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**To:** Office of the Legislative Counsel  
**Subject:** Presentation to Law Amendments Committee - April 14/22  
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PRESENTATION TO THE LAW AMENDMENT COMMITTEE REGARDING AN ACT TO PROVIDE FOR  
A DEED TRANSFER TAX AND TAX RESPECTING NON-RESIDENTS OF NOVA SCOTIA.

9:30 am APRIL 14, 2022

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Introduce myself – name, address, full time resident and businessman.

My interest here is the welfare of the economy of rural Nova Scotia and the reputation of the Province of Nova Scotia nationally and internationally.

I will limit my comments to the proposed annual \$2.00/\$100 of assessment property tax.

I understand the need for the government to find new sources of revenue.

Major new taxes like this need to be supported by a cost/benefit study.

But to quote Minister McMaster “there is no way to concretely know for sure (if this will work) until the tax is implemented”.

This would make it clear that no cost/benefit study has been done. And my fear is that by the time the Government realizes that the tax is not doing what it is supposed to do, the Province will have suffered irreparable damage. Which was the case when the Yarmouth Ferry and the film industry were shut down by previous governments.

So let me present my own predictions:

But first, what is not clear to me is the definition of a “resident” and a “non-resident”. Perhaps those definitions could be made available a little later.

And secondly, let me say that so-called “Non-residents” should be known as “Part-time” residents. The “Non-resident” label makes it sound like they are never here, when in fact they are here a lot of the time and perhaps a majority are even Nova Scotians, who have had to leave the Province temporarily to find work and plan to return permanently.

Since the legislation was introduced, here is what has happened:

- This tax is seen as having nothing whatsoever to do with creating affordable housing where it is needed.
- This tax is seen as discriminating against, not only foreigners or other Canadians, but against Nova Scotians who don't happen to be living in Nova Scotia at this time.
- This tax is seen as a way to get revenue from a group of non-voting, politically vulnerable people, who are bringing tens of millions of dollars into the Province every year.
- This tax is seen as undemocratic.
- This tax is seen as a direct attack on the economy of rural Nova Scotia. It would have little, or no effect on the Halifax market, where it is just fine for Nova Scotians to own multiple properties, rent them on Air B&B and make them unavailable for year long rentals.
- This tax is seen as by far the most punitive of its kind in Canada.
- This tax is seen as applying to properties that are not even accessible in the winter.
- This tax is seen as applying to property owners who do not require schooling or medical services. The people being taxed just want to come here and spend money.
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- This tax is aimed at people who own cottages and second homes in rural Nova Scotia and live in them ‘Part-time’. These owners are not speculators. They use their homes on a regular basis and contribute in a big way to their communities.
- This tax is aimed at punishing the very people who have been resurrecting the economy of rural Nova Scotia for decades.
- Rural realtors have been inundated with calls from “Part time” owners, many of whom have owned their properties for decades. Some have inherited their properties. These owners are beginning to realize that their annual property taxes are about to triple.
- Almost all, if not all rural realtors are reporting that their prospective non-resident buyers, once advised of this new annual tax, are not interested in buying anymore.
- Nova Scotia is already being seen as a place where outsiders are not welcome.
- Because of the shocking way in which this tax is being implemented, it will likely have a negative effect on business investment. What is this government to going to decide to tax next?
- Part-time owners are feeling hurt and betrayed. Outsiders have always been welcome here and now they are being penalized for being here.
- Part-time owners are already canceling their plans to build on their land, or renovate their houses.
- Part-time owners, who have been the best ambassadors the Province has had, have already stopped extolling the virtues of the Province.
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And here is what is going to happen:

- People who won’t be able to pay the triple tax, will be forced to (a) become residents of Nova Scotia and lose their job, lose their community, find a new job, pay more HST and income tax and join the 88,000 Nova Scotians currently without a doctor (b) rent to Nova Scotians and lose the use of their homes, or (c) sell to a Nova Scotian resident at a discount because the market for the properties will be decimated.
- Reduced prices may sound great, but wait a minute, that will reduce the value of all rural properties, which in turn will reduce property assessments and cause municipalities to have to increase their tax rates and the taxes on every property.
- If this tax is implemented, it is so out of line and so discriminatory that it will be exposed in national and international media. Nova Scotia will lose its reputation as a welcoming place.
- The highly paid workers in the construction industry, mills, building supply dealers, tradesmen will feel the effects of cancelled residential work.
- Many community and charitable organizations will feel the loss of their supporters.
- Tourist accommodations, restaurants and cultural events will feel the loss of business from the ‘Part-timers’.
- Many existing “Part-time” owners will try to figure out how avoid paying this tax, resulting in a substantial policing cost to the Province.
- There will be a lot less money coming into the Province. Money that is already here will just circulate.

- This tax is going to hurt all Nova Scotians living in rural areas when it comes to selling their properties. They will realize that the market for their properties has been decimated.
- And perhaps most important is the fact that the more successful this tax is in replacing "Part time" owners with residents, the less successful the program will be in achieving its goal of bringing in tax revenue. For every time a "Part time" property is converted to a resident property the triple tax revenue disappears. This is the first time I have ever heard of a program that achieves less of its goal the more successful it is. Taken to the extreme, if ALL the "Part time" properties become resident properties, this tax would not generate one penny of revenue and would actually cost the municipalities.

We all know that the government needs more revenue. However, I would like to suggest that this tax not be activated until a cost/benefit study be completed. There is every indication that this tax is not going to result in any net revenue to the Province and will result in less revenue to the municipalities. The revenue the tax will generate will be more than cancelled out by the loss of business, the resulting loss of PST and income tax, the cost of policing and the harm it will do to the reputation of this Province nationally and internationally.

I would also like to suggest that the Government convene a meeting with members of the business community in an attempt to come up with a better, less shocking and discriminatory plan for raising revenues. How about taxing ALL property owners in the Province, who have more than one property. That would substantially reduce the \$2.00 rate.

To sum up, this discriminatory Bill is an attack on, and will do irreparable harm to, the economy of rural Nova Scotia. It will do a great disservice to the reputation of this Province, it will harm every Nova Scotian who plans to sell their rural property, it will do nothing to create affordable housing and it will not result in any net tax gain to the Province.

I urge this Committee to amend the Bill by deleting this tax until a comprehensive economic cost/benefit analysis shows that such a tax will somehow be of benefit to the people of this Province .

Thank you for this opportunity to present my views.

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April 3, 2022

**RE: NEW NON-RESIDENT PROPERTY TAXES IN NOVA SCOTIA**

Dear Premier Houston.

I'm shocked and disappointed that the newly elected government in Nova Scotia is increasing annual property taxes on properties owned by non-residents of Nova Scotia by three times and increasing the property transfer tax on property purchases by non-residents of Nova Scotia by five times. This bit of news was disclosed in the budget, which was presented March 29. Since it is to be effective immediately, there is obviously no interest on the part of the government to hear how this will negatively affect the economy of rural Nova Scotia.

Since none of the property owners affected are voters provincially, this is a classic case of taxation without representation. In the short term, this is a political no-brainer. The general resident public, no doubt, would think that this is a great idea. But wait a minute. Isn't this discriminatory? What about Nova Scotian residents who own second homes here? Why is there a difference?

Just when Nova Scotia is being discovered as a desirable destination and people are moving here, instead of moving away, the Government decides to put up the "we don't want you here sign". This is a disastrous thing to do and needs to be undone immediately.

Economically, it is wise to have non-residents buying land and building and renovating second homes here. They bring in new money to the Province. While looking for properties to buy, they rent cars, buy gasoline, stay in rental accommodation and eat in restaurants. Once they buy a property, they have a house built or renovated and then in every subsequent year, they pay for car rentals, food, utilities, ongoing renovations, property taxes and all the other services that homeowners need. **And they do not put any strain on our school, or our medical facilities.**

All this spending of new money is good for the rural economy. And it will largely come to an end if these taxes come into effect. Ask any realtor - because we are penalizing them and telling them that we don't want them here, prospective non-resident buyers are cancelling their plans to come to Nova Scotia, At the same time, we are soiling Nova Scotia's reputation as a welcoming destination.

That the Government has opted to discourage people from buying and building properties here, while simultaneously announcing that it wants to double the population to two million people, is a rather large mystery. How does this make any sense? Seasonal residents often become permanent residents.



The non-resident buyers coming to Nova Scotia are not speculators. They are Nova Scotians living out of the Province, or folks who have long standing connections to the Province, or folks that have invested or want to invest in the rural paradise of our coastal Province and want to experience the lifestyle we enjoy here.

There is clearly a need to raise revenue, but in doing so, let us not penalize, discourage, discriminate against and send away the very people who have spent hundreds of millions of dollars reviving the dying economy of rural Nova Scotia over the past many years. Let us find a way that enhances the rural economy and the reputation of Nova Scotia. That would be achieved by attracting more people to rural Nova Scotia, either permanently, or seasonally and by treating non-residents in the same way as we treat residents.

There are other less damaging ways to raise revenue from the residential sector. How about taxing everyone who has a second residence of any kind in the Province. That would result in a much smaller tax increase and make non-residents feel that they are being treated fairly and not being discriminated against. And it would take down the current "you are not welcome here" sign.

If these taxes are supposed to help with the shortage of affordable housing in Nova Scotia, perhaps someone explain how. Funding for affordable housing will not be generated by these taxes. The amount of tax revenue lost because of the negative effect the taxes will have on the economy, together with the cost of administering and policing the payment of the taxes, will far outweigh the projected revenue. Furthermore, these taxes are expected to result in many non-residents opting to sell their rural properties, but that will not result in creating any affordable housing where it is needed.

New governments in this Province make their major economic mistakes as soon as they get into power. The NDP cancelled the Yarmouth Ferry. The Liberals devastated the film industry and now the Conservatives are killing the goose that has been laying golden eggs in rural Nova Scotia for years, i.e. non-resident investment. Subsequent governments have tried to get the ferry and the film industry back again. Let this government not introduce this tax only to rescind it after realizing the damage it has done to the rural economy and reputation of this Province.

In closing, let me ask this - what would residents of Nova Scotia do if they woke up one morning to learn that their property taxes had tripled?

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