

## PART IV

### FINANCE

#### **Fiscal year**

**64** The fiscal year of a municipality begins on April 1 and ends on March 31 in the following year.

#### **Power to expend money**

**65** The council may expend money required by the municipality for

- (a) expenses of elections and plebiscites;
- (b) premiums on an insurance policy for damage to property, personal injury or liability, including liability of members of the council or employees of the municipality, volunteer members of fire departments, emergency services providers and volunteers in municipal programs;
- (c) repayment of money borrowed by the municipality, the payment of interest on that money and payment of sinking funds;
- (d) police services;
- (e) providing an emergency response system;
- (f) snow and ice removal;
- (g) equipping and maintaining fire departments or emergency services providers;
- (h) honoraria and training expenses for volunteer firefighters and emergency services volunteers;
- (i) providing school crossing guards;
- (j) emergency measures;
- (k) recreational programs;
- (l) advertising the opportunities of the municipality for business, industrial and tourism purposes and encouraging tourist

traffic, with power to make a grant to a nonprofit society for this purpose;

(m) promotion and attraction of institutions, industries and businesses, the stabilization and expansion of employment opportunities and the economic development of the municipality;

(n) lighting any part of the municipality;

(o) public transportation services;

(p) preventing or decreasing flooding;

(q) collecting, removing, managing and disposing of solid waste;

(r) salaries, remuneration and expenses of the mayor or warden, councillors, officers and employees of the municipality;

(s) the reasonable expenses incurred by the mayor or warden or a councillor for attendance at meetings and conferences, if the permission of the council is obtained prior to the meeting or conference or the attendance is in accordance with a policy of the council;

(t) the contribution of the municipality to a pension or superannuation fund;

(u) where determined by the Board, payment to the Board of an assessment on a public utility owned or operated by the municipality;

(v) annual subscription fees of the Union of Nova Scotia Municipalities and other municipal or professional associations;

(w) public libraries;

(x) lands and buildings required for a municipal purpose;

(y) furnishing and equipping any municipal facility;

(z) acquisition of equipment, materials, vehicles, machinery, apparatus, implements and plant for a municipal purpose;

(aa) streets, culverts, retaining walls, sidewalks, curbs and gutters;

***(aaa) private roads, culverts, retaining walls, sidewalks, curbs and gutters that are associated with private roads and are identified and approved for expenditure by the council;***

(ab) placing underground the wiring and other parts of a system for the supply or distribution of electricity, gas, steam or other source of energy or a telecommunications system;

(ac) a system for the supply or distribution of electricity, gas, steam or other source of energy;

(ad) pounds;

(ae) a fire alarm system;

(af) ponds, reservoirs, brooks, canals and other means of accumulating or directing the flow of water to be used in extinguishing fires;

(ag) playgrounds, trails ***including trails developed, operated or maintained pursuant to an agreement made under clause 59 (c)***, bicycle paths, swimming pools, ice arenas and other recreational facilities;

(ah) public grounds, squares, halls, museums, parks, tourist information centres and community centres;

(ai) public markets;

(aj) property held by trustees for the use of the public;

(ak) wastewater facilities and stormwater systems;

(al) water systems;

- (am) solid-waste management facilities;
- (an) buildings for a medical centre to encourage medical doctors, dentists and other health professionals to locate in the municipality or a part of it;
- (ao) industrial parks, incubator malls and land and other facilities for the encouragement of economic development;
- (ap) parking lots and parking structures;
- (aq) landing strips and airports;
- (ar) wharves and public landings;
- (as) ~~carrying out an agreement with the Minister, Canada Mortgage and Housing Corporation or, with respect to projects authorized pursuant to the *National Housing Act (Canada)*, a body corporate or agency having similar powers~~ ***carrying out an agreement with the Minister of Community Services, Canada Mortgage and Housing Corporation or a body corporate or agency made under clause 59(b)***;
- (at) contributing to a hospital to which the *Hospitals Act* applies, with power to raise the amount as an area rate in the area or areas primarily served by the hospital and to borrow for capital grants;
- (au) a grant or contribution to
  - (i) a society within the meaning of the *Children and Family Services Act*,
  - (ii) a mental health clinic in receipt of financial assistance from the Province,
  - (iii) an exhibition held by an educational institution in the municipality,
  - (iv) a club, association or exhibition within the meaning of the *Agriculture and Marketing Act*,

(v) any charitable, nursing, medical, athletic, educational, environmental, cultural, *community, fraternal, recreational, religious, sporting* (change effective April 1, 2006) or social organization within the Province,

(va) *a day care licensed under the Day Care Act* (change effective April 1, 2006),

(vi) a registered Canadian charitable organization,

~~but the total of the amounts so paid in a fiscal year shall not exceed one per cent of the taxes for general municipal purposes levied by the municipality for that year~~ *and the municipality shall publish annually a list of the organizations and grants or contributions made pursuant to this clause in a newspaper circulating in the municipality;*

(av) all other expenditures

(i) authorized by this Act or another Act of the Legislature,

(ii) that are required to be made under a contract lawfully made by, or on behalf of, the municipality,

(iii) incurred in the due execution of the duties, powers and responsibilities by law vested in, or imposed upon, the municipality, its mayor or warden, council or officers.

### **Power to borrow money**

**66 (1)** A municipality may borrow to carry out an authority to expend funds for capital purposes conferred by this Act or another Act of the Legislature.

**(2)** The authority to borrow and expend money conferred by this Section may be exercised in respect of any land, building or undertaking owned by the municipality, even if all or part of the land, building or undertaking is located in another municipality.

(3) Where a municipality *or village* enters into a joint undertaking with ~~another municipality~~ *a municipality, village or service commission* for a purpose for which it is authorized to borrow and expend money, it may borrow its portion of the cost of the undertaking irrespective of which ~~municipality~~ *party* will own the undertaking.

(4) A municipality may borrow money

(a) with the approval of the Minister of Transportation and Public Works, to improve a street that is the property of Her Majesty in right of the Province;

(b) to pay and retire debentures;

(c) where a municipality is authorized by an Act of the Legislature to give a guarantee, to honour such a guarantee that it is called upon to pay;

(d) *to carry out an agreement made pursuant to clause 59(c);*

(da) *to demolish a former school building;*

(da) *to demolish a building or structure that is owned by the municipality;*

(e) *for the purpose of making a loan to a registered fire department or registered emergency services provider.*

#### **Expenditure for municipal purpose**

67 Where an Act of the Legislature authorizes or directs a municipality to make an expenditure, enter into a contract or guarantee or take action as a result of which it may be required to pay money, the sums required are for the ordinary lawful purposes of the municipality.

#### **Sharing of taxes or grants in lieu**

68 A municipality may agree with another municipality to share taxes or grants in lieu of taxes paid or payable to the municipality.

### **Low income tax exemption policy**

**69 (1)** In this Section and Section 70, "income" means a person's total income from all sources for the calendar year preceding the fiscal year of the municipality and, if so determined by the council, includes the income of all other members of the same family residing in the same household, but does not include an allowance paid pursuant to the *War Veterans Allowance Act* (Canada) or pension paid pursuant to the *Pension Act* (Canada).

**(2)** The council may, by policy,

(a) grant an exemption from taxation, in the amount *or to the extent* set out in the policy, for a person whose income is below the amount set out in the policy; and

(b) prescribe a scale of exemptions related to income.

**(3)** The council may provide that a person applying for an exemption pursuant to this Section shall make an affidavit or provide other proof confirming the person's income.

**(4)** The policy to grant an exemption from taxation may

(a) specify that the exemption only extends to persons who are residents of the municipality or property of a ratepayer occupied as the ratepayer's principal residence;

(b) provide that where a property is assessed to more than one person, any of them who is entitled to an exemption may receive only the portion of the exemption equal to that person's share of the total assessment for the property, but where the different interests are not separate, then to that portion determined by the treasurer, whose determination is final;

(c) specify a date, not less than thirty days after the filing of the assessment roll, after which no application for an exemption will be received.

**69A (1)** *The council may, by policy, provide for the reduction, to the extent that the council considers appropriate, of the taxes payable with respect to a property if a building situated on the property has been destroyed or partially destroyed by fire, storm or otherwise and the assessment of the property does not reflect that the building has been destroyed or partially destroyed, and provide for the reimbursement of any overpayment resulting from the reduction.*

**(2)** *A policy adopted pursuant to subsection (1) may be made retroactive to April 1, 1999.*

**(3)** *Upon a request by the clerk, the Director of Assessment shall value the property for the purpose of a policy adopted pursuant to subsection (1) but, for greater certainty, shall not change the assessment of the property except in accordance with the Assessment Act.*

**By-law for postponed payment of rates and taxes**

**70 (1)** The council may, by by-law, provide for the postponed payment of all, or a defined portion of, rates and taxes by persons whose income is below the amount set out in the by-law.

**(2)** A by-law passed pursuant to this Section

(a) applies only to the property of a person occupied by that person as the person's principal residence;

(b) may provide that taxes be postponed for a certain period, or until the death of the assessed owner or other specified contingency;

(c) may provide for the postponement of tax collection procedures for the current year;

(d) may prescribe the procedure for applying for the benefits of the by-law, including the required forms and affidavits;

(e) may provide for interest on the taxes postponed.

(3) A limitation period affecting a municipality's entitlement to collect postponed taxes does not begin until the period of postponement expires.

(4) Where a municipality provides that only a portion of the taxes due may be postponed and where the portion that is required to be paid is three years overdue, the period of postponement terminates thirty days after the treasurer notifies the person whose taxes have been postponed, unless the taxes that were not postponed are paid before the expiration of the thirty days.

(5) Except as otherwise provided by this Act or another Act of the Legislature, a council shall not relieve a taxpayer from all or a portion of taxes.

#### **Tax exemption by-law for organizations**

71 (1) The council may, by by-law, exempt from taxation, to the extent and under the conditions set out in the by-law

(a) property

(i) of a named registered Canadian charitable organization, and

(ii) that is used directly and solely for a charitable purpose;

(b) property of a nonprofit community, charitable, fraternal, educational, recreational, religious, cultural or sporting organization if, in the opinion of the council, the organization provides a service that might otherwise be a responsibility of the council;

(c) ~~property of a fire department, registered pursuant to this Act, used directly and solely for community purposes or fund raising activities of the fire department,~~  
**(repealed effective April 1, 2001)**

(d) ~~property of an emergency services provider, registered pursuant to this Act, used directly and solely for~~

~~community purposes or fund raising activities of the emergency services provider; (repealed effective April 1, 2001)~~

(e) the buildings, pump stations, deep well pumps, main transmission lines, distribution lines, meters and associated plant and equipment of a municipal water utility.

(2) The council may, by by-law, to the extent and under the conditions set out in the by-law, provide that the tax payable with respect to all or part of the taxable commercial property of any nonprofit community, charitable, fraternal, educational, recreational, religious, cultural or sporting organization named in the by-law be reduced to the tax that would otherwise be payable if the property were residential property, inclusive of area rates.

(3) A tax exemption or reduction pursuant to this Section shall be shown on the tax bill and accounted for by the municipality as an expenditure.

(4) The council may, in its discretion, refuse to grant an exemption or reduction pursuant to this Section and a by-law made pursuant to this Section extends only to properties specifically named in the by-law.

(5) An exemption given pursuant to this Section does not apply to area rates *or the fire protection rate* unless specified in the by-law.

(6) A by-law made pursuant to this Section has effect in the fiscal year following the fiscal year in which it is published, unless the by-law sets a different effective date *including an effective date retroactive to the beginning of the current fiscal year.* (change effective April 1, 2006)

*71A (1) The council may, by by-law, to the extent and under the conditions set out in the by-law, provide that the tax payable with respect to all or part of the taxable commercial property of any day care licensed under the Day Care Act be reduced to the tax that would be payable if the property were residential property, including area rates.*

*(2) A by-law made pursuant to this Section may have an effective date retroactive to the beginning of the current fiscal year.*

*(Subsection (2) effective April 1, 2006)*

**71B** *The council may, by by-law, exempt any day care licensed under the Day Care Act from taxes payable in respect of business occupancy assessment.*

**Estimates of required sums**

**72 (1)** The council shall make estimates of the sums that are required by the municipality for the fiscal year.

**(2)** The estimates shall include the probable revenue from all sources other than taxes for the fiscal year and make due allowance for

**(a)** the abatement and losses which might occur in the collection of the taxes; and

**(b)** taxes for the current fiscal year that might not be collected.

**(3)** The council shall include an allowance to provide for any variation in the total assessed value shown on the roll that might result from assessment appeals.

**(4)** The council shall include in its estimates the deficit from the preceding fiscal year.

**(5)** The council may include in its estimates an amount for

**(a)** contingencies and unforeseen expenses in matters on which it may vote and expend money;

**(b)** all or part of any surplus of previous fiscal years that will be available for the current fiscal year.

**(6)** The council shall authorize the levying and collecting of a

**(a)** commercial tax rate of so much on the dollar on the assessed value of taxable commercial property and business occupancy assessment; and

(b) residential tax rate of so much on the dollar on the assessed value of taxable residential property and resource property.

***(6A) Notwithstanding clause (6)(a), the tax rate for the part of commercial property that is identified on the assessment roll as being occupied by a seasonal tourist business shall be 75% of the commercial tax rate. (Subsection (6A) effective April 1, 2006)***

(7) The tax rates shall be those which the council deems sufficient to raise the amount required to defray the estimated requirements of the municipality.

**Tax rates**

**73 (1)** Subject to subsection (2), a council may set separate commercial and residential tax rates for the area of the municipality determined by the council to be

(a) a rural area receiving a rural level of services;

(b) a suburban area receiving a suburban level of services; and

(c) an urban area receiving an urban level of services.

**(2)** The council of Halifax Regional Municipality shall set separate commercial and residential tax rates for the area of the Halifax Regional Municipality determined by the council to be

(a) a rural area receiving a rural level of services;

(b) a suburban area receiving a suburban level of services; and

(c) an urban area receiving an urban level of services.

**Minimum tax**

**74 (1)** The council may, by policy, prescribe a minimum tax per dwelling unit and the minimum tax may be set at different levels for different areas of the municipality.

**(2)** Where the tax rate applied to the assessment of a property is less than the minimum tax prescribed by the council, the owner of the property shall pay an additional tax equal to the difference between the tax rate applied to the assessment of the property and the minimum tax.

**(3)** The number of dwelling units in a property shall be determined by the Director of Assessment whose decision may be appealed to the Board.

#### **Area rates and uniform charges**

**75 (1)** The council may spend money in an area, or for the benefit of an area, for any purpose for which a municipality may expend funds or borrow.

**(2)** The council may recover annually from the area the amount required or as much of that sum as the council considers advisable to collect in any one fiscal year by an area rate of so much on the dollar on the assessed value of the taxable property or occupancy assessments in the area.

**(3)** The council may provide

(a) a subsidy for an area rate from the general rate in the amount or proportion approved by the council;

(b) in the resolution setting the area rate, that the area rate applies only to the assessed value of one or more of the taxable commercial, residential or resource property and occupancy assessments in the area.

**(4)** The council may, in lieu of levying an area rate, levy a uniform charge on each

(a) taxable property assessment;

(b) dwelling unit,

in the area.

(5) Charges pursuant to subsection (4) are first liens on the real property and may be collected in the same manner as taxes.

(6) A council may expend money within an area for any lawful purpose and may raise all, or part of it, by a general rate on the whole municipality.

(7) *The area rate referred to in this Section may be different on commercial property and business occupancy assessments than on residential and resource property. (Subsection (7) effective April 1, 2006)*

#### **Recreational property tax**

**76 (1)** An owner of land to which Section 29 of the *Assessment Act* applies shall annually pay to the municipality in which the land is situate a tax, to be known as a recreational property tax, equal to five dollars per acre, or part of an acre, for all of the land assessed as recreational property.

(2) The recreational property tax applies for the municipal taxation year 1977, and the amount of the tax per acre is increased by five per cent per year for each subsequent municipal taxation year, unless altered pursuant to subsection (3).

(3) The Governor in Council may, by regulation, determine the amount of the tax per acre for the recreational property tax.

(4) In the event that any land, or any part thereof, to which this Section applies ceases to be land used directly and solely for the purposes of a non-profit community, charitable, fraternal, educational, recreational, religious, cultural or sporting organization or institution a change in use tax equal to fifty per cent of the value, determined by the assessor pursuant to the *Assessment Act*, of the land or part thereof to which this Section ceased to apply, is due and payable to the municipality in which the land is situate by the person determined by the assessor to be responsible for the change in use, unless the land becomes farm property, in which case no change in use tax is payable.

**Farm property**

77 (1) The Minister shall in each year pay to the municipality in which farm property exempt from taxation is situate a grant equal to \$2.10 per acre in respect of the land.

(2) ~~The grant per acre shall be increased in each fiscal year after 1998-99 by the same percentage increase as the Consumer Price Index for Canada prepared by Statistics Canada increases over that index in 1998.~~ *For the fiscal year ending March 31, 2001, and for each subsequent fiscal year, the Minister shall pay to the municipality in which the land is situated a grant per acre equal to the grant paid for the immediately preceding fiscal year varied by the same percentage as the variation in the cost of living over the immediately preceding calendar year as measured by the change in the Consumer Price Index for Canada prepared by Statistics Canada.*

(3) Where any land, or part thereof, to which this Section applies ceases to be farm property, a change in use tax, determined by the assessor pursuant to the *Assessment Act*, equal to twenty per cent of the value of the land, or part thereof, that ceased to be farm property is due and payable to the municipality in which the land is situate by the person determined by the assessor to have been responsible for the change in use, unless the land, or part thereof, becomes forest property *bona fide* used or intended to be used for forestry purposes, in which case no change in use tax is payable.

(4) Subject to subsections (5), (6) and (7), an owner of farm property may

(a) transfer to each of the owner's father, mother, brother, sister, son, daughter, grandson, granddaughter or spouse; or

(b) convey, reserve to or set aside for the owner,

one lot suitable for the erection of a single family dwelling and the

(c) lot shall not exceed one acre or the minimum size required by any applicable law, whichever is larger; and

(d) change in use tax is not payable if the land

ceases to be used for agricultural purposes.

(5) For the purpose of subsections (6) and (7), "transfer" includes conveyance, reservation to and setting aside for.

(6) The change in use tax is payable by the transferor of land referred to in subsection (4) in accordance with this Section if, within seven years of the date of the transfer, the owner of the lot, grantee of the lot or person for whom the lot is reserved or set aside transfers the lot to any person other than a father, mother, brother, sister, son, daughter, grandson, granddaughter or spouse of the owner or to the owner, then the change in use tax is payable by the transferor in accordance with this Section.

(7) Subsections (4) to (6) do not apply to a transfer of land unless the grantor or person reserving or setting aside the land files, in the registry, a statutory declaration that the grantee of the land or person for whom the land is reserved or set aside, as the case may be, is a person named in subsection (4).

### **Forest property tax**

78 (1) In lieu of all rates and taxes of the municipality, an owner of forest property *bona fide* used or intended to be used for forestry purposes shall annually pay a tax, to be known as a forest property tax, equal to

(a) twenty-five cents per acre, if the forest property is classified as resource property; and

(b) forty cents per acre, if the forest property is classified as commercial property,

and, where an area, village or commission rate is levied for fire protection, the owner is liable to pay an additional annual tax not exceeding one cent per acre, as the authority levying the area, village or commission rate determines.

(2) Where any land, or part thereof, to which this Section applies, ceases to be land used for forestry purposes, a change in use tax, determined by the assessor pursuant to the *Assessment Act*, equal to twenty per cent of the value of the land, or part thereof, that ceased to be used for forestry purposes is due and payable to the municipality in which the land is

situate by the person determined by the assessor to have been responsible for the change in use, unless the land, or part thereof, is used for agricultural purposes, in which case no change in use tax is payable.

(3) Subject to subsections (4), (5) and (6), an owner of forest land may transfer to each father, mother, brother, sister, son, daughter, grandson, granddaughter or spouse or may convey or reserve to or set aside for the owner one lot suitable for the erection of a single family dwelling, and the change in use tax is not payable if the land ceases to be used for forestry purposes.

(4) A lot referred to in subsection (3) shall not exceed one acre or the minimum size required by any applicable law, whichever is larger.

(5) If, within seven years of the date of the transfer, conveyance or reservation to or setting aside for the owner of a lot referred to in subsection (3), the grantee of the lot or person for whom the lot is reserved or set aside transfers the lot to any person other than a father, mother, brother, sister, son, daughter, grandson, granddaughter or spouse of the owner referred to in subsection (3) or to the owner, then the change in use tax is payable by the transferor in accordance with this Section.

(6) Subsections (3) to (5) do not apply to any transfer, conveyance, reservation or setting aside of lands unless the grantor or person reserving or setting aside the land files, in the registry, a statutory declaration that the grantee of the land or person for whom the land is reserved or set aside, as the case may be, is a person named in subsection (3).

**78A (1) *Notwithstanding any provision in a lease, licence or permit for commercial property that is in existence at the time of the coming into force of this Section, where that lease, licence or permit does not include a provision enabling the owner of the property to increase the rent or require an annual deposit in relation to any increase in property tax payable by the owner, that lease, licence or permit is deemed to include such a clause.***

**(2) *Where a deposit is required or the rent is increased under subsection (1), the owner shall give the tenant notice in writing not later than ninety days before the deposit is required or the rent is increased.***

**(3) *Notice under subsection (2) may be provided by***

- (a) *giving it to the tenant personally;*
- (b) *giving it to an agent or employee of a tenant on the premises;*
- (c) *posting it in a conspicuous place in some part of the premises; or*
- (d) *sending it to the tenant by registered mail, in which case notice is deemed to have been given on the third day after the date of mailing. (Section 78A effective April 1, 2006)*

### **User charges**

**79** Subject to the approval of the Board for those services that are subject to the *Public Utilities Act*, the council may, by by-law, prescribe charges for the provision of services for persons who use or benefit from the service, on a basis to be set out in the by-law.

### **Fire protection rate**

**80 (1)** The council may levy a rate on the value of all assessable property and business occupancy assessment in the area served by a water system in the municipality, as defined by the council by policy, in order to recover that part of the cost of the water system that is attributable to fire protection.

**(2)** No property, except property of Her Majesty in right of the Province, in the area served by the water system as defined by policy is exempt from the rate, *unless exempted by by-law*.

**(3)** The rate is a first lien on the real property and may be collected in the same manner as taxes.

**(4)** *The rate referred to in subsection (1) may be different for commercial property and business occupancy assessments than for residential and resource property. (Subsection (4) effective April 1, 2006)*

### **By-law regarding payment of charges**

**81 (1)** The council may make by-laws imposing, fixing and

providing methods of enforcing payment of charges for

(a) wastewater facilities or stormwater systems, the use of wastewater facilities or stormwater systems and connecting to wastewater facilities or stormwater systems;

(b) expenditures incurred for the wastewater management system in a wastewater management district;

**(ba) solid-waste management facilities;**

**(bc) transit facilities;**

(c) the municipal portion of the capital cost of installing a water system;

(d) laying out, opening, constructing, repairing, improving and maintaining streets, curbs, sidewalks, gutters, bridges, culverts and retaining walls, whether the cost is incurred by the municipality directly or by, or pursuant to, an agreement with Her Majesty in right of the Province, the Minister of Transportation and Public Works or any person;

**(da) laying out, opening, constructing, repairing, improving and maintaining private roads, curbs, sidewalks, gutters, bridges, culverts and retaining walls that are associated with private roads, where the cost is incurred**

**(i) by the municipality, or**

**(ii) under an agreement between the municipality and a person;**

(e) the municipal portion of the cost of a major tree removal program or the cost of removing trees from a private property;

(f) the municipal portion of the capital cost of placing the wiring and other parts of an electrical distribution system underground;

(g) depositing in a special purpose tax account to

provide for future expenditures for wastewater facilities, stormwater systems, water systems, ~~transportation transit~~ facilities or other anticipated capital requirements.

(2) The council may, by by-law

(a) define classes of buildings to be erected or enlarged according to the varying loads that, in the opinion of council, the buildings impose or may impose on the sewer system *or wastewater facility* and levy a one-time redevelopment charge to pay for additional or trunk sanitary or storm sewer capacity *or additional wastewater facility capacity* required to accommodate the effluent from the buildings;

(b) impose a one-time oversized sewer charge on each property determined by the council to benefit from a sewer in the future to recover the cost of making the sewer an oversized sewer and provide that the oversized sewer charge is not payable until the property is serviced by a sanitary sewer or a storm sewer;

(c) levy a one-time storm drainage charge on the owner of each lot of land in a drainage management area for which an application is made for a development permit to allow, on the lot, a development of a class designated by the council in the by-law.

(3) A by-law passed pursuant to this Section may provide

(a) that the charges fixed by, or determined pursuant to, the by-law may be chargeable in proportion to frontage, in proportion to area, in proportion to the assessment of the respective properties fronting on the street or according to another plan or method set out in the by-law;

~~(b) that the charges may be made and collected only where the persons, owning more than fifty per cent of the frontage of the real property fronting on the street or the portion of a street on which the work is performed, have filed with the clerk a petition requesting that the work be~~

performed;—

**(b) that the charges may be made and collected only where**

**(i) the persons owning more than fifty per cent of the frontage of the real property fronting on the street or the portion of a street on which the work is performed, or**

**(ii) the persons as determined by the method set out in the by-law,**

**have filed with the clerk a petition requesting that the work be performed;**

(c) that the charges may be different for different classes of development and may be different in different areas of the municipality;

(d) when the charges are payable;

(e) for the total or partial exemption of persons and land from the charge and for adjustments to be made with respect to lots of land or developments where the proposals or applications change in order to reflect the changing nature of lots or developments;

(f) that the charges are first liens on the real property and may be collected in the same manner as other taxes;

(g) that the charges be collectable in the same manner as taxes and, at the option of the treasurer, be collectable at the same time, and by the same proceedings, as taxes;

(h) a means of determining when the lien becomes effective or when the charges become due and payable;

(i) that the amount payable may, at the option of the owner of the property, be paid in the number of annual installments set out in the by-law and, upon default of

payment of any installment, the balance becomes due and payable; and

(j) that interest is payable annually on the entire amount outstanding and unpaid, whether or not the owner has elected to pay by installments, at a rate and beginning on a date fixed by the by-law.

(4) For greater certainty, no property is exempt from a charge levied pursuant to this Section except property of Her Majesty in right of the Province.

(5) A municipality may install the wastewater facilities, stormwater system, water system and system for the supply or distribution of gas, steam or other source of energy of the municipality outside its boundaries and may enter into contracts to provide the services.

(6) A municipality may charge for services provided outside the municipality in the same manner in which the service is charged for within the municipality, provided that rates that are subject to the approval of the Board are approved by the Board.

*(7) Notwithstanding the Public Utilities Act and for greater certainty, any by-law made pursuant to this Section and any charge imposed or fixed pursuant to this Section do not require approval by the Board.*

#### **Interest payable**

**82** Interest is payable on unpaid taxes and charges levied pursuant to this Part at the same rate as for other outstanding taxes.

#### **Special purpose tax accounts**

**83 (1)** All sums raised by a special purpose tax shall be credited to the account for that tax.

(2) The council may withdraw money from a special purpose tax account for an expenditure on a purpose for which the account was established.

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(3) The council may, if the balance in a special purpose tax account exceeds the funds required for the purpose for which the special purpose tax account was established, return the surplus to the contributors.

(4) The council, by resolution passed by at least a two thirds majority, may withdraw money from a special purpose tax account for any purpose for which the municipality may expend funds if the council

(a) first holds a public hearing respecting the withdrawal;

(b) advertises the public hearing at least twice in a newspaper circulating in the municipality, the first notice to appear at least fourteen days before the hearing, and includes in the notice of the public hearing the date, time and place of the hearing and the purpose of the withdrawal.

(5) The council may borrow from a special purpose tax account by resolution if the resolution prescribes the terms of repayment, including interest, at a rate not less than the interest rate that the municipality would pay to borrow the funds for a similar term from another source.

### **Borrowing limits**

**84** A municipality may borrow to cover the annual current expenditure of the municipality that has been authorized by the council, but the borrowing shall not exceed fifty per cent of the combined total of the taxes levied by the municipality for the previous fiscal year and the amounts received, or to be received, by the municipality from Her Majesty in right of Canada or in right of the Province or from an agency of Her Majesty.

### **Borrowing for village or service commission**

**85 (1)** A municipality within which all or part of a village or service commission lies may borrow money and pay it to the village or service commission for any of the purposes for which the commission has authority to expend money.

(2) A municipality may lend money to a village or service commission with interest at the rate, and on the terms, agreed upon.

(3) Where the municipality collects the taxes on behalf of

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the village or service commission, unless some other agreement is made, the municipality shall deduct each fiscal year the amounts required to pay interest and repay principal on the loans from the amounts otherwise payable.

(4) Where a village or service commission defaults in either principal or interest, the municipality shall recover the amounts in default by an area rate levied on the assessed value of the taxable property and occupancy assessment in the area of the village or service commission and shall immediately notify the Minister of the default.

(5) *The area rate referred to in subsection (4) may be different for commercial property and business occupancy assessments than for residential and resource property.*

### **Minister may establish borrowing limits**

86 (1) The Minister may in each fiscal year, establish borrowing limits for a municipality, village or service commission.

(2) Where borrowing limits are established, a municipality, village or service commission may not borrow money pursuant to this Act or another Act of the Legislature, unless the proposed borrowing is within the limits established.

(3) Subsections (1) and (2) do not apply to borrowing for the purpose of defraying part of the annual current expenditure of a municipality, village or service commission.

### **Capital budget filing**

87 The Minister shall not establish borrowing limits or approve a borrowing resolution for a municipality, village or service commission in a fiscal year unless the municipality, village or service commission, as the case may be, has filed with the Minister its capital budget for that fiscal year in the form prescribed by the Minister.

### **Ministerial approval**

88 (1) No money shall be borrowed by a municipality, village, *committee created by an intermunicipal services agreement* or service commission pursuant to the provisions of this Act or another Act of the Legislature until the proposed borrowing has been approved by the Minister.

(2) Subsection (1) ~~does~~ *and subsection 438(2) do* not apply to a borrowing for the purpose of defraying part of the annual current expenditure of a municipality, village or service commission.

(3) A guarantee by, or on behalf of, a municipality, village or service commission of a borrowing or debenture is not effective unless the Minister has approved of the proposed guarantee.

(4) A municipality may enter into a lease, lease-purchase or other commitment to pay money over a period extending beyond the end of the current fiscal year, provided that where the total commitment exceeds one hundred thousand dollars, the proposed commitment has been approved by the Minister.

(5) Subsection (4) does not apply to an employment contract or collective agreement.

**Guarantee payment of debentures**

**89** A county or district municipality may, subject to the approval of the Minister, guarantee the payment of the principal and interest of debentures of a village situate wholly or partly within it.

**Village or service commission borrowing**

**90 (1)** No money shall be borrowed by a village or service commission under the provisions of this Act or another Act of the Legislature until the commission obtains the approval of the electors for the proposed borrowing at a public meeting called by advertisement placed in a newspaper circulating in the area of the village or service commission, and posted in not less than two conspicuous places within the area, the advertisements to appear at least fourteen days before the date set for the meeting.

**(2)** Subsection (1) does not apply to a borrowing

(a) to pay and retire, at maturity, debentures of the village or service commission; or

(b) for the purpose of defraying the annual current expenditure of the village or service commission, if the aggregate borrowing for the fiscal year does not, at any time, exceed one half of the total amount of taxes levied for the current fiscal year.

**Approved borrowing requirements**

**91 (1)** Where a municipality is authorized to borrow money, subject to the approval of the Minister

(a) the sum shall be borrowed by the issue and sale of debentures, in one sum or by installments, as determined by the council; and

(b) the council shall determine

(i) the amount and term of, and the rate of interest on, each debenture,

(ii) when the interest on a debenture is to be paid, and

(iii) where the principal and interest on a debenture are to be paid.

**(2)** In accordance with the *Municipal Finance Corporation*

*Act*, the mayor or warden and clerk or the persons designated by the council, by policy, shall sell and deliver the debentures on behalf of the municipality at the price, in the sums and in the manner they deem proper.

(3) The mayor or warden and clerk or the persons designated by the council, by policy, may

(a) change the sums of the debentures at any time from the amounts determined by the council, provided that the total principal amount payable in any one fiscal year is not changed;

(b) before the debentures are sold, reduce the rate of interest from that determined by the council;

(c) exchange debentures, provided the rate of interest is not increased and the total principal amount payable in any one fiscal year is not changed.

#### **Debenture postponement**

92 (1) Where a municipality is authorized to borrow money, the municipality may, with the approval of the Minister, postpone the issue of debentures and borrow the money on terms and conditions agreed upon with the lender.

(2) Money borrowed without the issue of debentures shall be repaid within one year after the resolution is approved by the Minister, unless the Minister approves an extension of the repayment period or a repayment period not exceeding ten years.

#### **Debenture records**

93 The treasurer shall keep a record of all debentures of the municipality.

#### **Form of debenture**

94 (1) A debenture shall be

(a) in the form approved by the council; and

(b) signed by the mayor or warden and clerk or the persons designated by the council, by policy, and sealed with the municipal seal.

(2) Interest coupons shall be signed by the clerk or the person designated by the council, by policy, or bear a printed facsimile of the clerk's signature.

(3) A right to call in and redeem a debenture prior to maturity shall be set out on the face of the debenture.

### **Debenture payment requirements**

95 (1) A debenture may be

- (a) payable to bearer;
- (b) registered as to principal only; or
- (c) registered as to principal and interest,

as determined by the council and the debenture shall state whether it is payable to bearer, registered as to principal or as to principal and interest.

(2) Where a debenture is

(a) payable to bearer, it is negotiable and transferable by delivery;

(b) registered, the council shall appoint a registrar of debentures who shall keep a register of the debentures and the debenture is transferable by the registered owner by entry in the register and endorsement of the entry on the debenture.

(3) Interest coupons are transferable by delivery, unless the debenture is registered as to both principal and interest, in which case the interest is payable only to the registered holder of the debenture.

**Debenture certificate**

**96 (1)** Every debenture of a municipality shall bear a certificate of the Deputy Minister to the effect that the debenture is valid and binding according to its terms, and the validity of every debenture is not open to question in any court in the Province.

**(2)** The certificate required pursuant to subsection (1), when signed by the Deputy Minister, is conclusive evidence that

(a) the municipality had authority to issue the debenture;

(b) the debenture was lawfully issued;

(c) the debenture is valid and binding on the municipality according to its terms; and

(d) the validity of the debenture is not open to question in any court in the Province.

**(3)** The Deputy Minister may sign the certificate if the Deputy Minister is of the opinion that the municipality has substantially complied with the provisions of the statutes pursuant to which the debentures are issued.

**(4)** The signature of the Deputy Minister may be reproduced by mechanical means.

**(5)** Non-compliance with this Act does not invalidate an irregular or informal debenture and the holder of such a debenture may, on an *ex parte* application, obtain from a judge of the Supreme Court of Nova Scotia an order requiring the issuance of a new and proper debenture in replacement of the irregular or informal debenture.

**Debenture a municipal lien**

**97** The principal and interest of a debenture are a lien and charge on all assets of the municipality.

**Debenture sinking fund**

**98 (1)** When a municipality issues debentures, the municipality may provide for a sinking fund for the debentures.

**(2)** The municipality shall annually pay into the sinking fund an amount that the council considers sufficient to provide for the repayment of the debentures when they fall due.

**(3)** The Minister may require a municipality to establish a sinking fund for any issue of debentures and may specify the annual amount to be paid into it.

**(4)** A premium realized from the sale of debentures shall be paid into the sinking fund, but if there is no sinking fund the premium may be used for any purpose for which a municipality may borrow money.

**(5)** Except as provided in this Section, no part of a sinking fund or interest on it shall be used for any purpose but paying the principal of the debentures for which the fund was provided.

**(6)** The Minister may permit a municipality to cease paying into the sinking fund if the Minister determines that the amount in the sinking fund will be sufficient to provide for the payment of the debentures for which the fund was provided.

**(7)** The Minister may permit a municipality to withdraw from a sinking fund an amount not exceeding the amount by which the sinking fund exceeds the amount of the debentures for which the fund was provided.

**(8)** Any surplus remaining in a sinking fund after the debentures for which the fund was provided have been repaid shall be transferred to the municipality's capital reserve fund.

**Capital reserve fund**

**99 (1)** A municipality shall maintain a capital reserve fund.

**(2)** The capital reserve section of a special reserve fund in existence, on the coming into force of this Act, is a capital reserve fund.

- (3) The capital reserve fund includes
- (a) funds received from the sale of property;
  - (b) the proceeds of insurance resulting from loss or damage of property that is not used for replacement, repair or reconstruction of the property;
  - (c) any surplus remaining from the sale of debentures that is not used for the purpose for which the debentures were issued;
  - (d) the surplus remaining in a sinking fund when the debentures for which it was established are repaid;
  - (e) any capital grant not expended in the year in which it was paid;
  - (f) proceeds received from the winding up of a municipal enterprise as defined in the *Municipal Finance Corporation Act*;
  - (g) the current fiscal year's accrual for landfill closure and post closure costs; and
  - (h) amounts transferred to the fund by the council.
- (4) A withdrawal from the capital reserve fund shall be authorized by a council, by resolution, and may only be used for
- (a) capital expenditures for which the municipality may borrow;
  - (b) repayment of the principal portion of capital debt; and
  - (c) landfill closure and post closure costs.
- (5) The council may borrow from a capital reserve fund, by resolution, if the resolution prescribes the terms of repayment, including interest, at a rate not less than the interest rate that the municipality would pay

to borrow the funds for a similar term from another source.

(6) A municipality may maintain other reserve funds for such purposes as the council may determine.

**Investment of funds**

**100 (1)** Funds in a sinking fund, capital reserve fund, utility depreciation fund or other fund of a municipality shall be

(a) deposited in an interest bearing account at a bank doing business in the Province;

(b) invested pursuant to an investment policy adopted by the council and approved by the Minister; or

(c) invested in investments in which a trustee is permitted to invest pursuant to the *Trustee Act*.

(2) Income arising from the investment of a fund is part of that fund unless the council otherwise provides.

(3) The council may pledge any investments to the credit of the capital reserve fund as collateral security for a borrowing for a capital purpose.