

[REDACTED]

From: Kristen Rudderham von Finckenstein [REDACTED]
Sent: April 13, 2022 6:14 PM
To: Office of the Legislative Counsel
Cc: Premier; Finance Minister; Minister, DMA; Economic Development Minister;
keithbainmla@bellaliant.com; Info@trevorboudreau.ca; briancomermla@gmail.com;
kendracoombesmla@gmail.com; info@mombourquette.ca; Johnwhitemla@outlook.com
Subject: Statement RE Impact of Non-resident Tax
Attachments: Rudderham Submission RE Non-Resident Property Tax.pdf

**** EXTERNAL EMAIL / COURRIEL EXTERNE ****

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Good Day,

I enclose for your consideration my submission to the Law Amendments Committee regarding the Proposed Non-Resident Tax. attached as a PDF and reproduced below

I thank you for your attention,
Kristen Rudderham von Finckenstein

Kristen Rudderham von Finckenstein
[REDACTED] Gloucester, ON,
[REDACTED] Baddeck, NS, [REDACTED]
[REDACTED]

13 April 2022

Law Amendments Committee, C/O Office of the Counsel to the Legislative Counsel
VIA EMAIL: legc.office@novascotia.ca

Dear Members of the Law Amendments Committee,

RE: Non-resident Property Tax Proposals

Thank you for this opportunity to address your committee. I have reviewed many submissions made by parties concerned about the impact of this initiative and will not repeat those points. Those submissions are legally and fiscally nuanced and cover extensive policy approaches. I will take this opportunity to highlight the personal impact on my family as I believe it well illustrates a variety of unintended consequences of this initiative.

I appreciate the dire nature of the housing crisis that is occurring across Canada and acutely in Nova Scotia. I appreciate and commend the desire of this government to take measures to address this crisis. I believe that my family's situation is highly representative of non-resident owners and serves to highlight how the imposition of the non-resident's tax will not materially mitigate this crisis.

I was born and raised in Nova Scotia. I am committed to the betterment of the province of Nova Scotia. I have taken every opportunity to return to Nova Scotia. I was married in Nova Scotia, I baptized children in Nova Scotia, I was called to the Bar of Nova Scotia, and I even ran for Parliament in Nova Scotia. I also joined the Canadian Armed Forces in 2009. I am a proud member of the CAF and a proud Army Officer. Being in the Canadian Army also means I do not have control over where I live or what job I do. It is a sacrifice of the service and a sacrifice I am proud to make.

As a member of the CAF, my family has been posted across Canada and internationally more than ten times in less than 15 years and have endured three overseas deployments. My four children were born in two different provinces and in two different countries.

In 2012, my husband and I bought a dilapidated farmhouse on the Bay Road in Baddeck, NS. It had been on the market for three years with no interest. Its roof was falling in, its shingles leaked, and it was infested. We aspired to create for our children a sense of community and to establish roots for them despite the nomadic existence necessitated by their parents being soldiers and them never having anywhere to call "home".

It worked! We joke that my son is surely the only "von Finckenstein" to speak Gaelic, after a summer at the Gaelic College! We are not wealthy, we are simple soldiers but we have prioritized our Cape Breton home. We have made countless sacrifices to be able to keep this homestead for our children. We have always bought the cheapest primary residence we could possibly tolerate in order to pump money into fixing up our Cape Breton home. We have invested \$70,000 cash into repairs. We employ a local resident year round as a caretaker. We hire seasonal snow removal. We hire seasonal lawn care. We employ countless tradespeople. In order to do this our primary residence is extremely modest, we own only one, ten year old car for the six of us, we don't take holidays like our peers, we limit our children's extra-curricular activities. We do this all to be able to afford our Cape Breton house. Twice when family and friends have fallen on hard times, they have stayed for extended periods of time at the house free of charge as an act of Christian, neighbourly charity. We paid the utilities and the extra insurance. We similarly hosted Nova Scotian ex-pat Covid refugees who fled condo life in Toronto and could not find accommodation on short notice due to the housing shortage this measure is intended to address. Those friends are still in Nova Scotia two years later because we provided them refuge when they otherwise could not have relocated.

If this non-resident's tax is implemented as initially announced it will financially devastate our simple military family and will result in the following: we will have to fire our caretaker, cancel snow service, cancel law care, and we will immediately cancel the renovations required to make it a comfortable year round home ready to accept us in our retirement in five years time. This will have an immediate impact on the three people we employ every year, the many trades people we hire, and the business from which we buy our supplies. We cannot even contemplate the worst case scenario of having to sell it. Even discussing it at our dinner table elicited tears from our eight year old.

We fully intend to become full time residents of Nova Scotia and have the capacity to do that much earlier than many Canadians due to the early retirement age of the CAF. But we cannot do it tomorrow. We signed on the dotted line and cannot turn our backs on the duty we swore.

This results in essentially one of two scenarios occurring. Most likely, we will reduce all expenditures related to our Cape Breton home and essentially leave it mothballed until we retire in order to be able to afford the new tax. This scenario will certainly not benefit Nova Scotians: not the people we normally employ, nor our neighbours who rejoiced at our rehabilitation of a forsaken and abandoned property. Worst case scenario, we cannot manage financially and are forced to sell. This house will undoubtedly be purchased by wealthy Nova Scotians as a second property. It would take a number of years and significant investment to render it a comfortable year round dwelling. Such a sale will not mitigate the housing crisis in Nova Scotia, at all, it will just change *who* is using the property as a seasonal property.

As it stood, previous to the introduction of this legislation we were proud to spend virtually every dime of our disposable income in Nova Scotia, a province that does not provide our health care and in a municipality that provides services to us for mere weeks a year despite us paying the

highest property taxes we have ever paid in any Canadian jurisdiction. We are happy to do it. But there is a limit to what we can bear and pushing us beyond that limit does not in any way solve the problem this legislation purports to solve.

Instead of implementing this tax, please consider implementing measures that will incentivize regular, hard working Canadians like us to prioritize spending our money in NS. Please incentivize us to retire in our beautiful province as early as possible. Please don't punish us for saving for our dream. Please don't prevent us from giving our children the gift of being proud Nova Scotians. Please consider a moderate second property tax on **all** second properties, which would generate significantly more income and be substantially easier to implement. We would be happy to pay our share of a tax in the range of what other jurisdictions have implemented but this proposed rate would triple our taxes and represent an astronomical increase in our expenses. Please consider grandfathering existing owners like us who have scrimped and saved to invest in our province.

Ours heart belong to Nova Scotia. Please don't break them.

Respectfully,

Kristen Rudderham von Finckenstein

CC:

Hon. Tim Houston, Premier of Nova Scotia: premier@novascotia.ca

Hon. Allan MacMaster, Deputy Premier, Minister of Finance and Treasury Board:
FinanceMinister@novascotia.ca

Hon. John Lohr, Minister of Municipal Affairs and Housing: dmamin@novascotia.ca

Hon. Susan Corkum-Greek, Minister of Economic Development: edminister@novascotia.ca

Hon. Keith Bain: keithbainmla@bellaliant.com

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Hon. Derek Mombourquette: info@mombourquette.ca

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