

[REDACTED]

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**From:** beth skerrett <[REDACTED]>  
**Sent:** April 14, 2022 11:16 AM  
**To:** Office of the Legislative Counsel  
**Cc:** beth skerrett; Geoff Skerrett  
**Subject:** Re: Hearing Tomorrow

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

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Perhaps my concerns could be articulated here.

This PC government who campaigned on "listening to the people " decided that this bill 149 to increase the property tax on a 27,000 nonresident properties by 200% will be pushed through in 2 days after second reading with NO public consultation. This is not a fair and reasonable democrat process.

The Finance Ministers answer during the second reading, when this democratic process was challenged, was to the effect (and I paraphrase) "well that is what the Liberals did for the last year". But the PC campaign was centered on a different kind of government. One who consulted and listened to the people. Was that an empty campaign promise?

When faced with opposition this during the second reading of the bill, the finance minister said this:

- 1) They did no economic studies and have no idea of the impact of this bill. None. How can they use this "kill the mosquito in the window with a sledgehammer" approach with no idea of economic impact to Rural Nova Scotia where the greatest majority of these nonresident properties reside?
- 2) His other answer in the house was "PEI does it". But what he didn't say, or maybe doesn't know since they failed to do the due diligence, is that PEI has a 2 part tax...municipal and provincial. The PEI non-resident tax applies a 50 cent per hundred upcharge on the municipal portion only, which then goes directly to the municipality. In the NS proposal, the rate is \$2 per hundred (200% of the current tax amount) and goes directly to the province with no municipal earmark, and no allocation at the provincial level. Directly into "general funds" and out of the local economy. This is a net loss in funds for rural Nova Scotians.
- 3) The minister also said this bill was designed to prevent people from outside the province from driving up housing prices. I grew up in Pictou County. I bought an abandoned property nobody else wanted, which was allowed to degrade to uninhabitable state. I invested thousands of dollars locally in Pictou County to restore it. I spend 4-5 months here annually. As anyone who knows me can attest, I devoted to putting money back into the local economy. I love my hometown. I host high school reunions. Celebrate birthday and anniversaries for my friends and neighbors in big ways. In doing so support I the local economy of Pictou County. As a retired Nova Scotian, there is a limited amount of disposable income. This bill takes that money out of Pictou County and sends it to Halifax, with the net effect of screwing the entrepreneurs in Pictou Community to who I would share that money
- 4) The minister said the province needs rental properties. My property is rented to locals annually for 7 to 8 months, at a very low rate, which has helped many folks in Pictou Community over the years. I still get to return for 4-5 months and support my friends and family. The non-resident owners who rent full time are not subject to this tax.....but they are the very people driving up both purchases prices AND making the resulting rental rates unaffordable for most people in rural NS. The bill makes no sense in this light. Tax those that are pushing home rental and purchase prices beyond the reach of most Nova Scotians, especially in the rural areas.

5) My property is not for sale. How in the name of heavens is it affecting the hot housing market in NS?

6) Finally, while I currently pay property taxes and goods and services taxes at a rate equal to other full-time residents, I am not eligible to use the healthcare system. I do not have children that use the school or school bus system. We have no public transit in Black Point, and many of our roads are close to impassable with potholes. I also pay higher than normal liquor tax, based purely on consumption, which is a trait most likely shared by other summer residents in my area) (while intended to add some levity, a point in fact since the province does benefit greatly from liquor taxes )

In summary, the 200% tax on long term Nova Scotians who currently live outside the province is a not a solution to the hot housing market, and I

Has the net effect of hurting many local economies more than it helps.

Finally, I would agree that NS needs help. My children and grandchildren and great granddaughter deserve affordable housing. I would think that a proven system like the one in PEI that has a marginal nonresident tax rate and puts the money directly into the local municipal economy would probably work m.

If not, then I suggest a grandfather clause that exempts properties like mine that were purchased 15+ years ago when NS desperately needed the investment.

Beth Skerrett

[REDACTED]

Sent from my iPhone

Please excuse any autocorrect errors...this device has a mind of its own some days!

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**From:** Office of the Legislative Counsel <legc.office@novascotia.ca>

**Sent:** Thursday, April 14, 2022 9:36:44 AM

**To:** beth skerrett <bethskerrett@hotmail.com>

**Subject:** RE: Hearing Tomorrow

Thank you for your email, we have your contact information. Today's meeting is fully booked and we will contact you once we hear the next steps from the Chair of the Law Amendments Committee.

**Office of the Legislative Counsel**

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**From:** beth skerrett [REDACTED] >

**Sent:** April 13, 2022 9:57 PM

**To:** Office of the Legislative Counsel <legc.office@novascotia.ca>

**Subject:** Hearing Tomorrow

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

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Dear Sirs,

I would like to present at the hearing tomorrow, which I believe is 9:00 AM Atlantic time.  
Can I please be added to the agenda

Beth Skerrett

[REDACTED]

Sent from [Mail](#) for Windows

[REDACTED]

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**From:** beth skerrett [REDACTED]  
**Sent:** April 12, 2022 9:10 AM  
**To:** Office of the Legislative Counsel  
**Cc:** Office of the Legislative Counsel  
**Subject:** Bill Number 149-Financial Measures (2022) Act.

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

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Let me start by saying that I am a proud Nova Scotian. I raised my children here. My children, grandchildren and Great granddaughter all live in Nova Scotia, as do 2 of my 3 sisters. My parents are buried here, having contributed to the Nova Scotia economy their whole life.

I purchased my summer property in the late 90's. It was an abandoned property that was a century farm destined for demolition. My family restored the property. It took thousands of dollars to reset the homestead from the foundation up. We employed Pictou County trades people for 2 years, through the winter when work was scarce. We purchased all of our materials from local Pictou County suppliers. Shortly after, my work required me to transfer out of province, but I return every year for 4-5 months and bring my net new cash inflow into Pictou County. We are good ambassadors and bring friends from around the country and the world to spend their "net new" cash in Nova Scotia.

Every year I spend money in local restaurants. I purchase goods and services and pay the HST. I donate to the community center and the fire hall. I support local farmers markets. I buy lots of wine and beer and NSLC collects all those taxes. I donate the bottles back to the community. I am a good, supportive Nova Scotian.

On the other side, I do not get free health services. I pay out of pocket for any health services I get. I do not have children in school. I am not there in winter to require snow removal. I cost the province nothing for services.

How can the province justify charging me triple taxes?

I fear this policy of non-resident tripling of the tax rate, if implemented as designed, will cause ordinary folks like me undue hardship now in our retirement years.

I understand there is a housing crisis. This is not unique to Nova Scotia. It is truly a crisis across Canada. It is however a wickedly difficult, highly complex problem that will not be easily solved. And yet, if we wish to live in a healthy and prosperous country, resolve it we must.

However, any policy that seeks to respond to such a difficult issue must do so in the least damaging and most effective way. Such an approach must be multi-faceted, and all Nova Scotians need to play their part. It needs to be evidence based, temperate, fair and not opportunistic and minimize the amount of inevitable collateral damage.

Sadly, this policy is none of these things and, in fact, there is also every reason to suspect that it will NOT solve the problem and make housing any more accessible or affordable in our Province.

Targeting what the current Government seems to think are "outsiders", while politically easy, will not work. Many of these "outsiders " are Nova Scotians like me who had to leave the province for work reasons, but who identify as Nova Scotians and have strong personal and family ties, with plans to return ASAP.

Our own Premier, Tim Houston should understand this, given his own career path which had him leave the province for work, while he and his wife held property to return to. Had he been subjected to this treatment; these punitive costs could have changed his ability to hold onto that property and his political career could have been crushed.

These punitive costs the province is considering have these kinds of weighty consequences. It is likely to impact both residents and non-residents negatively through undesirable outcomes like lost spin off revenue for local goods and services. My husband and I will definitely cancel a major construction project we were planning, as there is only so much we can do with limited retirement funds. Those funds either go to local goods and services or to the tax coffers. We cannot do both. And we are not alone in that situation. Local services providers will suffer.

There appear to be four key drivers or assumptions underlying this policy, none of which I believe are supported by either experience or evidence:

- (a) **We need to do something about the housing crisis and the best way to do so is to reduce non-resident ownership of housing stock in the Province.**

You have said these measures are required to cool an overheated housing market and increase affordable and accessible housing. Cooling the housing market by focusing on

reducing non-resident ownership will not do that. The Spring 2021 report of the Nova Scotia Affordable Housing Coalition did not identify this as a key source of the problem. Cited causes of the housing crunch have generally included population growth, the slower pace of new housing starts during the pandemic, artificially low mortgage rates, the large number of Air B&B's and investment speculation. You address none of these.

Non-resident ownership is only 4% of property, is mostly rurally based, often not winterized and not necessarily in areas which are accessible to jobs or in the HRM where the issue is the most serious. For this policy to make a dent in the crisis, it would have to cause a crash in property values rather than a cooling. A \$800,000 home at a 20% drop in price is \$640,000 which is still unaffordable for the housing insecure. I find it hard to believe that a responsible Progressive Conservative government would intentionally enact a policy which would lead to a crash in the housing market.

There are other options. Attached to this letter you will find just some of the other aspects of this problem that you could consider.

**(b) The proposal will have no negative impact upon residents and Nova Scotia.**

Non-residents are our friends, our family, and our neighbours. Many consider themselves Nova Scotian and/or have deep roots in the Province, in some cases, for generations. Many contribute (some of them significantly) to local charities and community organizations, and cultural and recreational events both as participants, organizers and volunteers. While the assumption appears to be that they are wealthy, this is incorrect. Many are not, having inherited family properties while others have simple camps or lake cottages. Others have had their property assessments uncapped for many years and thus already pay higher property taxes than Nova Scotians on equivalent market value homes. When many vacation properties come on to the market at the same time, the value of ALL vacation properties (and likely other properties as well), the vast majority of which are owned by Nova Scotians, will fall. This will be felt by Nova Scotia residents and, for example, those who are already fully leveraged may well find themselves holding mortgages higher than the equity in their homes, particularly if the expected mortgage rate increases are realized.

Has the government thought through how these tax measures will affect Nova Scotians who need to work elsewhere on a temporary basis but want to retain property in the province even if it's just a small cottage they can barely afford? What about residents who get transferred in the middle of your 'cooling off' market and cannot sell within the requisite six months? What about members of the Canadian Armed Forces or the RCMP? Should they be forced to pay more taxes, or rent, or sell while they are serving Canada in another province or country?

Mr. Premier, you risk setting a dangerous precedent. Many Nova Scotians over the course of time and currently have had to seek employment outside the Province. Some plan to return in retirement while others return after shorter stints working elsewhere. What if other Provinces, many of which have an even more significant housing problem, follow your example and levy a "non-resident" tax on Nova Scotia workers?

(c) **We will be able to raise significant revenues from these taxes for the benefit of Nova Scotia and Nova Scotians.**

The non-resident tax proposals are forecast to raise \$65-\$80 million, more revenue than the approximately \$30 million identified for affordable housing. This suggests your motive is to generate significant funds for the public purse.

While not all are wealthy, those that have the resources to avoid the consequences of this tax will do so and thus significantly reduce revenues. Some will rent, but one cannot assume all rentals will be affordable 12-month rentals to Nova Scotians - many will use short term rentals to make up for increased taxes. Again, less revenue. I assume as well, that the large forecasts are based upon non-residents not leaving and paying the tax and do not consider the losses of revenues from those that do leave as they won't be paying taxes or making the significant financial contribution, they, their friends and family have made in the past to businesses in their community, often over a period of 4-6 months a year.

Other non-residents will take up residency to avoid the taxes and begin to access benefits in Nova Scotia (such as healthcare). Given that we are already struggling to put in place sufficient infrastructure, these additional new residents may well out-weigh their income tax contributions (especially if they are 60 or older).

Some Nova Scotia communities have proportionally large numbers of non-residents. If they leave (and take potential visitors with them), local businesses in these areas will be hard hit - just when they might finally be recovering from pandemic related losses. I also assume you have not netted out the loss of future tax revenues from capping of property assessments which will happen for those who do become residents and for those who purchase these properties from the leaving non-residents.

(d) **Non-residents are not important to Nova Scotia and as they don't have a vote, the government doesn't owe them a duty of care.**

Nova Scotia is on its way to becoming a leading destination for talent, capital, innovation and recreation in Canada. These proposals send the wrong message to potential migrants, investors and tourists. Canadians expect transparency and fair notice from governments with respect to significant tax changes. Using the budget process with no prior consultation or supporting discussion papers, other than what appears to be a hastily crafted election campaign promise, effectively makes these measures retroactive tax increases, which come following the pandemic, when some are already struggling financially, or on a fixed retirement income. Many have made significant investments in Nova Scotia, which they would never have done had these discriminatory and punitive tax measures been in place.

This lack of fundamental fairness and the readiness to bring in retroactive taxation based on limited, or no analysis, will cause the loss of trust in the provincial government amongst residents and non-residents alike which will harm the reputation of the province for being well governed with all outside investors, including those considering opening businesses here. Once trust is lost, it is almost impossible to regain. No matter how many times you,

Mr. Premier say that you welcome new residents and investments in Nova Scotia, there will always be doubt that the government will treat them fairly when it is not politically convenient to do so. This is extremely damaging for the reputation of our province.

I believe you to be a smart man and I assume that you have the best interests of the Province at heart. I suspect you believe that this action is politically popular, but as I have noted in this letter, it will neither address this serious issue nor be consequence free. You have a long term ahead of you and many significant issues to deal with. I have a Doctorate in the area of managing in complexity and can assure you that actions such as this will only increase the complexity of the challenges you will face. You might want to be careful about enacting a policy whose fall out you will be managing for months and years to come and which, while popular now amongst your base, is likely to generate a negative reaction among other Nova Scotians that will far outlive the popularity of this action today and prove to be an albatross for your new government.

In closing, Mr. Premier, you now have the opportunity to demonstrate your statesmanship by being responsive to the concerns being expressed and putting a pause on this policy until it can be fully explored. These proposals, and other options to address this multi-faceted crisis need be subjected to a full cost benefit analysis and public hearings and all, residents and non-residents need to play their part. Such an action, I believe, will likely broaden your base of support and establish your credentials as a Premier for ALL of us. In addition, I believe you would be congratulated for having the wisdom of ensuring that your housing policy considers to the full the recent announcements in the Federal Budget for their potential impact upon the provincial approach.

Please think carefully before taking this momentous decision. It will inflict disproportionate and irreversible pain on individuals without the right to vote and, ultimately, damage the economy and reputation of Nova Scotia and hurt everyone. Non-residents should not be subjected to such punitive levels of taxation when their only crime is to have fallen in love with Nova Scotia.

Please consider other options for a responsible approach to the Housing crisis:

The government of Nova Scotia can take direct, effective and fair measures to cool the housing market. A few include:

- introducing measures to reduce real estate speculation,
- prohibiting blind bidding for real estate transactions,
- streamlining municipal planning processes and eliminating dysfunctional bylaws to allow more urban density,
- Restricting or eliminating short term rentals hosted by AirBnB and other similar platforms in problematic regions such as the HRM,
- Require greater density especially in urban areas,
- Allow detached homes to be converted to multi-accommodation units,



- Make all second homes (e.g. not just non-resident properties) in the province subject to uncapped property assessment increases so that the province can collect more tax revenue to spend on affordable housing and infrastructure,
- Examine local bylaws to permit multigeneration living e.g. allow “granny flats” to be built,
- Examine laws that may limit commercial/industrial buildings also serving as residential accommodation,
- Make decision making at all government levels faster, and
- Co-ordinate any federal and provincial funding with local municipalities and groups interested in co-op living so that these groups get rewarded for their efforts.

If the government of Nova Scotia is intent on passing the proposed non-resident tax measures in Bill 149, regardless of the evidence and submissions before the Legislative Committee, there are amendments that the Committee could make to mitigate the negative impact of these proposals, such as:

- removing the retroactive application of the proposals by grandfathering existing non-resident property owners as of April 1, 2022,
- reducing the 2% rate per \$100 of assessed property value to 0.5%,
- allowing non-resident property owners to cap their property assessment value as of April 1, 2022, and
- limiting the non-resident tax measure to one or two years.

Thank you for reconsidering this punitive triple property tax proposal

Beth Skerrett



Sent from my iPhone

Please excuse any autocorrect errors...this device has a mind of its own some days!

**From:** [REDACTED]  
**To:** [Office of the Legislative Counsel](#)  
**Subject:** Attention: Chairperson - Law Amendments Committee  
**Date:** April 13, 2022 11:09:09 AM

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

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Dear Sirs,

I have previously written to express my concern about the “fair and equitable” treatment of Nova Scotia property owners.

One additional point I want to make regarding resident vs non-resident status in Nova Scotia.

Many folks do not realize that to be a resident of NS, you need to be in the province 6 months plus one day. Many "Residents" spend several months outside of NS. Should they also be taxed?

For those of us non-residents who spend 4 or 5 months here, we are spending our net new cash (not just recycling existing NS revenue, but bringing new cashflow into the province)

In addition:

These "non-residents" CANNOT use healthcare services. If we need healthcare, we pay out of pocket.

These "non-residents" DO NOT use the schools systems.

These "non-residents" spend on repairs, maintenance, services, but also on entertainment, festivals, Hotels, restaurants, ....all of which attract HST and provide bodies the NS tourist industry desperately needs to stay in business.

When you consider that if the difference between a "RESIDENT" and a "NON-RESIDENT" is 4 weeks of NS presence, this bill becomes even more "unfair and unequitable" tax grab that has long

reaching unintended consequences.

Please consider shelving this Bill until further research can be done, or at minimum, insist that the rate be dropped to something that will not bankrupt the current non-resident population. Something in the range of 25 or 50 cents per hundred would give us all some breathing room to research this further.

Beth Skerrett

Nova Scotian for 45 years, non resident for 19 years



## McDonald, David S

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**From:** beth skerrett [REDACTED]  
**Sent:** April 12, 2022 10:29 AM  
**To:** Office of the Legislative Counsel  
**Subject:** The Airbnb Effect On Housing And Rent

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

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Further to my last email, there are indeed ways to raise tax revenue on folks who DO NOT reside in their purchased NS properties. This COULD include both resident and nonresident owners who use their properties purely for rental income and not for the love of the province.

<https://www.forbes.com/sites/garybarker/2020/02/21/the-airbnb-effect-on-housing-and-rent/>

A tax on such property rentals gives the government a way to ensure that those gaining revenue by purchasing properties from needy Nova Scotians for pure profits are paying back to help build affordable housing for Nova Scotians.

Beth Skerrett

[REDACTED]