

November 12, 2009



Honourable Ramona Jennex
Minister of Service Nova Scotia and Municipal Relations
14th Floor North, Maritime Centre 1505 Barrington Street P.O. Box 216
Halifax, Nova Scotia B3J 2M4

Dear Minister Jennex:

The Chamber was pleased to learn that your government intends to review the cap that is currently in place on property assessments. The Chamber has expressed support in the past for removal of the cap as we are concerned about the impact on the commercial sector and the city.

Our main concern is that 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. 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 Chamber concurs with the recent statements of the Union of Nova Scotia Municipalities, in support of removing the cap. The cap does indeed shift the property tax burden from higher - assessed properties to lower-assessed properties. It also hampers the ability of municipalities to raise much needed tax dollars.

The cap program is fundamentally flawed and we are pleased to hear that a review is underway. We are also encouraged to see that the province is working so closely with municipalities. In the Chamber's recent Annual Issues Note to the city, we expressed concern about the city's readiness for the downturn in municipal tax revenue expected in 2011. Anything that the province can do to assist our hub city is critical during these difficult times.

If you have any questions, or would like to discuss this issue further, please do not hesitate to contact me.

Regards,

A handwritten signature in black ink, appearing to read "Valerie Payn", is written over a printed name and title.

Valerie Payn
President & CEO

CC. Premier Darrell Dexter
Dan English, CAO HRM

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