



STAFF REPORT

To: Council

From: Michelle Williams, Director of Finance

Approved by Warren MacLeod

Date: February 28, 2024

Subject: Low Income Property Tax Exemptions - Revised

ORIGIN

From the February 7, 2024 Strategic Workshop, Council has asked staff to bring a report to Council on the Low Income Policy in order to determine if any changes are needed for the 2024/2025 fiscal year.

RECOMMENDATION

Information report only

DISCUSSION

Staff have reviewed other low-income policies from neighboring communities as well as consulted with Statistics Canada.

Below are charts from Statistics Canada and attached to this information report is an analysis of neighboring communities' low-income policies.

Council have asked staff to apply the CPI from fiscal 2021/2022, 2022/2023, 2023/2024 and 2024/2025 to the current income level ranges only in the existing policy; staff are looking for direction on whether Council would like CPI applied automatically annually.

This will result in the following new ranges:

Currently, Municipality of the District of Shelburne's policy is as follows:

\$35,000 or less = \$50
\$30,000 or less = \$150
\$25,000 or less = \$300
\$20,000 or less = \$600

Proposed Municipality of the District of Shelburne change to the policy is as follows.

\$35,250 or less = \$150

\$29,500 or less = \$300

\$23,500 or less = \$600

Besides the proposed income level changes, Council also wanted to consider removal of the \$35,000 tier from the existing policy.

Staff are looking for direction from Council on if they wish section 12.5 to remain in the policy. Currently, if there are more owners listed on the property than who are living there year-round, a portion of the rebate only is applied as the credit. As of January 2024, there were 163 applications to date where 30 applications received partial credit, on another note nine applications had their taxes paid 100%.

Regardless of the decisions based on the earlier points mentioned above, staff will be recommending a clause be added that “The Finance department will allocate up to the total amount of the annual budget for low-income assistance on a first come, first serve basis to all qualified applicants. If the maximum budget is reached during the processing of an application, it may result in a resident only receiving partial funding.”

BUDGET IMPLICATIONS

Using the proposed income levels and the data for 2023/2024 up to the January 2024 financial update report, there were 163 applications that used \$44,214 of the \$50,000. Using the revised income levels, the budget would have been over \$50,000; this also assumes section 12.5 was removed from the policy. Note that residents have until February 28, 2024 to submit applications.

ATTACHMENTS

Low Income Property Tax Exemptions Policy – Revised.
Low Income Tax Exemption Comparison



Characteristic	Total
Population and dwellings	
Population, 2021 ¹	4,336
Population, 2016 ¹	4,288
Population percentage change, 2016 to 2021	1.1
Total private dwellings ²	2,735
Private dwellings occupied by usual residents ³	2,059
Population density per square kilometre	2.4
Land area in square kilometres	1,816.71

Total - Household total income groups in 2020 for private households - 100% data 21	2,060
Under \$5,000	25
\$5,000 to \$9,999	5
\$10,000 to \$14,999	35
\$15,000 to \$19,999	35
\$20,000 to \$24,999	155
\$25,000 to \$29,999	90
\$30,000 to \$34,999	105
\$35,000 to \$39,999	135
\$40,000 to \$44,999	115
\$45,000 to \$49,999	125
\$50,000 to \$59,999	175
\$60,000 to \$69,999	140
\$70,000 to \$79,999	160
\$80,000 to \$89,999	130



LOW INCOME PROPERTY TAX EXEMPTION

POLICY PURPOSE

12.1 It shall be the policy of the Municipality of the District of Shelburne to have clear terms and conditions to provide annual partial property tax relief for low income property owners.

POLICY DETAILS

12.2 In April and September of each year, the Municipality shall advertise the availability of the Low Income Tax Exemption Policy provisions, including sending applications to previously approved recipients.

12.3 Applications shall be accepted until February 28th of any fiscal year for the current fiscal year therein.

12.4 To qualify for the low income property tax exemption, a property owner's gross income from all sources, including all persons residing within the home, must be \$35,000 or less on Line 150 of their Notice of Assessment from Canada Revenue Agency in the immediately preceding calendar year, and proof of such must be provided by all persons within the home providing their prior years Notice of Assessment from Canada Revenue Agency, as well as signing the application attesting that the information provided is correct to the best of their knowledge.

12.5 *Where a property is assessed to more than one person, any of them who is entitled to a low income tax exemption may receive only the portion of the exemption equal to that person's share of the total assessment for the property, but where the different interests are not separate, then to only that portion determined by the Treasurer, whose determination is final.*

12.6 To qualify for the exemption, a property owner's previous year's rates and taxes must be paid in full at the time of their application.

12.7 This exemption shall only be available for residents where the property is their primary residence occupied by him/her year-round.

12.8 Residents shall be eligible for an annual property tax exemption according to the following income levels and amounts:

- ~~\$35,000 or less up to \$50~~
- \$35,250 ~~\$30,000~~ or less up to \$150
- \$29,500 ~~\$25,000~~ or less up to \$300
- \$23,500 ~~\$20,000~~ or less up to \$600

12.9 Each year, the Municipality shall review its current Low Income Property Tax Exemption Policy to determine if the income levels and amount of exemption need to be revised.

12.10 The Finance department will allocate up to the total amount of the annual budget for low-income assistance on a first come, first serve basis to all qualified applicants. If the maximum budget is reached during the processing of an application, it may result in a resident only receiving partial funding.

REPEAL

12.10~~11~~ Low Income Property Tax Exemption Policy adopted by Council of the Municipality of the District of Shelburne on the 25th day of March, 2013, is hereby repealed.

THIS IS TO CERTIFY that the Council of the Municipality of the District of Shelburne duly passed the policy respecting Low Income Property Tax Exemption on the 27th day of February, 2017.

SIGNED this _____ day of _____, 2024

WARDEN

CHIEF ADMINISTRATIVE OFFICER

Approved by Council: February 27, 2017

Effective Date: April 1, 2017

Amended Date: April 14, 2020

Future council meeting

Municipal Unit	Income Threshold	Comments
Municipality of the District of Shelburne	less than \$20,000 - \$600 less than \$25,000 - \$300 less than \$30,000 - \$150 less than \$35,000 - \$50	Effective April 2020
Region of Queens Municipality	less than \$20,000 - \$400 less than \$25,000 - \$350 less than \$30,000 - \$300	Effective April 2023
Municipality of the District of Argyle	less than \$25,000 - \$300 less than \$29,000 - \$200 less than \$44,000 - \$100	Effective March 2023 Pro-rated for budgeted amount
Municipality of the District of Barrington	less than \$21,422 - \$400 less than \$25,502 - \$300 less than \$30,603 - \$200 AMENDED TO REFLECT 2024/25 AMOUNTS	Effective May 2023 No policy regarding additional owners on the deed and not living in the home
Municipality of the District of Clare	Less than \$22,000 - \$300	No policy regarding additional owners on the deed and not living in the home
Municipality of the District of Digby	less than \$14,999 - \$550 less than \$19,999 - \$450 less than \$24,999 - \$350 less than \$30,999 - \$300	Needs to occupy property as principal residence for 183 days of the year No policy regarding additional owners on the deed and not living in the home Household income does not include full time students
Municipality of the District of Lunenburg	less than \$23,999 - \$530 less than \$29,999 - \$265 less than \$38,000 - \$106	Effective March 2022
Municipality of the District of Yarmouth	less than \$28,728.19 - 50% to a maximum of \$200.00	Effective February 2023 Individuals receiving social assistance which includes a property tax component will not be eligible
Town of Bridgewater	Maximum 50% of taxes less than \$20,000 - \$800 less than \$25,000 - \$500 less than \$30,000 - \$300 less than \$35,000 - \$100	Effective May 2023 No policy regarding additional owners on the deed and not living in the home Maximum 50% of the tax bill can be credited
Town of Lockeport	less than \$12,000 - \$500 less than \$18,000 - \$300 less than \$23,000 - \$150	Effective October 2023 No policy regarding additional owners on the deed and not living in the home
Town of Lunenburg	less than \$30,000 - \$1000 less than \$35,000 - \$500 less than \$40,000 - \$250	Effective March 2022
Town of Mahone Bay	less than \$30,000 - \$1000 less than \$35,000 - \$500 less than \$40,000 - \$250	Effective July 2022 Must occupy the property nine months or more per year Allocation of budget made on a first come first serve basis No policy regarding additional owners on the deed and not living in the home
Town of Shelburne	less than \$23,000 - \$400 less than \$28,750 - \$200 less than \$34,500 - \$100	Effective April 2022 Needs to occupy property as principal residence for 9 months of the year Allocation of budget made on a first come first serve basis No policy regarding additional owners on the deed and not living in the home
Town of Yarmouth	Less than \$25,000 - \$750	Effective February 2021 Pro-rated for budgeted amount No policy regarding additional owners on the deed and not living in the home