

November 24, 2010

To: CAP 2010 Review Team

Re: Capped Assessment Program Review

The Halifax Chamber of Commerce is a member-driven, best practice business organization that continuously strives to make our city and province an even more attractive location in which to live, work and play. The 1700 Chamber members employ approximately 90,000 people in Metro Halifax.

We are writing regarding the Capped Assessment Program (CAP) Review. In the past, the Chamber has written the Minister of Service Nova Scotia to oppose the Capped Assessment Program. We continue to oppose the CAP and recommend its removal.

Our main concern is that the CAP will increase the relative tax burden on the commercial sector by limiting increases of residential assessments, while allowing commercial assessments to rise with the market. Over time, the result will be an increase in the relative tax burden on the commercial sector. Our members consistently cite business climate issues, especially taxes, among their top priority. In Halifax the commercial sector already pays 3 to 5 times the tax rate of the residential sector and in many cases receive fewer services.

The Chamber is also concerned about the potential effect on the real estate market. New homebuyers may see dramatically higher tax bills, due to the fact that the cap is removed when a home is sold. The economic health of our province is closely tied to our ability to attract and retain young people – policies that discourage new homebuyers could impede our ability to do this.

We anticipate this review will give full consideration to the status of the defined objectives of the CAP. We request this assessment of the objectives be made public. If you have any questions, or would like to discuss this issue further, please do not hesitate to contact me.

Regards,

Nancy M. Conrad

Senior Vice President, Policy