 - Related Changes to HRM Policies

A copy of this report can be obtained online at http://www.halifax.ca/council/agendasc/cagenda.html then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Andre MacNeil, Financial Consultant, 490-6241

Report Approved by: Bruce Fisher, Manager, Fiscal & Tax Policy, Finance, 490-4493

## Attachment 1 - Related Changes to HRM Policies

Since June 2005, a number of adjustments to policies, related to destruction of homes by fire, have been approved by Regional Council.

The Grants Committee has put forward several reports to Council, including:

September 12, 2006 -- Eligibility was revised for By-Law T-700 to allow those whose home was destroyed or partially destroyed (by fire, storm or otherwise) to continue to be eligible for one year after the date of said destruction. Prior to this change, residency on the property was an absolute requirement for program eligibility.

December 10, 2007 -- Eligibility was revised for Admin Order #10 to allow those whose home was destroyed or partially destroyed (by fire, storm or otherwise) to continue to be eligible for one year after the date of said destruction. Prior to this change, residency on the property was an absolute requirement for program eligibility.

Capital Cost Charges give consideration to homes destroyed by fire:

Bylaw C-600 clarifies that no charge shall be payable under the bylaw, "...where the building is rebuilt, replaced or repaired, if destroyed or damaged by fire or otherwise, including demolition for the purpose of renovation or redevelopment, if the building is substantially the same as it was before the destruction or damage and it is occupied by the same use."

April 29, 2008 -- Bylaw C-800 (Capital Cost Charges for Solid Waste Facilities) was approved. Similarly, this bylaw mades clear that no charge shall be payable, "...where a building is rebuilt, replaced or repaired, if destroyed or damaged by fire or otherwise... if the building is substantially the same as it was before the destruction or damage and it is occupied by the same use."

**Attachment B**

Minute Extract of the September 14, 2009 HRM Grants Committee Meeting

**6.3 Partial Tax Exemption for Homes Destroyed by Fire**

- A report dated September 3, 2009 was before the Committee.

Mr. Bruce Fisher, Manager, Finance Services, presented the report.

Following discussion by the Committee, it was **MOVED BY Councillor Dalrymple, seconded by Councillor Lund that the Grants Committee request a Supplementary Report recommending Option 1 as outlined in the staff report dated September 3, 2009 and that the commencement date be for a fire that occurred on or after December 1, 2008. Staff are also to consider:**

1. **the inclusion of accessory buildings (garages);**
2. **provide examples of the implications for fires that would occur at different times of the year;**
3. **open up tax exemption to include floods, sewage backup, radon gas issues or storm surges;**
4. **that the assessment cap be maintained for those homes lost to fire;**
5. **provide ability for property owner to receive extension for rebuild time with proper documentation outlining why the rebuild time would have to be extended;**
6. **are commercial uses considered;**
7. **consider mobile homes as some lease the land but own the structure and some own both the structure and land;**

**MOTION PUT AND PASSED.**

Attachment C

HALIFAX
REGIONAL MUNICIPALITY

PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Grants Committee
October 5, 2009

**TO:** Chair and Members HRM Grants Committee

**SUBMITTED BY:** Cathie O'Toole, CGA, Director of Finance

**DATE:** September 22, 2009

**SUBJECT:** **Partial Tax Exemption for Homes Destroyed by Fire**

## SUPPLEMENTARY REPORT

## ORIGIN

At the September 14, 2009 Grants Committee meeting, committee members asked for clarification and examples for a potential tax exemption program for homes destroyed by fire.

## BACKGROUND

See the report to Grants Committee **"Partial Tax Exemption for Homes Destroyed by Fire"** from the September 14th Committee meeting.

## DISCUSSION

### Relevance of December 1st Date

Every year, homes are reassessed -- as part of the normal assessment cycle -- prior to the following fiscal (tax) year. So, any fires that occur prior to December 1st, should be reflected in the following year's taxes. For example, the tax bills that were sent out in 2009, reflect the condition of properties at December 1, 2008. So any property, on which a fire occurred on or before November 30th, 2008 should be accurately assessed on the 2009 tax roll and tax bill for the 2009-10 fiscal year. Fires that occurred on or after December 1st, 2008 (or any subsequent repairs/reconstruction) would not be reflected on the 2009 tax roll or resulting tax bill.

### Consideration of Accessory Buildings

Property Valuation Services Corp. (assessment services) provides assessment values for properties in three categories: "Land", "Building" and "OBY" (Outdoor, Back Yard). "OBY" would include such things as: tool sheds, swimming pools or fences. If the Committee wanted to include all "out buildings" under the program, under the Simplified Approach, Option 1, "Building" + "OBY" taxes could be waived for 6 months. Under Option 2, all "out buildings" are automatically included, since the entire property would be re-assessed.

To clarify that the focus in on owner-occupied dwellings, "OBY" could be excluded. However, the "OBY" portion of the assessment is typically quite low, so could be included without significant fiscal impact. Regardless, under either scenario, commercial assessment and commercial taxation would not be included in the tax exemption program, even for mixed use, e.g. home-based business.

### Consideration of Mobile Homes

Owner-occupied mobile homes would be treated the same as any other residential property. In practice, mobile homes in parks may have an assessed land value of $0, if the land is leased. Since the land value typically does not change due to a fire, this assessment split provides neither an advantage nor disadvantage to mobile homes.

### Consideration of Multi-Unit Buildings

Owners of multi-unit properties, who reside in one of the units, could be eligible for the program, however the rental units would not be eligible. A further condition would be that the major fire would have to had taken place (partially or fully) within the unit occupied by the owner as their primary residence. This is a criterion for all single-family homes.

For Option 1, the value of the exemption could be multiplied by the ratio:

$$\frac{1}{\text{\# of units in bldg}}$$

For Option 2, the value of the exemption could be multiplied by the ratio:

$$\frac{\text{floor area of homeowner's unit}}{\text{total floor area of all units in fire}}$$

For the floor area of the homeowner's unit, if information is not available from PVSC or HRM files, an affidavit may be required from the homeowner to describe and/or estimate the area used for their primary residence.

## Consideration of other Types of Damage

The HRM Charter allows Regional Council, by policy, to "provide for the reduction... of the taxes payable with respect to a property if a building situate on the property has been destroyed or partially destroyed by fire, storm or otherwise." The report provided to the Committee, for the October 5th meeting, proposed options related to destruction by fire, only. Consideration of "properties destroyed or partially destroyed by storm or otherwise" could be done following approval of an approach and draft policy for "destruction by fire." At this time, consideration of destruction by fire is most straight-forward, due to the nature of our fire response and reporting.

## Possibilities for Assessment CAP Changes

On September 14th, several Committee members asked about the provincial CAP policy related to homes repaired or rebuilt after a fire. The Capped Assessment Program does not apply to "new construction", so any portion of a home rebuilt would be assessed at market value. In a practical sense, this means that properties suffering significant damage by fire lose the CAP on all but the land value, and their taxes would increase significantly following re-construction.

To change the current policy, the provincial government would need to change the Assessment Act. Some options include:
1) exempting "new construction" following a fire, storm or otherwise, similar to HRM's Capital Cost Contribution policy (By-Law C-600);
2) freezing the "base" year for assessment valuation for all residential properties. (For homes bought and sold, the assessment cap starts in the year the home was bought.)

The Committee could request Regional Council to send a letter to the Province to identify specific issues and/or request specific changes to the provincial CAP program. This letter could be prepared by Finance staff.

**Examples with Fires at different Times of the Year**
(including extensions past 12 months to allow for construction)

On September 14th, Committee members reviewed the three options presented, however the consensus was to develop a program that was simple for the client to understand and HRM to administer. Options 1 and 2 are both relatively straight-forward to administer, so examples for these two options are provided below. (For all examples below, the total annual taxes include all provincial and area rates.)

*Option 1: Simplified Approach*
For all major fires, as identified by HRM Fire Services, all owner-occupied properties will have 100% of their "building" value exempted from taxation for 6 months.

*Option 2: Early Reassessment Approach*
Following all major fires, all owner-occupied properties will be re-assessed. This reassessed value will be used to calculate taxes until the next regularly scheduled assessment cycle takes effect (up to 16 months after the date of the fire).

*Examples for Three Dates*

Assumptions: Total Assessment of Property: $180,000
Total Assessment of Building: $145,000
Total Annual Taxes: $2,300

| Examples | | | Option 1 | Months before re-assessment effective | Option 2 |
|---|---|---|---|---|---|
| | Date of Fire | Level of Damage | Exemption | | Exemption |
| 1. | June 12th | 30% of building | $926 | 9.6 | $446 |
| | | 90% of building | $926 | 9.6 | $1,339 |
| 2. | Sept 11th | 30% of building | $926 | 6.6 | $308 |
| | | 90% of building | $926 | 6.6 | $923 |
| 3. | Jan 17th | 30% of building | $926 | 14.4 | $669 |
| | | 90% of building | $926 | 14.4 | $2,006 |

*Example for Mobile Home*

Assumptions: Total Assessment of Property: $72,500
Total Assessment of Building: $72,500
Total Annual Taxes: $900

| Example | | | Option 1 | Months before re-assessment effective | Option 2 |
|---|---|---|---|---|---|
| | Date of Fire | Level of Damage | Exemption | | Exemption |
| 4. | June 12th | 30% of building | $450 | 9.6 | $217 |
| | | 90% of building | $450 | 9.6 | $650 |

*Example for Small Apartment (or home with leasable suites)*

Assumptions:

A fire occurs in a triplex involving two of the three units. The building owner lives in one of the two units that is fire damaged. The owner's unit is 1,050 square feet; the 2nd unit in the fire is 700 sq.ft..

Total Assessment of Property: $300,000
Total Assessment of Building: $250,000
Total Annual Taxes: $3,700

| Example | | | Option 1 | Months before re-assessment effective | Option 2 |
|---|---|---|---|---|---|
| | Date of Fire | Level of Damage | Exemption | | Exemption |
| 5. | June 12th | 25% of building | $500 | 9.6 | $361 |
| | | 60% of building | $500 | 9.6 | $866 |

## BUDGET IMPLICATIONS

There is currently no budget for partial tax exemptions for homes destroyed or partially destroyed by fire, storm or otherwise. If such a program were to be approved, funding should be sought in the 2010-11 fiscal year, during the annual budgeting process. The cost of Option 1 or Option 2 on an ongoing basis is estimated at $25,000 per year.

Total funding requirements would depend on whether, and to what extent, the program is retroactive. If retroactive to December 1, 2008, the cost to April 1, 2010 is estimated to be $45,000. If this policy were to be put in place this year, funding could be sought from M311-8005, total budget of $1,306,400 for 2009-10. However, whether there will be adequate funding in 2009-10 will not be known until early 4th quarter, after most of the low-income tax exemptions have been processed.

Alternately, funding could be sought from another budgeted program, at the discretion of Regional Council.

## FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

A copy of this report can be obtained online at http://www.halifax.ca/council/agendasc/cagenda.html then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Andre MacNeil, Financial Consultant, 490-6241

Report Approved by: Bruce Fisher, Manager, Fiscal & Tax Policy. Finance, 490-4493

HALIFAX
REGIONAL MUNICIPALITY

PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 11.4.1
Halifax Regional Council
October 27, 2009

**TO:** Mayor Kelly and Members of the Halifax Regional Council

**SUBMITTED BY:** Russell Walker
Councillor Russell Walker, Chair, HRM Grants Committee

**DATE:** October 5, 2009

**SUBJECT:** **Partial Tax Exemption for Homes Destroyed by Fire**

## ORIGIN

Grants Committee meetings of September 14, 2009 and October 5, 2009.

## RECOMMENDATION

**It is recommended that Halifax Regional Council approve Option 2: Early Reassessment Approach as outlined in the Staff Report dated September 3, 2009 and the Supplementary Staff Report dated, September 21, 2009 attached to this report as Attachments 1 and 2, and; that the commencement date be for a fire that occurred on or after December 1, 2008.**

## BACKGROUND

The Grants Committee discussed the matter, as outlined in the Staff Report dated September 3, 2009 and the Supplementary Report dated September 22, 2009, at their October 5, 2009 meeting.

The Grants Committee agreed to recommend Option 2: Early Reassessment Approach for Council's consideration and that the commencement date be for a fire that occurred on or after December 1, 2008. Staff agreed to provide a list explaining the pros and cons between Option 1: Simplified Approach (Average Rebuild Time) and Option 2: Early Reassessment Approach as outlined in the staff reports and is attached to this report as Attachment 3.

## BUDGET IMPLICATIONS

As per the attached staff reports dated September 3, 2009 and September 22, 2009.

## FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

As per the attached Staff Reports dated September 3, 2009 and September 22, 2009.

## ALTERNATIVES

As per the attached Staff Report dated September 3, 2009 and September 22, 2009.

## ATTACHMENTS

1. Staff Report dated September 3, 2009.
2. Supplementary Staff Report dated September 22, 2009.
3. Pro and Cons of Options

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210 or Fax 490-4208

Report Prepared By: Chris Newson, Legislative Assistant

Attachment 3

## Pro & Cons of Options

Option 1:

**Simplicity**

- easy to understand, easy to explain to residents
- all eligible residents receive compensation for 6 months, regardless of timing of fire or extent of damage

**Quick Response**

- can advise of the amount of rebate within days of fire occurrence (soon after fire investigation report is complete)

**Over/Under Compensation**

- may be seen to "over compensate" for situations of lesser loss (e.g. two rooms damaged) and "under compensate" for situations of greater loss (e.g. complete loss of home)

Option 2:

**Reflects Individual Circumstances**

- compensation reflects specific loss of value to each property
- eligible residents receive compensation for 4 to 16 months, depending when fire occurs

**Corrects Timing Delay in Assessment System**

- tax bill is adjusted until the normal cycle of property assessments takes effect, i.e. no need for owner to apply for "extension", if rebuilding delayed

**Coordination with PVSC**

- requires cooperation of Property Valuation Services Corporation (PVSC) for timely reassessment of damaged properties
  - ⇨ this is currently taking place in other areas of Nova Scotia, so PVSC has experience
- should be able to confirm amount of rebate within weeks of fire occurrence (dependant upon fire investigation report and PVSC reassessment)

Attachment E

HALIFAX REGIONAL MUNICIPALITY

PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Grants Committee
March 1, 2010

**TO:** Chair and Members HRM Grants Committee

**SUBMITTED BY:** Cathie O'Toole
Cathie O'Toole, CGA, Director of Finance/CFO

**DATE:** February 18, 2010

**SUBJECT:** **Partial Tax Exemption for Homes Destroyed by Fire**

## INFORMATION REPORT

## ORIGIN

Decision by Regional Council on October 27th, 2009 to approve an approach to Partial Tax Exemption for Homes Destroyed by Fire.

## BACKGROUND

On October 27th, 2009, Regional Council approved a motion to approve Option 2: Early Reassessment Approach as outlined in the Staff Report dated September 3, 2009 and the Supplementary Staff Report dated September 21, 2009, attached to the October 5, 2009 Grants Committee report as Attachments 1 and 2, and that the commencement date be for a fire that occurred on or after December 1, 2008.

During the discussion at the same meeting, Deputy Mayor Hendsbee suggested ... the commencement date be retroactive to December 1, 2007. The Mayor suggested, in light of Deputy Mayor's Hendsbee's request, the Committee consider it and come back with a recommendation.

The Committee agreed to consider program options and return with the formal policy (Administrative Order) for review by Regional Council.

## DISCUSSION

### Retroactive Dates and Estimates of Program Costs

Over the past few years, HRM has averaged about 25 major fires in owner-occupied residential dwellings over a 12-month period, but the numbers can vary from year to year.

The policy approved by Council in October 2009, would see properties with fires after December 1, 2008 as eligible for the new program. A review of Fire Services records indicates that 42 (potentially owner-occupied) residential properties had major fires between December 1, 2008 and November 30, 2009. The estimate of program costs for the period December 1, 2008 to March 31, 2009 is $65,000 to $70,000 for an estimated 50 eligible properties.

If the eligibility were to be extended back to December 1, 2007, another 15 properties would likely be eligible. (Owner-occupancy would be confirmed at time of application.) The program cost of this extension of retroactivity is estimated to be an additional $12,500 to $15,000, for a total estimated program cost of $77,500 to $85,000 (to March 31, 2010).

On a go-forward basis, it is estimated that $25,000 will be required in 2010-11 to fund up to 30 major residential fires. This estimate reflects a more-typical fire year, with fewer residential fires than was seen in 2009-10. This program would require on-going funding from the general tax rate.

### Administrative Process

Staff anticipate four steps in the normal program process for residential properties destroyed or partially destroyed by fire:
1) Report from Fire Services
2) Reassessment by PVSC
3) Application by Owner
4) Adjustment by Finance

Step 1: Report from Fire Services
When a major fire occurs in a small residential property (e.g. one to three dwelling units[1]) that may be owner occupied, Fire Services sends a notice to Finance's Revenue Division that a major fire has occurred. This would typically happen within a few days of the fire.

Step 2: Reassessment by PVSC (Property Valuation Services Corp.)
Revenue Division would ask the PVSC Area Manager to have the property reassessed, based on the condition following the fire. A response from PVSC would be normally be expected within two weeks. Revenue Division would then review the PVSC reassessment information.

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[1] Some properties with more than one dwelling, e.g. home with basement apartment, may be eligible for the program, but only that portion of the property in which the owner resides.

Step 3: Application by Owner

The owner of the damaged property must submit an application to the program. In some cases, the property owner may have contacted HRM staff prior to this point, to inquire about the program. Otherwise, HRM Revenue staff would attempt to contact the eligible owner and send out a program application form. The form would ask for the owner's contact information following the fire and confirmation that the property was their primary place of residence at the time of the fire.

Step 4: Adjustment by Finance

Once the property is confirmed as a principal owner-occupied dwelling[2], an adjustment is made to the property owner's tax bill for that fiscal year, based on the amount of damage (change in assessed value) and the date of the fire. If the fire occurs between December 1st and March 31st, an adjustment would also be made to the following year's tax bill.

## Mobile Homes on Leased Land

One note of interest to the Committee may be the treatment of mobile homes under this program. Currently, the assessment and tax accounts of mobile homes on leased land[3] – including those in mobile home parks or land-lease communities – are terminated when the building is destroyed and a new account is created, when a replacement building is put in place[4].

The impact of the approved program, is that other homes that are destroyed by fire would have a similar tax treatment – with regard to when taxes are charged – although their assessment and taxation accounts would remain in place.

## Revised Administrative Order 10

The existing Administrative Order 10 -- Respecting Partial Tax Exemption for Residential Taxation has been revised to include provisions for tax exemptions for homes destroyed or partially destroyed by fire. There are three reasons to revise the existing Admin Order, rather than draft a stand-alone Admin Order for the new program:

- the eligibility criteria, e.g. owner-occupied dwellings, need not be repeated;
- the information on residential tax exemptions is easy to locate for public and staff;
- how the two exemption programs work together can be efficiently described.

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[2] Rental properties are not included in the program; they are not owner-occupied. A seasonal home or cottage would not be eligible either, since it would not be a principal residence.

[3] The homeowner and the land owner receive separate tax bills. The taxation of the land would normally not change after the building fire.

[4] An owner of a mobile home on leased land, who's home is completely destroyed by fire, would not need to apply to this new program, since their home would be removed from the tax roll following the fire, under current assessment/taxation procedures.

A copy of the proposed revised Administrative Order 10 is shown as Attachment 1. This draft has been reviewed by Legal Services.

## BUDGET IMPLICATIONS

There are no budget implications of this report.

## FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

## ATTACHMENTS

Attachment 1

REVISED Administrative Order 10 – Respecting Partial Tax Exemption for Residential Taxation

A copy of this report can be obtained online at http://www.halifax.ca/council/agendasc/cagenda.html then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Andre MacNeil, Financial Consultant, 490-6241

Report Approved by

## Attachment 1 - REVISED Administrative Order 10

**ADMINISTRATIVE ORDER 10** (Proposed Revision, February 2010)

**RESPECTING PARTIAL TAX EXEMPTION FOR RESIDENTIAL TAXATION**

**BE IT RESOLVED** as an Administrative Order of the Council of the Halifax Regional Municipality as follows:

**SHORT TITLE:**

1. This Administrative Order shall be cited as Administrative Order Number Ten, the Partial Tax Exemption Administrative Order.

**DEFINITIONS:**

2. In this Administrative Order

(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 and includes

(i) all world 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) "exemption" means the amount by which taxes levied on a residential property are reduced pursuant to this Administrative Order;

(c) "owner" means an ownership interest holder named in a registered instrument 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;

(iii) a person having the care or control of the property through adverse possession; or

(iv) a person with a life interest in the property

but shall not include
(i) a trustee in bankruptcy; or
(ii) a corporation (other than a registered Canadian Charity).

(d) "residential property" shall be the structure in which the owner or owners reside and that connected 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 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.

## 3.0 ELIGIBILITY FOR PARTIAL TAX EXEMPTIONS

**3.1** An application for a partial exemption from the payment of real property taxes rated upon residential property within the Municipality may be made in writing in the prescribed form to the Treasurer of the Municipality.

**3.2** The applicant must be an assessed owner of the residential property and occupy a structure on the property as the applicant's principal residence.

**3.3** If application is made on behalf of an applicant by a trustee, guardian or executor, or other legal representative, proof of such legal agent status shall be filed with the application.

**3.4** Applications for a low-income exemption shall include proof of income from the prior year from Canada Customs and Revenue Agency, and in respect of self-employment income both the Canada Customs and Revenue Agency business statement and personal income tax statement, for all persons eighteen years of age or older occupying the property as their principal residence.

**3.5** An applicant for a fire damage exemption shall establish that the structure occupied as their principal residence has suffered a major fire, as identified by HRM Fire Services in a fire incident report. Properties damaged by a fire resulting from arson or other criminal activity carried out by, or with the consent of, the property owner are not eligible.

**3.6** An applicant for a low-income exemption may be deemed to occupy a residential property as a principal residence, for up to twelve (12) months, while temporarily displaced due to fire damage. An applicant who wishes to remain eligible beyond this period, on the basis of a delay in re-construction due to financial hardship or insurance settlement delays, may make a request in writing with supporting materials to the Treasurer of the Municipality.

**3.7** A property tax exemption will not be granted in respect of a second home, cottage or a rental unit of the applicant or a residential unit used solely to run a business.

## 4.0 DETERMINATION OF EXEMPTION FOR LOW-INCOME HOUSEHOLDS

**4.1** Partial real property tax exemptions in respect of a residential property shall be allowed if the total income of all persons eighteen years of age or older occupying the property as their principal residence falls within the thresholds established pursuant this section.

### Income Ranges

**4.2** The maximum rebate payable shall vary according to the household income of the applicant in the prior year based upon the following formula:
(a) The lowest income range shall extend from $0 to the annual Statistics Canada low income cut-off for a single-person household. This figure will be rounded up to the nearest $1,000 and shall be based on the population of the entire HRM region.
b) The program income eligibility 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.
c) Between the lowest income range and the eligibility threshold, the income ranges shall increase in equal increments.

### Tax Brackets

**4.3** The maximum rebate payable shall vary according to the amount of tax payable by the applicant in the current year. Three property tax brackets shall be determined, based upon:
(a) The upper value of the middle property tax bracket shall be equal to the average residential tax payable across HRM in the prior year on a property with a single dwelling, rounded up to the nearest $100.
(b) The upper value of the lower property tax bracket shall be set $1,000 lower than the upper value of the middle property tax bracket.

### Maximum Rebate Levels

**4.4** (a) The reference rebate, used to calculate maximum rebate values by income range and amount of property tax payable, shall be set at one-third of the average residential tax payable across HRM in the prior year on a property with a single dwelling, rounded to the nearest $50.
(b) The maximum rebate for those in the middle property tax bracket and the lowest income range shall be equal to the reference rebate.
(c) The maximum rebate at the lower property tax bracket and the lowest income range shall be $100 lower than the reference rebate.
(d) The maximum rebate at the higher property tax bracket and the lowest income range shall be $100 higher than the reference rebate.

(e) Within each property tax bracket, the maximum rebate values shall decrease, as income increases, in decrements equal to the maximum rebate at the highest income range.

## 5.0 DETERMINATION OF EXEMPTION FOR HOMES DESTROYED BY FIRE

**5.1** Upon receipt of an acceptable fire damage tax exemption application, the municipal Clerk shall request the Director of Assessment to have the property reassessed to reflect the condition of the property following the fire. If reconstruction work has been done prior to the time of reassessment, the estimated assessment value for this program shall be based on the property condition prior to the reconstruction work.

**5.2** (a) The revised assessment shall be used for taxation, pro-rated for the period commencing from the date of the fire to the end of the fiscal year.

(b) Notwithstanding subsection 5.2 (a), if the fire occurs between the assessment State Date (December 1st) and the end of the fiscal year, the revised assessment shall be used for taxation, prorated for the period: from the date of the fire to the end of the fiscal year, plus the entire subsequent fiscal year.

**5.3** An applicant may apply for both the low-income and fire damage tax exemptions in respect of a residential property, if eligible for both. The low-income tax exemption shall be applied to the tax bill for the subject fiscal year after adjusting for the fire damage tax exemption.

**5.4** If the property taxes for the subject fiscal year, after adjusting for the fire damage tax exemption, are below the minimum tax payable identified in subsection 6.1, then the taxes would not be further reduced and the minimum tax payable would not apply.

## 6.0 MINIMUM TAX PAYABLE

**6.1** The low-income tax exemption granted shall not reduce the tax payable on a property to less than the greater of:

(i) $100, or
(ii) 1% of the median point of the relevant income range described in Section 4.2, rounded to the nearest $10.

## 7.0 APPLICATION DEADLINES

**7.1** An application for a low-income tax exemption for a fiscal year shall be submitted by March 31st of that fiscal year. No application can be made for a retroactive low-income tax exemption.

**7.2** An application for a fire damage tax exemption shall be submitted within six (6) months after the fire.

**7.3** Notwithstanding, subsection 7.2, for fires that occurred between December 1st, 2008 and March 31st, 2010, an application for a fire damage tax exemption shall be submitted by September 30th, 2010.

## 8.0 EXEMPTION AND DEFERRAL ALLOWED:

**8.1** Nothing in this Administrative Order prohibits an applicant from being granted an partial real property exemption pursuant to this Administrative Order as well as a deferral in respect of those taxes pursuant to By-Law T-700, subject to the terms and conditions therein, in respect of the same fiscal period.

## 9.0 REPEAL

**9.1** Administrative Order Number Ten dated the 12th day of September, 2006 and any amendments thereto is hereby repealed.

Done and passed in Council this day of March, 2010.

____________________________
**MAYOR**

____________________________
**MUNICIPAL CLERK**

I, , Municipal Clerk of Halifax Regional Municipality, hereby certify that the above noted Administrative Order was passed by a meeting of Halifax Regional Council held on March , 2010.

____________________________, Municipal Clerk