



Office of the Warden
The Municipality of Chester
151 King St, PO Box 369
Chester, NS B0J 1J0

Phone: (902) 275-3554
Fax: (902) 275-4771
www.chester.ca

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[@chestermun](#)

April 7, 2022

Honourable Tim Houston
One Government Place – 7th floor
1713 Barrington Street
Halifax, Nova Scotia B3J ZA4

Via Fax: 902-424-0667

Dear Premier Houston:

The Council of the Municipality of the District of Chester discussed the proposed non-resident Provincial property tax; and the proposed non-resident Provincial deed transfer tax announced as part of the Province's 22/23 budget. Council understands that the initiative's stated intent is to make housing more attainable and available. However, no information and data has been made publicly available that clearly defines the problem; or demonstrates how the initiative will solve it.

These proposed initiatives should be abandoned so that alternative and refined measures can be developed with insight provided by municipalities; relevant business sectors and associated business associations such as Real Estate and Tourism; and the community.

There are many other reasons why Council opposes the initiative:

1. The annual \$2.00 per \$100 rate is exorbitant. The Municipality has over 1,200 property tax accounts where tax bills are mailed out of province. The assessed value of the properties matched to these accounts could result in an increase up to \$5 million in property tax in our municipality – by far the single largest property tax increase ever levied for our communities.
2. The Province is encroaching into the municipal tax base with this form of direct provincial property taxation. Property tax room will be lost to municipalities that already rely heavily on property taxation and do not have authority to levy income or other more progressive taxes.
3. If the initiative is intended to address housing supply, then the funding raised should be directed to the creation of housing supply and should remain in the

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municipality where it is collected to be invested in projects that will see an increase in attainable and affordable housing.

4. The Council does not anticipate that the properties impacted in our municipality are aligned with the stated attainable housing goals. In other words, most properties sold as a result of the new \$2.00 per \$100 tax rate are not likely to be properties relevant to the stated goal.
5. Seasonal property ownership by non-residents has been a long-standing activity in our communities including generational ownership of property. These community members contribute to social, recreational, cultural, and other activity which creates significant positive economic impacts in our Municipality and throughout rural Nova Scotia. Many of these community members contribute their time and money to community organizations and facilities. Council is particularly concerned that this has not been considered and may be lost. Council is also concerned that new construction activity being planned by non-residents will be cancelled.

The Council does support the goal of increasing the amount of attainable housing in our Municipality, and in the Province. Your government's increased focus on this core function is positive. Council is taking its own steps to support this goal in areas that are core to municipal responsibilities.

We intend to invest more in core infrastructure that supports new and expanded residential development. We recently doubled the budget for a progressive low-income property tax exemption program for homeowners. We have amended our Municipal Planning Strategy to support a variety of housing options. An enhanced regulatory framework to manage/dampen the rapid growth of the sharing economy (Air BnB) in our region is also being explored. Council has also approved \$100,000 in funding to a not-for-profit affordable housing initiative in New Ross and has agreed to waive development fees for this proposed project.

Council is supportive of solutions that solve problems. However, the current proposal has too many unanswered questions and will likely create negative consequences disproportionate to the positive consequences.

Please take the time necessary to develop solutions that will achieve government's goal of providing attainable and affordable housing for Nova Scotia residents.



Yours truly,



Allen Webber
Warden, Municipality of the District of Chester

Copy: Minister of Finance, Allan MacMaster
Minister of Municipal Affairs & Housing, John Lohr
MLA Chester-St. Margaret's, Danielle Barkhouse
President, Nova Scotia Federation of Municipalities, Amanda McDougall

