

# Municipal Grants Act

CHAPTER 302 OF THE REVISED STATUTES, 1989

*as amended by*

1990, c. 39; 1990, c. 19, ss. 72-80; 1991, c. 15; 1992, c. 25;  
1993, c. 33; 1994, c. 27; 1994-95, c. 7, ss. 65-78; 1995-96, c. 16, ss. 212, 213;  
1998, c. 13, s. 10; 2001, c. 3, s. 19; 2001, c. 35, s. 29; 2002, c. 5, ss. 34-39;  
2002, c. 15, s. 4; 2003, c. 9, ss. 96-109; 2004, c. 7, ss. 22, 23;  
2004, c. 27, s. 13; 2005, c. 6, s. 26; 2005, c. 9, s. 16; 2007, c. 21;  
2008, c. 63; 2009, c. 8, s. 2; 2018, c. 1, Sch. A, s. 132



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1998, c. 13, s. 10; 2001, c. 3, s. 19; 2001, c. 35, s. 29; 2002, c. 5, ss. 34-39;  
2002, c. 15, s. 4; 2003, c. 9, ss. 96-109; 2004, c. 7, ss. 22, 23;  
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## An Act to Provide for Grants to Municipalities

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(The table of contents is not part of the statute)

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#### Short title

**1** This Act may be cited as the *Municipal Grants Act*. R.S., c. 302, s. 1.

#### Interpretation

**2** In this Act,

(a) and (b) *repealed 2003, c. 9, s. 96.*

(c) “dwelling unit” means living quarters, accessible from a private entrance either outside a building or in a common area within the building, that are occupied or, if unoccupied, are reasonably fit for occupancy, and that

(i) contain kitchen facilities within the unit, and

- (ii) have toilet facilities that are not shared with the occupants of other dwelling units;
- (d) “Minister” means the Minister of Service Nova Scotia and Municipal Relations;
- (e) “municipality” means a regional municipality, town or county or district municipality;
- (f) “property of a supported institution” means the residential property of a hospital or a post-secondary educational institution whether the property of Her Majesty in right of the Province or not;
- (g) “Provincial property” means property of Her Majesty in right of the Province that is assessed pursuant to the *Assessment Act*, excluding
  - (i) public hospitals and other health care facilities,
  - (ii) educational institutions,
  - (iii) facilities for the permanent display of art and cultural and historical information and artifacts including historical sites,
  - (iv) water and sewerage systems other than on-site systems,
  - (v) any other property of Her Majesty in right of the Province that would be exempt from taxation even if it were not property of Her Majesty, and
  - (vi) property of any agency, authority, board, commission or Crown Corporation of the Province that is not occupied by a department of the public service;
- (h) “Provincially occupied federal property” means property of Her Majesty in right of Canada which is leased to and occupied by a department of the public service of the Province, excluding public hospitals, educational institutions and such other property of Her Majesty in right of the Province as would be exempt from taxation if it were not the property of Her Majesty in right of the Province, and in respect of which no grant in lieu of taxes is otherwise paid;
  - (i) *repealed 2003, c. 9, s. 96.*
  - (j) “service commission” means a board, commission or corporation created by or under the authority of any Act and having power to
    - (i) provide for an area or the residents of an area services similar to one or more of those which may be provided by a municipality for its residents, and
    - (ii) levy rates and taxes, or to require a municipality or an official of a municipality to levy rates and taxes other than or in addition to water or electric rates fixed or approved under the *Public Utilities Act*,

but does not include a municipality, committee created by an inter-municipal service agreement, village or education entity;

(k) *repealed 2003, c. 9, s. 96.*

(ka) *repealed 1994-95, c. 7, s. 65.*

(l) “village” means a village as defined in the *Municipal Government Act*;

(m) “year” means the fiscal year of a municipality as defined in the *Municipal Government Act*. R.S., c. 302, s. 2; 1990, c. 19, s. 72; 1994-95, c. 7, s. 65; 2003, c. 9, s. 96; 2018, c. 1, Sch. A, s. 132.

### **Grant in lieu of property tax**

**3 (1)** Every municipality, village and service commission shall be paid out of the Consolidated Fund of the Province a grant in lieu of property and business occupancy assessment taxes for a taxation year in respect of the Provincial property, Provincially occupied federal property and property of supported institutions located within the municipality or within the area of jurisdiction of a village or service commission.

**(2)** Where taxes are collected by a municipality on behalf of any village or service commission the grant shall be paid to the municipality for the account of the village or service commission.

**(3)** The grant shall be paid after receipt by the Minister of the information required from a municipality, village or service commission.

**(4)** The information required for a grant pursuant to subsection (3) shall be submitted by a municipality, village or service commission

(a) in the same fiscal year as that for which the taxes were levied; and

(b) at the time and in the manner prescribed by the Minister. R.S., c. 302, s. 3; 2003, c. 9, s. 97; 2008, c. 63, s. 1.

### **Amount payable for certain property**

**4 (1)** The grant payable in respect of Provincial property and Provincially occupied federal property shall be equal to the full taxes that would be payable in respect of the property and business occupancy assessment if it were not exempt from taxation.

**(1A)** Notwithstanding subsection (1), the grant payable in respect of Provincial property that is a court house shall be

(a) in the municipal taxation year 2009-10, ten per cent of the amount payable pursuant to subsection (1);

(b) in the municipal taxation year 2010-11, fifty per cent of the amount payable pursuant to subsection (1); and

(c) in the municipal taxation year 2011-12 and subsequent municipal taxation years, the amount payable pursuant to subsection (1).

(2) The grant payable in respect of property of supported institutions shall be equal to the full taxes that would be payable in respect of the property and business occupancy assessment if it were not exempt from taxation.

(3) to (11) *repealed 1994-95, c. 7, s. 66.*

R.S., c. 302, s. 4; 1990, c. 39, s. 1; 1991, c. 15, s. 1; 1992, c. 25, s. 1; 1993, c. 33, s. 1; 1994, c. 27, s. 1; 1994-95, c. 7, s. 66; 2003, c. 9, s. 98; 2005, c. 6, s. 26; 2007, c. 21, s. 1; 2009, c. 8, s. 2.

#### **Assessment and appeal of assessment**

5 The assessment of Provincial property, Provincially occupied federal property and property of supported institutions may be appealed in accordance with the provisions of the *Assessment Act*, and the assessment of the property, if not appealed or as altered or confirmed as the result of an appeal, shall bind the Minister. R.S., c. 302, s. 5.

#### **No grant in lieu of property tax**

6 A grant in lieu of property taxes shall not be paid pursuant to this Act respecting

- (a) property of Her Majesty in right of Canada or any other of Her realms and territories except the Province;
- (b) Provincial property occupied by any person other than in an official capacity;
- (c) property of the Minister of Community Services pursuant to the *Housing Act*;
- (d) property of a college, academy or other public institution of learning mainly used for commercial, industrial, business, rental or other non-educational purposes. R.S., c. 302, s. 6; 2003, c. 9, s. 99.

#### **Question as to whether grant payable**

7 (1) If any question arises between the Minister and a municipality, village or service commission as to whether a grant in lieu of property taxes is payable in respect of any property and cannot be otherwise resolved, either the Minister or the clerk of the municipality, village or service commission may apply to have the question determined by the Supreme Court according to the provisions of the *Assessment Act* within the time limited therefor.

(2) The owner and the occupant of the property in question shall be served with notice of the application made pursuant to subsection (1).

(3) The court shall determine whether a grant in lieu of property taxes is payable in respect of the property.

(4) Where the court determines that a grant in lieu of property taxes is not payable but that the property is taxable or that the occupant thereof is taxable in respect of the property, the court shall order the property or occupant thereof to be entered on the assessment roll and the owner or occupant thereof shall be liable to pay the taxes thereon. R.S., c. 302, s. 7; 1992, c. 16, s. 5; 1994-95, c. 7, s. 67.

### Equalization grants

**8** (1) Every municipality with an equalization entitlement pursuant to this Act shall be paid in each year an equalization grant pursuant to this Act.

(2) The total equalization grants payable to municipalities in each year shall be the amount determined by the Governor in Council. 1994-95, c. 7, s. 68; 2002, c. 5, s. 34.

### Classification of municipalities

**9** (1) For the purpose of calculating equalization entitlements, municipalities shall be classified as follows:

- (a) Class 1, comprising regional municipalities and towns;
- and
- (b) Class II, comprising county or district municipalities.

(2) The number of dwelling units in a municipality shall be determined by the Minister in each year after the assessment rolls have been filed.

(3) Dwelling units of the Department of National Defence in respect of which the majority of the services used to calculate the standard expenditure per dwelling unit pursuant to this Act are not provided by a municipality and dwelling units located on Indian reserve lands shall not be included as dwelling units for any purpose of this Act.

(4) A municipality may, within sixty days of the determination by the Minister of the number of dwelling units in a municipality, request a review by the Minister and the Minister's decision is final. R.S., c. 302, s. 9; 1994-95, c. 7, s. 69; 1995-96, c. 16, s. 212; 2002, c. 5, s. 35; 2003, c. 9, s. 100.

**10** *repealed 1994-95, c. 7, s. 70.*

### Standard expenditure per dwelling unit

**11** (1) For the purpose of the calculation of the equalization grant for a municipality, the Minister shall prescribe a standard expenditure per dwelling unit for each class.

(2) and (3) *repealed 2003, c. 9, s. 101.*

R.S., c. 302, s. 11; 1990, c. 19, s. 75; 2003, c. 9, s. 101.

**Calculation**

**12 (1)** The standard expenditure per dwelling unit for the purpose of calculating the operating grant payable to each municipality shall be calculated for each class from the estimates of operating expenditures for the year in which the standard expenditure is prescribed.

**(1A)** The estimates of operating expenditures referred to in subsection (1) shall be provided to the Minister by the municipality by September 1st of the year in which the standard expenditure is being prescribed or such later date as the Minister determines.

**(1B)** Where the estimates of operating expenditures are not provided under subsection (1A), the standard expenditure per dwelling unit and any other calculation that would be calculated using the estimates of operating expenditures may be calculated using such information as the Minister determines.

**(2)** The standard expenditure per dwelling unit shall approximately equal the average estimated operating cost per dwelling unit of the following services:

- (a) police protection;
- (b) fire protection;
- (c) transportation services, excluding public transit and operating grants from the Department of Transportation and Public Works;
- (d) fifty per cent of environmental services,

all of which are defined in the *Municipal Accounting and Reporting Manual* prescribed by the Minister pursuant to the *Municipal Government Act*.

**(3)** *repealed 1994-95, c. 7, s. 70.*

**(4)** The Minister shall provide the details of the calculation of the standard expenditure per dwelling unit to the clerk of a municipality upon request. R.S., c. 302, s. 12; 1994-95, c. 7, s. 70; 2002, c. 5, s. 36; 2004, c. 7, s. 22.

**Calculation of standard expenditure for a municipality**

**13** The standard expenditure for a municipality equals the standard expenditure per dwelling unit for the class within which that municipality is included times the number of dwelling units in the municipality. R.S., c. 302, s. 13; 2003, c. 9, s. 102.

**Calculation of uniform assessment for a municipality**

**14 (1)** The uniform assessment of a municipality is equal to the taxable assessment of the municipality less twenty-five per cent of the taxable assessment of commercial properties identified on the assessment roll as being occupied by a seasonal tourist business plus the capitalized value of payments made to the



municipality in lieu of taxes and payments made to the municipality by a utility with respect to taxes, but does not include

(a) the building, pump stations, deep-well pumps, main transmission lines, meters and associated plant and equipment of a municipal water utility; or

(b) the assessed value of property of a named registered Canadian charitable organization or non-profit community, charitable, fraternal, educational, recreational, religious, cultural or sporting organization or a day care licensed under the *Day Care Act*, if

(i) the property is exempt by municipal by-law to the extent and under the conditions set out in the by-law, and

(ii) the by-law referred to in subclause (i) is provided to the Minister by the first day of September of the year to which the by-law relates, or such later date as the Minister permits.

(2) For the purpose of calculating the uniform assessment of a municipality pursuant to subsection (1), where pursuant to an enactment the municipal tax revenue in respect of an assessment in a municipality is shared by another municipality, the assessment is deemed to be in that other municipality to the extent that the revenue is shared by that other municipality.

(3) The Minister may make further adjustments to the figure obtained pursuant to subsection (1) if, in his opinion, it is required to achieve uniformity among municipal units.

(4) The Minister shall inform each municipality of the uniform assessment calculated for it.

(5) A municipality may within sixty days of the calculation by the Minister of its uniform assessment request a review by the Minister, and the Minister's decision shall be final.

(6) Where

(a) the total assessed value of a person's properties in a municipality included in the uniform assessment of the municipality for a taxation year, including any business occupancy assessments calculated with respect to the properties, is reduced as a result of assessment appeals by an amount that is three per cent or more of the municipality's uniform assessment that was calculated using that value; and

(b) all assessment appeals by that person respecting the properties included in that value have been determined or abandoned, including any appeals from those determinations,

the uniform assessment for the area that is the municipality shall be calculated to reflect the reduction by deducting the amount of the reduction related to the earliest taxation year so long as

(c) the amount has not already been deducted in calculating the municipality's uniform assessment for this or a previous taxation year;

(d) reductions related to different taxation years are deducted in successive taxation years to ensure that the uniform assessment is only reduced for one taxation year for any one person assessed; and

(e) the assessment appeals are determined or abandoned on or after the first day of November, 2001. R.S., c. 302, s. 14; 2001, c. 35, s. 29; 2002, c. 15, s. 4; 2003, c. 9, s. 103; 2004, c. 27, s. 13; 2005, c. 9, s. 16.

15 *repealed 2003, c. 9, s. 104.*

#### **Standard tax rate**

16 (1) A standard tax rate shall be calculated for Class I and Class II municipalities.

(2) The standard tax rate equals

(a) the total standard expenditures for all municipalities in the class for which the standard tax rate is being calculated,

divided by

(b) the total uniform assessment for all municipalities in the class for which the standard tax rate is being calculated. 2002, c. 5, s. 37; 2003, c. 9, s. 105.

#### **Equalization entitlement**

17 (1) The equalization entitlement of each municipality is equal to the standard expenditure for the municipality less the standard tax rate multiplied by the uniform assessment for the municipality.

(2) Where the equalization entitlement for a municipality is less than zero, the equalization entitlement is deemed to be zero.

(3) The equalization grant for a municipality is equal to the proportion that the equalization entitlement for the municipality is of the total equalization entitlements for all municipalities times the total equalization grants.

(4) Notwithstanding subsection (3), the Minister may make adjustments to the figure obtained pursuant to subsection (3) so that the equalization grant for a municipality is not less than the equalization grant paid to the municipality in the year 2001-2002 or an amount determined by the Minister. 1994-95, c. 7, s. 72; 2002, c. 5, s. 38; 2003, c. 9, s. 106.

18 *repealed 1994-95, c. 7, s. 72.*

#### **Payment by instalment**

19 The equalization grant for a municipality shall be paid by four quarterly instalments in each year. R.S., c. 302, s. 19; 1990, c. 19, s. 76; 1994-95, c. 7, s. 73; 2003, c. 9, s. 107.

#### **Foundation Grant**

19A The Minister may pay in each year to each town a foundation grant in the amount determined by the Minister. 2002, c. 5, s. 39.

#### **Information required**

19B (1) No grant shall be paid pursuant to this Act until all information requested by the Minister has been provided by the municipality.

(2) Where a grant is not paid because information requested by the Minister has not been provided by a municipality, no interest is payable in respect to the grant that is not paid.

(3) Where information requested by the Minister that is required for a calculation is not provided by the municipality by the date required by the Minister, the Minister may make the calculation using such information as the Minister determines. 2002, c. 5, s. 39; 2004, c. 7, s. 23.

20 *repealed 2001, c. 3, s. 19.*

21 to 32 *repealed 1994-95, c. 7, s. 74.*

33 *repealed 2003, c. 9, s. 108.*

34 *repealed 1994-95, c. 7, s. 76.*

35 *repealed 2003, c. 9, s. 109.*

#### **Financial assistance**

36 (1) The Minister may, with the approval of the Governor in Council, provide financial assistance to individual municipalities in cases in which, in his opinion, it is necessary and expedient to do so and where the municipality faces extraordinary financial difficulty.

(2) No such financial assistance shall be provided until the municipality has filed with the Minister a detailed proposal satisfactory to the Minister designed to remedy the financial difficulty of the municipality and has complied with any further conditions imposed by the Minister.

(3) Except as provided by this or any Provincial enactment or by an agreement made pursuant thereto, the Minister shall not provide financial assistance to an individual municipality except according to grant programs applicable to all municipalities or to any class of them. R.S., c. 302, s. 36.

**Regulations**

37 The Governor in Council may make regulations

- (a) *repealed 1994-95, c. 7, s. 76.*
- (b) defining any expression used in this Act and not defined herein;
- (c) respecting any matter or thing, whether of the foregoing kind or not, that is necessary to effectively carry out the intent and purpose of this Act. R.S., c. 302, s. 37; 1994-95, c. 7, s. 76.

**Regulations Act**

38 The exercise by the Governor in Council of the authority contained in Section 37 is regulations within the meaning of the *Regulations Act*. R.S., c. 302, s. 38; 1994-95, c. 7, s. 77.

39 and 40 *repealed 2003, c. 9, s. 109.*

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