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Halifax Regional Council
June 14, 2005

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: 
Dale MacLennan, Director, HRM Financial Services


Wayne Anstey, Q.C., Director, Legal Services

DATE: June 9, 2005

SUBJECT: Provincial Assessment System Charges

INFORMATION REPORT

ORIGIN

Halifax Regional Council meeting of May 3, 2005, item 10.1.

BACKGROUND

The Province of Nova Scotia provides assessment services to all municipalities in Nova Scotia. This assessment data is then used to calculate the annual property tax levy for individual properties. The cost of the assessment service is budgeted annually by the Assessment Management Board and is then charged based on a formula (each unit's share of uniform assessment and number of assessment accounts) to each of the towns and municipalities.

DISCUSSION

On April 14, 2005 the Nova Scotia Assessment Management Board notified the Mayors and Wardens of Nova Scotia of a significant increase in the budget for the Assessment Management Board. The 2005/06 budget includes a significant increase in salaries, the reinstatement of preliminary notices, and an increase to begin updating the current technology system. The 2005/06 budget is approximately \$2.2 million higher than the 2004/05 budget.

In staff's opinion, Section 519 of the Municipal Government Act does not provide HRM a legal defence to the payment of the amount assessed against HRM for the provision of assessment

services. It is staff's understanding that the amount assessed against HRM was determined by the application of the same formula as was used by the Province in previous years. The increase was not as a result of a new formula but rather as a result of a change in the ratio of the total assessment of properties and accounts in HRM as compared to that in other municipalities in the Province as well as the \$2.2 million increase in the budget for the assessment services. Section 519 would only apply if the increase amount was the result of a new formula and not from the existing formula producing a different result than in previous years.

The UNSM is currently in discussions with the Assessment Management Board. HRM has two representatives on the committee, George McLellan, CAO and Councilor Russell Walker. The discussions are ongoing and include the overall direction of the Assessment Board, changes to the assessment system, and appropriate allocation of costs.

BUDGET IMPLICATIONS

Based on the estimated recovery information provided by the Assessment Management Board, HRM will need to increase the budgeted expenditure by \$934,000 to \$5,368,000. In order to maintain a balanced budget, this increased expenditure will need to be managed by either a planned reduction in expenditure or through savings generated through the year. Staff will monitor expenditures and will report back to Council by the second quarter reporting period with a recommendation.

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

None - information only.

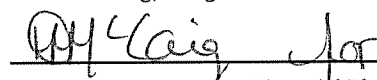
ATTACHMENTS

1. Letter from Nova Scotia Assessment Management Board

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.

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Approved by:



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