

## COUNCIL POLICIES AND PROCEDURES

### SECTION – F

#### TAX REDUCTION FOR PROPERTY DAMAGE

**SUBJECT:** Tax Reduction for Property Damage Number F - 5

**APPROVAL DATE:** May 12, 2010

**PREAMBLE:** It shall be the policy of Council to allow a tax reduction where a building(s) on a property have been destroyed or partially destroyed by fire, storm or otherwise and the resulting reduction in value is not reflected in the assessment.

**AUTHORITY:** This policy has been developed pursuant to **Part IV-s.69A(1) of the Municipal Government Act**, as amended on June 1, 2001.

#### **TERMS:**

In accordance with section **69(A) of the Municipal Government Act**, that where a building(s) situated on a property has become permanently unliveable or unusable due to fire, storm damage, or otherwise and the current assessment of the property does not reflect that the building(s) has been destroyed or damaged extensively, it shall be the policy of the Municipality of the District of Guysborough to permit the reduction or rebate of property taxes on the building(s) alone for the balance of the taxation year.

Any damage to building(s) on property occurring after December 1 in any year (the assessment “state date”), is not reflected in the assessment of a property until the following year. A property owner would be deprived of a substantial part of the value of the property for the better part of a year but would be assessed and billed for taxes on the whole property.

A taxpayer with property that has been substantially damaged after December 1 in any year can request that the Council provide for the reimbursement of any overpayment that results from the reduction. This could either be because taxes are paid before the damage occurs, or are paid before the reduction is authorized, or because Council agrees to make the policy retroactive.

This policy does not provide reduction in taxes in any year during which there was intentional destruction, such as demolition.

In order to receive the tax reduction or rebate of property taxes, the following conditions will apply:

1. The taxpayer shall apply in writing with a completed application, to the **CAO** asking for a reduction or rebate of property taxes.
2. The **CAO** shall confirm the facts with both the Municipal Building/Fire Inspector and the local volunteer fire department and then;
3. The **CAO** shall ask the Director of Assessment - Regional Assessment Office - to value the property before any subsequent rebuilding or construction for the purpose of this policy, to assist in the calculation of any reduction or overpayment.
4. The **CAO**, under the direction of Municipal Council, shall authorize the Treasurer to reduce the taxes on the building(s) by pro rating the same over the balance of the taxation year from the date of destruction.
5. This policy shall be made retroactive to **January 01, 2010**; provided that if, as a result of this policy being made retroactive, it results in property taxes being rebated such sums shall be paid without interest.
6. If the owner of the property in question is found of arson, either civilly or criminally, the **CAO** shall not rebate any taxes. In the event that taxes have already been rebated, then that rebate shall be void ab initio, and the taxes with interest accrued thereon will become immediately due and payable.
7. The Policy shall apply to residential, resource and commercial assessments.
8. Reductions do not cover tax arrears, interest arrears, fire area rates, street light rates, sewer operating charges, sewer capital charges, water operating charges and water capital charges.
9. The maximum amount of rebate, write-off or adjustment shall be limited to a maximum of **\$2,000**.

## **Directions**

1. All applicable sections of this application must be completed in full.
2. All applications must be signed by the applicant.
3. Applications must include a new valuation for the property from the property assessors with Property Valuation Services.
4. Please return all applications to the following address:

Barry Carroll, Chief Administrative Officer  
Municipality of the District of Guysborough  
33 Pleasant Street, P.O. Box 79  
Guysborough, NS  
BOH 1N0

5. If you require further assistance please call the Municipal Office at (902) 533-3705/3508.
6. This is a Property Tax Reduction for property damage sustained during the fiscal year of April 1<sup>st</sup> to March 31<sup>st</sup>.
7. The tax reduction will be provided for properties sustaining 25% or more damage in value to a maximum of \$2,000.00.