West Hants
something inspiring awaits

WEST HANTS REGIONAL MUNICIPALITY REPORT

Information ☐	Recommendation ☐	Decision Request ☐	Councillor Activity ☐

To: **Committee of the Whole**

Submitted by: **Councillor Jim Ivey, Windsor South, District 11**
Date: Dec 2, 20024
Subject: PVSC Correspondence - Capped Assessment Option in Property Buyout Policy Discussion

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LEGISLATIVE AUTHORITY
Meeting and Committee Procedural Policy: Councillor Reports
Province of Nova Scotia Capped Assessment Program: Legislated 2004
PVSC: Property Assessment Program Administration

RECOMMENDATION or DECISION REQUEST:

2 Possible motions for consideration by council are drafted for discussion.

While a bit more complex, if we want to use the administrative mechanism or structure within the "Capped Assessment Program" we might consider;

Council direct the CAO to write West Hants MLA, Melissa-Sheehy-Richard to seek an amendment to the existing legislation for the Capped Assessment program (or the creation of a new program), that would provide home owners in Nova Scotia who are forced to move from their properties on a managed retreat basis (due to climate change, environmental hazards or catastrophe), by grand-fathering the capped values in the new replacement homes they could be required to purchase.

A simpler alternative could be to include a lump sum amount as an equitable accommodation within the potential buyout policy. The lump sum could be calculated as the difference for each affected property between the current capped value of their home and the average market value of the existing home for a period of x years.

A motion of this nature might be considered as
Council direct the CAO to include an accommodation within the buy-out policy that calculates the difference between the current capped value of the properties and the average of the

market value assessments recently undertaken as part of the analysis in the drafting of the proposal for a Property Buyout Policy.

BACKGROUND

Flooding issues within West Hants have become an ongoing issue as have discussions on possible solutions to address the hazards of combined sewer overflows.

12 months ago the subject of possible property buyouts for flood victims was initially raised. In the last 8 month +/-, a potential property buyout policy or program for victims of repeated combined sewer overflows surfaced.

Discussions in determining if a policy would be feasible focussed on the equitable cost of property buyouts, including resident one-time costs for lawyers, real estate agents, moving fees and other items. Additionally, the matter of the lost benefit associated with the capped assessment program was identified.

Property ✓	Public Opinion ✓	Environment ✓	Social ☐	Economic ✓	Councillor Activity ✓

DISCUSSION

The policy being developed as a property buyout option for Council is complex in and of itself. It involves crafting a solution for a most unfortunate and ongoing issue within West Hants.

The one-time fees identified (legal, real estate, moving and so forth), seem to be a fairly straight forward matter for costing.

The benefit (or cost of loss) associated with the CAP program is more complex. It involves existing legislation not created for this specific purpose and it could involve properties within or outside of West Hants (where jurisdiction does not exist for West Hants to implement a change to tax structure). Additionally, to note, since the CAP program is a function of a provincial legislation, it is not assured or guaranteed to serve this purpose or to be approved. Nor is it likely to be a timely fix for this situation.

While utilizing the CAP program for the administration of a continued CAP value in a new property purchase sounds attractive, it might not be a realistically feasible solution. As originally discussed, we could inquire about it but shouldn't likely count on it.

For the reasons identified, it might be more prudent in the short-term or in parallel to incorporate an equitable fixed value option that calculates the difference between the current capped assessment value and the current market assessment value.

As an example:

Capped Assessment Value **$225,000**, Market Assessment Value **$325,000** Difference: **$100,000**
Tax Rate Difference: $100,000 at $1.65 per 100: $1650/year times x number of years.

As noted above while the structure and mechanism within the CAP program can appear to have the ability to manage this type of situation, it could be more complex than it appears on the surface.

This report been drafted to identify the two options in a concise fashion for consideration as part of the policy being put together. Council may wish to consider it as it reviews the policy draft and provide direction accordingly.

NEXT STEPS

To Be Determined.

FINANCIAL IMPLICATIONS

To be Determined

ALTERNATIVES

To Be Determined

ATTACHMENTS

Correspondence from Amanda Dunfield

CHIEF ADMINISTRATIVE OFFICER REVIEW

Councillor Ivey has provided options for Council to consider in relation to the request from Ms. Dunfield. He is accurate in stating that the current CAPPED Assessment Program (CAP) legislation does not allow for what is being requested and an amendment would be required. Further details regarding the program can be found at the following website.

https://www.pvsc.ca/understand-your-assessment/capped-assessment-program

Staff await Council's discussion regarding the matter.

Report Prepared by: ________________________________

Report Reviewed by: ________________________________
Mark Phillips, Chief Administrative Officer

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November 22, 2024

West Hants Regional Municipality
ATTN. WHRM Council
76 Morison Drive
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Good Morning Council,

I am writing today to draw your attention to prior discussions of Council about WHRM's Combined Sewer Overflow (CSO) Residential Buyout program; more specifically conversations about property tax offsetting and inquiries of Property Valuation Services Corporation (PVSC).

The minutes of the September 10, 2024 Committee of the Whole meeting reflect the Combined Sewer Overflow (CSO) Residential Buyout program was discussed between 19:37 and 20.38. They state a suggestion was made that PVSC be contacted to inquire about having 'something in place where property purchases were characterized within the current CAP environment as if the properties were being purchased from a family member so the value of the CAP on the current property stays in place for as long as they own the property (new purchase)' [Transfer or Devolution: subsection 45A(5) of the Assessment Act], as this 'may be cleaner than utilizing a grant system. If changes were required for a new program through PVSC, there was value in knowing when the Capped assessment would eventually equal the total assessment. How long would that take? There was value in knowing when the total assessment would eventually equal market value. This may help with discussions around a lump sum amount, if supported.'

This matter, the sudden increase in the frequency and severity of combined sewer overflows on South Stannus Street, often after as little of as 10 minutes of heavy precipitation, was defined as needing urgency in 2021 and it's already been over 60 days since the contacting of PVSC was first mentioned.

As a gentle reminder:

- There have been approximately 20 overland combined sewer overflow events documented since 2021.
- A re-construction plan promised for 2022 has yet to be tabled.
- Requests for a flood emergency response plan were denied.
- Requests for assistance have been denied.
- We have urgent and serious concerns about the reoccurring health hazard of the combined sewer overflows in our community, and despite this being a critical issue that has potential to cause serious diseases there are no plans in place to address health problems related to this situation.

I would like to ask Council to consider making a motion to direct the CAO to direct staff to issue correspondence to PVSC prior to the next Committee of the Whole meeting for the purpose of making the inquiries discussed September 10, 2024; for example, what programming similar that of the Transfer or Devolution process is available to characterize newly purchased property within the current provincial CAP environment and, if one does not exist, what would be required to draft a new program specific to this situation, or others of managed retreat and government purchase.

Thank you in advance. Have a safe and happy weekend.

Sincerely,

Amanda Dunfield