



My name is Karla Nicholson and I am the Executive Director of the Quinpool Road Mainstreet District Association. I represent more than 100 businesses, many of whom are small businesses struggling trying to pay their commercial taxes.

We commend you for your swift efforts to address this problem but the municipal tax tool you are proposing does not adequately address the needs of Metro Halifax.

Providing our municipality with the tool to be able to phase in assessed property increases for up to ten years for businesses in a commercial development district, only addresses the first part of the Commercial Tax Options for Small Business motion that was approved by Council last November.

Our Municipality needs – and I quote here right from the motion “amendments to the Halifax Regional Municipal Charter that would provide Council with greater legislative authority in setting taxes and charges respecting the general tax rate and area rates for both residential and commercial properties, including:

- a) The authority for Council to determine and set rates and charges that are different for: I. different areas of the Municipality, II. different categories and size of businesses, and III. different classes of building and size of structures, and
- b) The authority for Council to determine and set: I. a rate or charge for frontage on a street, II. a uniform charge or amount of tax that is payable per property or per dwelling unit, III. a maximum and minimum charge or amount of tax that is payable, and IV. a surtax or graduated rates.

This motion directly addresses the unified request from 8 Business Improvement Districts within Halifax that submitted a letter to the Mayor and Council asking for amendments to the Charter. This letter was also published as an op ed piece on the Chronicle Herald website and was signed by the Executive Directors of: Quinpool Road Mainstreet District Association, North End Business Association, Downtown Halifax Business Association, Spring Garden and Area Business Association, Sackville Business Association, The Village on Main Business Association, and the Bedford Business Association.

The letter stated: “ After months of discussion and research, two recommendations were brought to HRM staff by the Business Improvement Districts:

- 1) A special small business rate to be developed with eligibility criteria matched to existing federal income tax definitions for small business. Use of a small business rate could reverse the imbalance we now see where the small business on a local street is paying three or four times more taxes per square foot than the non-locally owned large big-box retailers in greenfield retail parks.
- 2) Differentiated tax rates rather than a single rate. We could use multiple rates which adjust the tax collected from the assessments to achieve more rational and fair economic outcomes. For instance, with differentiated tax rates a slightly higher rate could be set for big-box stores in retail parks, and a lower rates could be set for downtown and businesses in the urban core and main streets communities where the city wants to encourage devel-



opment. This would more fairly redistribute the tax burden and off-set the repercussions of the assessment-based system.

The Mayor himself wrote a letter dated February 12, 2016 to the Honorable Minister Zach Churchill asking for quote “amendments to the Halifax Regional Municipal Charter that would provide Halifax Regional Council greater legislative authority in setting taxes and charges.” This letter was followed by similar letters from several of the above mentioned business improvement districts.

Tax Reform has been an ongoing issue for several years, and has now reached a point where small businesses are being taxed out of existence. Small business needs a champion. They play an integral role in our local economy and the well-being of our city. The Mayor and Council have stepped up and taken effective action to try and offer real change to our City's Commercial Tax Options for Small Business, Will the province do the same?

Will you make amendments to the bill that address the second part of Council's motion? I will leave you all copies of this speech that clearly defines the other municipal tax tools that are needed and were requested by the Mayor and City Council.

Thanks for giving me the opportunity to speak today on behalf of my members and for many other small businesses in the designated commercial business improvement districts.