



Sidewalk Local Improvement Charges (LICs) and Taxes

Committee of the Whole

February 12, 2013

Sidewalks' Evolution

HRM may collect taxes through:

- General Tax Rates
- Area Rates
- Local Improvement Charges
(frontage and area rated)

Currently, for sidewalks...

HRM uses all of these



Timeline



Current LIC Sidewalk System

- Developer builds sidewalks in new subdivisions
- HRM builds sidewalks in existing subdivisions
 - Pays 100% if there is already one sidewalk on road
 - Pays 50% if first sidewalk and its in the Urban area
 - Remaining amount paid by
 - Frontage Charges (with petition)
 - Area Rates (no petition)
 - on District or mapped area
- Maintenance paid by Urban General Tax Rate
- Snow Plowing paid by Area Rate

Local Improvement Charges:

- Sidewalk construction often driven by engineering standards, not local consultation
- Boundaries and tax rates vary from sidewalk to sidewalk
 - frontage, district area rates, mapped areas, flat rate
- Those benefiting from Sidewalk are not always those who pay for the sidewalk
- Complex and Confusing for citizens

Urban General Tax

- Designed in 1997 around sidewalk and transit service.
- 4,000 urban households do not have sidewalks nearby; 2,000 suburban households do

Options Selected by Council

At COW, August 14, 2012, Regional Council asked staff to provide details on two options:

Selected Option

- **General Rate funds all Sidewalks**

Alternative

- **General Rate funds Regional Sidewalks with Area Rate for Local Sidewalks**

Example of Selected Option

<i>Urban Property (with LIC)</i>		
	<i>Current Approach</i>	<i>Recommendation</i>
<i>Urban General Tax Rates</i>	<i>66.1¢</i>	<i>66.0¢</i>
<i>Typical LIC (area rate)</i>	<i>3.5¢</i>	<i>0</i>
<i>Sub-Total</i>	<i>69.6¢</i>	<i>66.0¢</i>

Example of Selected Option

<i>Suburban Property (without LIC)</i>		
	<i>Current Approach</i>	<i>Recommendation</i>
<i>Urban General Tax Rates</i>	<i>64.5¢</i>	<i>66.0¢</i>
<i>Typical LIC (area rate)</i>	<i>0</i>	<i>0</i>
<i>Sub-Total</i>	<i>64.5¢</i>	<i>66.0¢</i>

Implications of Selected Option

<i>Current & Proposed General Rates</i>	<i>Urban (no LIC)</i>	<i>Urban (with LIC)</i>	<i>Suburban</i>	<i>Rural</i>
<i>2012-13 general rates</i>	0.661	0.661	0.645	0.639
<i>Typical LIC area rate (2012-13)</i>		0.035		
<i>2012-13 general rate + LIC</i>	0.661	0.696	0.645	0.639
<i>New General Rates</i>	<i>0.660</i>	<i>0.660</i>	<i>0.660</i>	<i>0.654</i>
<i>Overall Difference</i>	-0.001	-0.036	0.015	0.015
<i>Impact on average home (assessment of \$210,000)</i>	<i>-\$2.10</i>	<i>-\$75.20</i>	<i>\$31.50</i>	<i>\$31.50</i>

Example of Alternative

<i>Urban Property (with LIC)</i>		
	<i>Current Approach</i>	<i>Recommendation</i>
<i>Urban General Tax Rates</i>	66.1¢	65.3¢
<i>Typical LIC (area rate)</i>	3.5¢	0
<i>Sidewalk area rate</i>	0	0.9¢
<i>Sub-Total</i>	69.6¢	66.2¢

Example of Alternative

<i>Suburban Property (without LIC or Sidewalk)</i>		
	<i>Current Approach</i>	<i>Recommendation</i>
<i>Urban General Tax Rates</i>	64.5¢	65.3¢
<i>Typical LIC (area rate)</i>	0	0
<i>Sidewalk area rate</i>	0	0.9¢
<i>Sub-Total</i>	64.5¢	66.2¢

Implications of Alternative

<i>Current & Proposed General Rates</i>	<i>Urban (with sidewalk)</i>	<i>Urban (w/LIC & sidewalk)</i>	<i>Urban (no sidewalk)</i>	<i>Suburban (with sidewalk)</i>	<i>Suburban (no sidewalk)</i>	<i>Rural (except Sheet Hbr)</i>
<i>2012-13 general rate</i>	0.661	0.661	0.661	0.645	0.645	0.639
<i>Typical LIC area rate</i>		0.035				
<i>2012-13 general rate + LIC</i>	0.661	0.696	0.661	0.645	0.645	0.639
<i>New general + sidewalk area rate (of \$0.09)</i>	0.662	0.662	0.653	0.662	0.653	0.647
<i>Overall Difference</i>	0.001	-0.034	-0.008	0.017	0.008	0.008
<i>Impact on avg home (assessed at \$210,000)</i>	\$2.10	-\$71.40	-\$16.80	\$35.70	\$16.80	\$16.80

To eliminate LICs (as of April 1, 2013):

- **End four LICs** (currently in progress)
 - In Halifax, Beaverbank and Sheet Harbour (\$330,000, remaining balance for 2013-14 & on)
- **Cancel six new LICs** (to start in 2013-14)
 - In Dartmouth, Sackville and Bedford (\$580,000 to be recovered)
- Would be recovered from general rate

- Council provides direction for 2013-14 sidewalk tax structure
- Staff includes Council direction in 2013-14 budget and tax rate calculation