



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 15.1.5
Halifax Regional Council
November 18, 2025

TO: Mayor Fillmore and Members of Halifax Regional Council

FROM: Brad Anguish, Acting Chief Administrative Officer

DATE: October 13, 2025

SUBJECT: HRM Corporate User Fee Policy and Strategy

ORIGIN

July 8, 2025, Halifax Regional Council motion (Item 15.1.1):

MOVED by Mayor Fillmore SECONDED by Councillor Gillis

THAT Halifax Regional Council direct the Chief Administrative Officer to return with a corporate user fee policy and pricing strategy, including cost-recovery guidelines, inflation adjustment protocols, and fee exemption criteria.

MOTION PUT AND PASSED

EXECUTIVE SUMMARY

The adoption of a unified Corporate User Fee Policy and Strategy by HRM can bring consistency, transparency, and financial sustainability to how municipal services are priced and managed. The policy responds to concern surrounding HRM's longstanding overreliance on property tax revenue, currently representing more than 80 per cent of total revenue, by providing a framework for greater revenue diversification through structured, cost-recovery-based user fees. If implemented, the policy would guide business units in aligning fees with the actual cost of service delivery, while ensuring fairness through clear criteria for subsidies, waivers, and utilization of affordability programs such as the Affordable Access Program. While this will result in fee increases in areas such as recreation, permits (except those which have been legislatively frozen), and facility rentals, many of which have remained well below cost for years, it will also work to reduce the burden on property taxpayers, enhance fiscal flexibility, and promote more sustainable financial planning.

RECOMMENDATION ON PAGE 2

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Approve the HRM User Fee Policy & Guidelines as set out in Attachment 1 to this report; and
2. Direct the Chief Administrative Officer to seek out and implement new user fee opportunities within each business unit in accordance with the new user fee policy.

BACKGROUND

HRM receives a very high proportion of its total operating revenue through property tax, particularly relative to other municipal jurisdictions in Canada. This is because HRM has historically kept most of its fees and user charges for services and programming much lower than many other areas, and generally not kept up fee increases with inflation, particularly in the last 10 years. This practise has aided with the level of affordability of user charges and fees, making them more widely accessible, but comes at the expense of maintaining higher property tax rates than would otherwise be necessary. This high dependence on a single revenue stream poses financial risk for the municipality and limits financial flexibility.

DISCUSSION

Revenue diversification is crucial for HRM to ensure financial stability, resilience, and sustainable growth. Currently, HRM relies heavily on property-related revenue sources, with 82 per cent of its income derived from property taxation, tax agreements, and payments in lieu of tax. In 2019/20 this figure was 86 per cent, in 2010/11 it was 78 per cent, and in 2000/01 it was 76 per cent.

Benefits of revenue diversification:

1. **Increased Financial Stability and Resilience**
 - By relying on multiple revenue sources, HRM can reduce its vulnerability to fluctuations in any single revenue stream, ensuring a more stable financial foundation.
2. **Enhanced Fiscal Flexibility**
 - A diversified revenue structure provides greater flexibility in addressing various municipal needs and priorities, particularly during budget planning.
3. **Improved Long-term Planning**
 - With a more diverse revenue base, HRM can engage in more effective long-term planning and funding strategies.
4. **Reduced Pressure on Property Owners**
 - Diversifying revenue sources can help alleviate the burden on property owners by distributing the cost of municipal services across a broader base and allocating the cost of a service to the users of the service.

The establishment of revenue growth and diversification is a strategic initiative aimed at securing sustainable, long-term growth rather than delivering immediate financial gains. While this will strengthen revenue streams and identify new opportunities leading to revenue growth, many of these initiatives involve

in-depth analysis, structural improvements, and exploration that would only be expected to yield results over an extended period. As such, it is important to recognize that significant short-term revenue increases should not be expected, as the focus is on building a stable foundation for future revenue generation and growth.

An inventory of HRM's current revenue sources, as well as what types of revenue are allowed and disallowed are provided below. A much more comprehensive line by line revenue inventory provided by each business unit is provided in attachment 2, which includes current financial information, controlling legislation, when the last revenue update was, and any consideration given to cost recovery.

Current Operating Revenue Inventory:

Percentages are approximate due to rounding

- **General Property Tax Revenue – 71 per cent**
 - General Rate Tax
 - Climate Action Tax
 - Local Transit Tax
- **Deed Transfer Tax – 7 per cent**
- **Payment in Lieu of Tax – 5 per cent**
 - Federal
 - Provincial
 - Canada Post
 - Halifax Port
 - CBC
 - Via Rail
 - WCB
 - Citadel
 - Autoport
 - NRC
- **Other Taxes – 2 per cent**
 - Tax Agreements
- **Transfers from Other Levels of Government – 2 per cent**
 - Federal
 - Provincial
 - Other
- **Interest Revenue - 2 per cent**
 - Deposit Interest
 - Investment Income
- **Transit Fares – 4 per cent**
 - Bus fares
 - Ferry fares
 - Transit app fares
 - Ticket sales
 - Transit pass sales
- **Other Revenues – 5 per cent**
 - Parking fares
 - Parking tickets
 - Parking permits
 - Parking rentals
 - Fines/penalties
 - Building permits
 - Development permits
 - Other permits
 - Subdivision applications
 - Taxi licenses
 - Animal licenses
 - False alarm fines
 - Zoning confirmation fees
 - Signs & encroachment
 - Grade alteration permits
 - Vending licenses
 - Marketing levy penalties
 - Other licenses
 - Taxation user fees
 - Facility rentals

- Sports facility/field rentals
- Lease revenue
- Tax certificates
- Events revenue
- Sports programming revenue
- Recreation programming revenue
- **Misc Revenue – 3 per cent**
 - Advertising revenue
 - Aquatic programming revenue
 - Ice rentals
 - Tipping fees
 - Membership revenue
 - Tax sale admin fees
 - Cultural programming
 - Recovery external parties
 - Sale of other services
 - Summary offence tickets
 - Recycling revenue
 - Vending/canteen revenue
 - Donations
 - Misc

Jurisdictional Scan:

Although almost all other major Canadian cities receive significantly less of their overall revenue mix from property taxes when compared to HRM, some do receive operating subsidies or grants from other levels of government which HRM largely does not. Although it is important to note that many of these government operating grants are provided for specific mandated services and programming which HRM does not currently provide. Most jurisdictions however are not receiving government grants to any higher of an extent than HRM. Generally speaking; most cities in comparison are simply leveraging their revenue from city offered services such as transit fares, user fees, and recreation fees, as well as fines and penalties to a much greater extent than HRM. Attachment 3 provides the operating revenue breakdown of selected cities as well as HRM.

Every city on the list below receives their largest operating revenue share from property taxation, however the next largest contributors vary depending on the location.

Toronto's second largest operating funding source is 'Grants and Subsidies from Other Governments', received mainly for mandated programs such as Social Assistance, Child Care, Public Health, Social Housing, some Transit capital funding and Covid-19 funding. Provincial/Federal grants and subsidies represent about 25% of its Tax-Supported Operating Budget in 2024. User fees make up the city's third largest revenue source, with transit fares supporting the bulk of this. Toronto's policy for most user fees is full cost recovery.

Vancouver's second largest operating revenue source is from utility fees, collected for operating the municipal water service, wastewater and sewer, and solid waste. These fees reflect full cost recovery. Their third largest revenue source is user, license, and development fees. These fees also reflect full cost recovery.

Calgary's second largest revenue source is a category termed sales of goods and services which is very similar to Vancouver's utility fees and is made up of water utility fees, transit fares, waste and recycling fees, and other user fees. Their third largest revenue source is contributions from reserves.

Edmonton's second largest revenue source is user fees, fines, and permits, which includes recreation fees, parking, building and other permitting fees. These fees either generate partial or full cost recovery

depending on the service according to their fiscal policy for revenue generation. The third largest revenue source is general revenues which includes many revenue types such as investment earnings, revenue from downtown stadium, external debt recovery, local improvement charges, and other taxation.

The commonality amongst most of the large cities across Canada is a coherent approach to user fee revenue with one common guiding policy for price setting, and a focus on mostly full cost recovery for the services being levied (It's important to note that this does not generally include transit fares, as this is an important public good, and would also be exempted under this principle in HRM's proposed policy). HRM lacks the same overarching user fee policy, instead each business unit has been responsible for managing individual user fees in a way that they see fit. Many user fees have not been managed or adjusted in many years and have not kept up with inflation. There is also little to no analysis on the cost of administering these services and what proportion is being made up in cost recovery.

<u>Municipality</u>	<u>% Revenue from Property Tax</u>
Toronto	35%
Vancouver	56%
Calgary	48%
Edmonton	59%
Winnipeg	35%
Regina	52%
Moncton	88%
St. John's	59%
Cape Breton Regional Municipality	77%
Charlottetown	54%
Halifax Regional Municipality	82%

Note that while many of the municipalities listed do not explicitly include utility revenue within their overall revenue envelope, some do include utility revenue, such as Vancouver and Calgary, or some form of a utility dividend which would work to dilute the percentage of revenue received from property tax. Halifax does receive an annual dividend from Halifax Water under a dividend agreement which is included in the revenue envelope, however Halifax Water revenues are not included. If they were considered in the calculation, they would dilute the percentage of revenue from property tax down by approximately 10 per cent to 72 per cent in the table above.

These comparisons demonstrate that HRM's current model is an outlier. Most other cities have structured their revenue systems around broader user fee frameworks, supported by clear pricing policies and full or partial cost recovery standards. A list of cities which currently employ a user fee policy which emphasizes full recovery on most user fees is provided below.

Cities with full cost recovery policies:

1. Toronto
2. Vancouver
3. Kelowna
4. Regina
5. Ottawa
6. Calgary
7. Hamilton
8. Saskatoon
9. Brampton
10. Markham

User Fee Policy:

The proposed HRM user fee policy is provided in attachment 1. The proposed User Fee Policy and Guidelines establish a clear and consistent framework for how user fees are created, updated, and managed across all municipal business units. The policy provides a unified approach to ensure that user fee decisions are made transparently, fairly, and in alignment with HRM's financial sustainability goals. By consolidating all user fee practices under one coherent policy, HRM business units are empowered to review, update, and implement user fees with confidence and consistency, using shared definitions, cost-recovery standards, and reporting procedures.

The policy ensures that user fees are applied appropriately, based on whether a service provides direct benefits to specific individuals or groups, or broader benefits to the public. Fees will be established where services offer private or measurable benefits, while services that support the community as a whole will continue to be funded primarily through property taxes. Where services provide both private and public value, cost-sharing through partial subsidies may be applied to reflect both user benefit and community good. This structured approach provides clear guidance for determining when and how user fees should be used as a funding mechanism, helping business units make decisions that are transparent, equitable, and justifiable.

Central to the policy is the principle of full cost recovery, ensuring that user fees reflect the actual cost of providing municipal services. Business units are required to account for all direct, indirect, and capital costs associated with their programs and to review these calculations regularly to maintain accuracy. This strengthens financial accountability and reduces reliance on general taxation. The policy also recognizes that in some cases full cost recovery is not practical or consistent with HRM's broader objectives; therefore, subsidies and waivers are permitted under defined circumstances, such as to support social equity, affordable housing initiatives, reliable public transportation, community development, or legislative requirements.

The policy further establishes standardized procedures for how user fees are introduced, reviewed, and approved. Annual reviews during the operating budget process ensure that fees remain aligned with service costs and inflation, while a comprehensive four-year review ensures continued compliance with best practices and HRM's strategic goals. The requirement for public notice and consultation before implementing new or adjusted fees enhances transparency and ensures that residents, stakeholders, and Council have meaningful opportunities to provide input. All fees must receive Regional Council approval before implementation, ensuring oversight and consistency across the organization.

By setting out a clear process for cost recovery, revenue allocation, and public accountability, the User Fee Policy strengthens HRM's ability to manage municipal finances responsibly and sustainably. It provides business units with a shared framework that simplifies decision-making, improves transparency, and ensures that fees are both fair to users and aligned with the municipality's fiscal and policy objectives. In doing so, the policy supports a balanced approach to service delivery — one that maintains equity for residents, promotes efficient resource use, and enhances HRM's long-term financial stability.

Implications of Adopting the User Fee Policy:

Implementing a unified user fee policy across HRM will bring significant changes, both opportunity and risk, to how municipal services are funded, delivered, and accessed. The shift toward more robust cost-recovery for services (such as recreation programs, facility rentals, and permit/license services where permitted) means that many fees long held at artificially low levels will likely increase, in some cases substantially. For

business units, this policy offers a clear, consistent framework to guide and justify those changes; ensuring that fee adjustments are grounded in full cost accounting, aligned with policy goals, and transparently justified to Regional Council and the public.

On the revenue side, adopting this policy should reduce the hidden subsidy burden on property taxpayers by shifting the cost, where appropriate, to those who directly benefit from a service. Over time, that helps preserve the fiscal flexibility of HRM, especially in light of inflation, rising operating and capital costs, and competing demands on the tax base. Business units that currently rely on cross-subsidies or ad hoc fee adjustments will benefit from a structured process and clear expectations, reducing internal conflict and ad hoc decision-making. In addition, predictability (via regular reviews, inflation indexing, and a coherent subsidy/waiver regime) helps avoid surprise fee spikes and smooths budget planning.

The policy also introduces several challenges and risks. The most visible impact will be to user-sensitive services, particularly recreation, culture, facility rentals, as well as other programs historically subsidized or priced below cost. For many residents, such increases may feel sharp, especially where initial increases compound years of incremental price suppression. There is a risk of reduced participation particularly among lower-income households, seniors, or vulnerable groups. In those cases, business units must carefully design and implement waiver, exemption, and subsidy provisions in accordance with the policy, to maintain equity, otherwise the policy could undermine social inclusion goals or discourage usage of public amenities.

HRM does already have several mechanisms designed to mitigate these impacts with one being the Affordable Access Program, which consolidates support for recreation, transit, and property tax deferral or exemption. Under this program, eligible residents may receive coverage for recreation program fees. This safety net is crucial: it allows HRM to raise fees knowing that vulnerable populations can still access services through targeted financial assistance. HRM also offers reduced rates for non-profit groups in many areas, and a robust community grants program.

Another potential impact lies in demand shifts: higher fees may reduce usage in some programs, at least initially, shifting demand to “free” or low-cost programs, leading to overloading of those alternatives. Some residents may defer engagement, reducing revenue, and potentially undermining the public benefits of recreation, and community-building functions. Conversely, more cost-reflective fees can help manage demand, deter overuse in peak periods, and foster more sustainable usage patterns.

There are also equity and perception risks: if residents perceive that HRM is “raising fees too much,” public backlash may erode trust, especially if they don’t see corresponding quality or service improvements. The policy and subsequent fee increases should be accompanied by robust communication, clear justification (tying back to cost, fairness, and sustainability), and visible reinvestment in service quality to maintain public confidence. Business units should engage stakeholders early, provide impact assessments, and transparently report the rationale and outcomes.

The new user fee policy offers HRM a path toward more transparent, equitable, and sustainable user-fee governance, giving business units a common basis for fee review and implementation. But it also carries significant financial, operational, and political risks, especially around service affordability, demand elasticity, and administrative burden. With careful planning, strong subsidy safeguards, and public engagement the policy can shift HRM toward a more resilient fiscal model while protecting access for vulnerable residents.

FINANCIAL IMPLICATIONS

This report has no direct financial implications. However, if the user fee policy in attachment 1 is adopted and user fees in each business unit are updated in accordance with the user fee policy, including ensuring that the vast majority of them are made full cost recovery, HRM could recognize an incremental revenue increase of approximately \$15 - \$20 million. This would mitigate an average single-family household tax bill increase equivalent to approximately 2-3 per cent. As new fee opportunities are implemented, these numbers could increase further.

It is important to note that this revenue is only an estimate based on the best information currently available. Most user fees have not been fully costed at this point. In some cases, full alignment with the policy may take several months, while in others it may extend over multiple years as business units complete detailed costing analyses, engage stakeholders, and prepare recommendations for Council's consideration, which means that this potential incremental revenue could take several years to realize.

RISK CONSIDERATION

Adopting a unified user fee policy introduces some risks. While it supports financial sustainability and reduces taxpayer subsidies, fee increases—especially for recreation and community services—may limit access or create frustration amongst price conscious users. Demand shifts and public concern over perceived fairness could also occur. Clear communication, strong subsidy programs such as the Affordable Access Program, and consistent monitoring will be essential to maintain equity, service accessibility, and public trust during implementation..

COMMUNITY ENGAGEMENT

Community engagement was not required.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVES

That Halifax Regional Council:

1. Refuse to approve the HRM User Fee Policy & Guidelines as set out in Attachment 1 to this report.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, 2008 SNS c 39:

60 (1) The Council may make policies...(c) setting and amending the fees to be paid for (i) licenses issued

pursuant to a by-law of the Municipality, (ii) an inspection required or conducted pursuant to a by-law of the Municipality or an enactment, (iii) permits, applications and approvals required to be obtained from the Municipality or an employee of the Municipality pursuant to a by-law of the Municipality or an enactment, (iv) and expenses charged for the impoundment of animals;

102 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.

188(2) Without restricting the generality of subsection (1) but subject to Part VIII, the Council may, in any by-law...(e) provide for a system of licenses, permits or approvals, including any or all of (i) establishing fees for licenses, permits or approvals, including fees for licenses, permits and approvals that may be in the nature of a reasonable tax for the activity authorized or for the purpose of raising revenue, which fees may be set or altered by policy...

ATTACHMENTS

Attachment 1 – HRM User Fee Policy

Attachment 2 – Comprehensive Revenue Inventory

Attachment 3 - Jurisdictional Scan Operating Revenue Breakdown Pie Charts

Attachment 4 – Legislatively Permitted and Prohibited Revenue Sources

Report Prepared by: Daniel Freeman, Senior Financial Consultant, Finance & Asset Management

HRM User Fee Policy & Guidelines

Financial Policy & Planning, Finance & Asset Management (FAM)

Date: November 2025

Definitions

User Fee: A user fee is a charge applied to individuals, groups, or businesses for the use of a municipal service, activity, or product. It may also apply when the municipality grants rights or permissions that allow access to municipal-owned property, resources, or specific activities.

Service Cost: Direct and indirect costs, including the costs of operations and maintenance, overhead, and charges for the use of capital assets used to provide the service.

Cost Recovery: The amount of compensation required to recover the direct and indirect costs associated with the service cost.

Subsidy: The amount of service cost that is not recovered through cost recovery and is instead paid for through general property taxation funds.

Initial Implementation

Upon approval by Regional Council, the User Fee Policy will take effect as the guiding framework for municipal user fees. At the time of adoption, it is expected that most existing user fees will not yet align with the policy's principles and cost-recovery requirements. The initial implementation phase will therefore focus on enabling business units to begin the process of comprehensive fee review, in collaboration with their assigned Financial Business Partners. This review will identify the adjustments and legislative amendments necessary to bring existing fees into compliance with the policy.

Implementation will occur in stages, with timelines varying according to the complexity and scope of each program area. In some cases, full alignment with the policy may take several months, while in others it may extend over multiple years as business units complete detailed costing analyses, engage stakeholders, and prepare recommendations for Council's consideration.

Application

These user fee policy and guidelines apply to all HRM user fees set and controlled by Council.

Purpose

The purpose of the user fee policy and guidelines is as follows:

1. **Provide a clear framework**

This policy establishes a structured approach for creating and adjusting user fees across HRM

programs. It ensures that decisions are made consistently and with a common set of guiding principles.

2. Improve transparency and accountability

The policy sets out clear expectations for how user fees are determined, making the process easier to understand for both Council and the public. This promotes accountability by showing how fees connect to service delivery and municipal priorities.

3. Enhance efficiency

A consistent process for developing user fees reduces duplication and avoids conflicting approaches across departments. It also saves administrative time and resources, allowing staff to focus more on service delivery.

4. Support cost recovery

The policy promotes recovering the full or appropriate share of costs for services where user fees are charged. This ensures that services are financially sustainable while still aligning with HRM's broader policy objectives.

5. Require ongoing review

Regular reviews are built into the policy to keep user fees up to date with the actual costs of delivering services. This allows HRM to adapt fees when service levels, delivery costs, or community priorities change.

6. Ensure fairness and equity

The policy ensures that those who directly benefit from a service contribute fairly to its cost. This helps balance the burden between specific users and the wider tax base.

7. Maintain financial sustainability

By aligning fees with real costs, the policy strengthens HRM's financial position over time. It also provides a stable funding base to support quality services and future investment needs.

User Fee Policy

The following principles provide the policy and guidelines of HRM's user fees.

1. When to Charge User Fees

User fees will be applied when a municipal service or program provides a direct and measurable benefit to individuals, groups, or businesses. If a service also generates benefits for the broader public, part of the cost will be supported by other municipal revenues in the form of a subsidy. Services that serve the community as a whole, such as core public goods, will continue to be funded primarily through property taxes.

2. Full Service Costs

The foundation of any user fee will be a full accounting of the cost to deliver that service. This ensures that fees are grounded in accurate financial information and reflect what it truly takes to operate and maintain a program. These calculations will be reviewed on a four-year cycle in line with the four-year policy review to confirm their accuracy and to capture changes in service delivery or costs.

3. Calculation of Full Service Costs

Full service costs include more than just the immediate expenses of running a program. They take into account direct costs such as staff time and materials, indirect costs like administration and overhead, and long-term capital needs for replacing or upgrading assets. By considering all of these factors, HRM can ensure that fees represent the true, sustainable cost of delivering services.

4. Subsidy

In certain cases, HRM may decide not to charge the full cost of a service to its direct users. When this occurs, the difference will be funded by a subsidy from general tax revenues. The decision to subsidize will be based on clear criteria and must be supported by a report to Council outlining the reasons, conditions, and recommended level of subsidy to ensure transparency and fairness.

5. Waivers and Exemptions

HRM recognizes that in some situations, charging the full user fee may not be fair or consistent with policy objectives. Fees may be waived or reduced for certain individuals, groups, or organizations, based on clearly stated criteria such as financial hardship, alignment with community goals, or other defined considerations. The criteria should be established and defined within the corresponding legislation and approved by Council. Exemptions should not be provided outside of the legislated criteria. An example would be the HRM low-income assistance program which assists residents in need with the cost of transit and recreation services. Proposals to Council will include these criteria where appropriate.

6. Automatic Annual Inflationary Adjustment

To keep fees aligned with the actual cost of providing services, where appropriate, approved user fees may automatically increase each year to account for inflation. The adjustment will be calculated using actual inflation rates for service delivery costs, as provided by the Province of Nova Scotia's Finance and Treasury Board. The inflationary rate will be taken from the November annual report showing October to October yearly NS consumer price index inflation. This approach helps avoid sudden, steep increases by making adjustments gradual and predictable. This would not necessarily include fees set below full cost recovery due to policy.

7. User Fee Review

Each year, user fees will be reviewed during the operating budget process to ensure they remain appropriate and continue to reflect service costs. This process allows HRM to adjust fees as needed to keep pace with changes in cost or service levels. In addition to higher level annual reviews, a full, comprehensive review of all user fees will be carried out at least once every four years to evaluate alignment with best practices and the principles of this policy.

8. Revenue Allocation

Revenue generated from user fees will be directed back to the programs and services that generate them, ensuring a clear link between fees paid and services delivered. If multiple departments or programs share responsibility for a service, the revenue will be divided based on the share of costs incurred. Fees collected for capital purposes will be allocated to a designated reserve fund to ensure assets can be properly maintained and replaced in the future.

9. Public Notice

HRM is committed to giving residents advance notice, through a variety of media and communication channels as appropriate, of any new or adjusted user fees, except in cases where an automatic inflation adjustment has already been approved. Notice may be provided before a proposed fee (new or adjusted) goes to committee or Council, giving residents an opportunity to review the details and prepare feedback. This process strengthens transparency and ensures residents can participate in meaningful ways.

10. Public Consultation

When new user fees are being proposed outside the budget process, HRM may seek broader public consultation. This may involve public meetings, surveys, or other engagement tools to ensure that affected individuals, groups, and stakeholders have the opportunity to share their views. The goal is to balance financial sustainability with community priorities and to make decisions that reflect both public input and Council's strategic direction.

11. Regional Council Approval

All HRM user fees subject to this policy will require approval by Regional Council before

they are implemented. This ensures oversight, consistency across the municipality, and transparency in how fees are set and managed. Council's role provides a clear check on the process and ensures that user fees align with HRM's broader objectives and community values as well as this policy.

12. Four-Year Policy Review

To keep the policy relevant and effective, HRM will conduct a full review of the User Fee Policy at least once every four years. This review will evaluate whether the policy continues to meet best practices, reflect community needs, and support financial sustainability. Regular reviews ensure that the principles remain practical and aligned with the municipality's goals.

User Fee Guidelines and Principles

The following guidelines and principles support the policy set out above and will guide HRM when developing new user fees or making changes to existing fees.

When to Charge User Fees

Every HRM service will be reviewed at least once every four years to decide whether the cost of providing it should be recovered through user fees or supported by property tax revenues. Business units should determine whether a service primarily benefits individuals, identifiable groups, or businesses (a private service) — in which case the cost should be paid by users — or whether it benefits the public as a whole (a public service) and should be tax-funded.

The nature of the service and the type of benefits it provides will guide whether a user fee is appropriate. Services are generally categorized as follows:

- **Public Service:** Benefits the general public, and access cannot reasonably be restricted.
- **Private Service:** Benefits specific individuals, groups, or businesses, and access can be restricted if a fee is not paid.
- **Mixed Service:** Provides benefits both to specific users and to the public at large, such as heritage or cultural stewardship.

This distinguishes between services that benefit the community as a whole and should be funded through property taxes, and those that benefit identifiable individuals or groups and should be funded through user fees. Where users have choice in how much of a service they consume, cost recovery through fees will generally apply. However, services that qualify for cost recovery may still be subsidized in whole or in part if full recovery is not cost-effective, conflicts with HRM's policy goals, or is restricted by legislation.

Full Cost Recovery

Consistent with best practice, HRM's policy is that user fees — including permits and licences — should be set with full cost recovery as the starting point. Full cost recovery applies where a service directly benefits users or is delivered at their request or convenience.

Full cost represents all resources used to provide the service. Setting fees on this basis helps HRM:

- Allocate resources efficiently.
- Reduce reliance on property taxes.

- Maintain fairness and equity in how services are funded.

Municipal Programs with user fees must calculate recovery rates based on direct and indirect costs, plus capital charges. Full costs will be calculated for every fee regardless of whether all costs are recovered.

Subsidies

While the principle is full cost recovery, there are situations where less than full cost, or no cost recovery, is appropriate. In these cases, the service is subsidized by revenues other than user fees.

Subsidies may be applied where:

- Full recovery conflicts with HRM policy goals or legislation.
- The service provides societal benefits beyond the direct benefit to users.
- Collecting the fee would be inefficient or the amount too small to justify.
- Market conditions limit full recovery in competitive environments.
- Other circumstances justify community-wide support.

Any subsidy must be well defined, clearly explained, and transparent to those responsible for managing the fee.

Waiving User Fees

User fees may be waived, in whole or in part, to ensure vulnerable groups are not excluded from important services. Waivers may also be used to advance HRM's social and policy objectives.

Waivers should be considered where:

- Users lack the income to pay the fee and would otherwise be excluded.
- Relief supports social or economic benefits, such as:
 - a. Helping non-profits deliver projects with strong community impact.
 - b. Supporting intergovernmental or community events with public benefits.
- Legislation or policy requires protection of vulnerable groups.
- A natural events/disasters or emergency event occurs.

Any legislated waiver requests must include:

1. **Eligibility criteria** (by group or service type).
2. **Criteria weighting** (e.g., income thresholds).
3. **Financial impact** (including whether partial fees could still be paid).
4. **Timeframe** (one-time or recurring, with annual reassessment if needed).
5. **Justification** (why the waiver is needed, benefits to HRM, and costs).

The goal of waivers is to improve equity, advance municipal policy objectives, and support non-profits or groups whose services provide societal benefits. By establishing clear written criteria within the legislation for fee waivers, the principles of fairness, transparency and fiscal sustainability can be maintained. For this reason, waivers outside of established and Council approved criteria should not be authorized.

Cost-Recovery Strategy

The major principle is that those who benefit should pay. However, the level of recovery depends on the balance between private and community benefits.

When setting fees, the following will be considered:

1. **Community vs. individual benefit** — The more a service benefits everyone, the more it should be tax-supported.
2. **Ability to pay** — Fees must consider impacts on low-income groups.
3. **Market competitiveness** — Fees should align with private sector equivalents where applicable.
4. **Impact on demand** — Fees can be used to manage demand and allocate scarce resources efficiently.
5. **Policy and legislative limits** — Pricing must comply with HRM policies and legal requirements.

Costing of Services

Decisions on user fees must be based on consistent costing methods. HRM will use a full costing model to be developed by Finance & Asset Management to calculate costs.

The model includes:

- **Direct costs:** Salaries, benefits, materials, purchased services.
- **Indirect costs:** Administrative overhead, shared services, insurance.

- **Capital costs:** Amortization of buildings, vehicles, equipment, and interest charges.

The costs must have a clear connection to the fee to distinguish it from a tax. Revenues from a fee cannot exceed the full cost of service.

Categories of User Fees

User fees will be classified into four categories:

- a) **Market-Based** – set with reference to private sector providers and pricing.
- b) **Provincially Legislated** – set by the Province.
- c) **Municipal Policy** – intentionally set below full cost for policy reasons.
- d) **Full Cost Recovery** – set to recover the entire cost.

Allocating User Fee Revenues

Revenues from user fees must be used only to pay for the services they support.

- Revenues go to the program(s) that incurred costs.
- If more than one program provides the service, revenues are divided according to their share of costs.
- Revenues for capital recovery are directed to a reserve for asset replacement.
- Revenues are not available for general use.

Collection Method

Collection methods should be simple, efficient, and fair. They should minimize administrative costs and avoid creating inefficiencies for users or HRM.

Service Levels and Standards

Recommendations to establish or change a user fee must include service levels, standards, and performance measures. These will also be reported during the four-year comprehensive review. Regular evaluation will ensure services remain relevant and effective.

Inventory of User Fees

HRM will maintain a public inventory of all user fees, updated as required. The inventory will include:

- A description of each service or activity.
- The basis and amount of each fee.
- The category of fee (market-based, legislated, policy, or full recovery).

- Whether fees are inflation-adjusted and the cost-recovery percentage.

Periodic Review of User Fees

A comprehensive review of all user fees will be conducted every four years. Programs will be required to report on:

- All user fees and their beneficiaries.
- Full cost of providing each service.
- Revenue generated.
- Any subsidies or waivers applied and the rationale.
- Service standards and performance results.

Annual reviews will also take place through the budget process to account for inflation and service adjustments.

Information Required for New User Fees

When introducing a new fee outside the annual budget process, staff must submit a full report to Council. The report must include:

- A description of the service and fee.
- Identification of primary users.
- Full cost of the service.
- Proposed rate and percentage of cost recovery.
- Revenue projections.
- Rationale for the fee and any subsidies.
- Public consultation results.
- Service levels and performance measures.

HRM Controllable Revenue Inventory Template									
Revenue Item	Short Revenue Description	Bylaw/AO Which Legislates Revenue Item	2025/26 Budgeted Amount	Date of Last Price/Fee Increase	Was Cost Recovery Considered In Most Recent Fee Update? (Y/N)	If Yes; What Costs Were Considered?	If Yes; Approx. Cost Recovery % Calculated from Revenue	Is There A Material Accessibility Component Which Should Exempt This Revenue Item From Full Cost Recovery? (Y/N)	Is There An Associated Affordability Program Offered? (e.g. Affordable Access)
Business Unit: Property, Fleet & Environment									
Parking Revenue	Parking spot rentals from HRM owned lots. Charge both monthly (1) & Hourly (3 lots)	Monthly rates last changed 2016 or 17 - most users are staff. Based on a survey of Mkt rates. Budget to increase in 26/27 due to new tentants/higher volume.	\$ 159,100	2017					
Parking Revenue	Parking Lot - Hourly rates	Hourly rates are set to match Parking Services - PW	\$ 26,000	See PW Parking Services					
Facility Rentals	Commercial leases to external parties for rental in HRM Buildings.	Each contract based on Mkt rates	\$ 375,000						
Lease Revenue	Commercial land leases in Business Parks & short-term leases in Revenue.	Contracts based on Mkt rates mostly. Short-term leases from other forms of Gov't may be less.	\$ 557,000						
EVT - Public Charging	Public chargers for Electric Cars. This is a new program set-up as cost-neutral.	Schedule 7 of Bylaw-U100.	\$ 470,200	2024	Yes	All	100%	No	
Business Unit: Transit									
Fare Revenue	Transit tickets and passes for Bus and Ferry	Administrative Order 18 (AO18) and By-law U-100/U-114	\$ 39,350,200	Sept. 1, 2024	N		*30% revenue to cost approximate annuaat ratio		Yes several, some examples are: Department of Opportunities and Social development (formerly low-income pass), Affordable access program, CNIB program, Epass for employees, event transit passes \$1 per person, seniors free on Tuesdays, U-Pass for universities, free passes for housing and homelessness programs, free travel for parking compliance officers, discounted bulk ticket purchases for non-profits, free fares for youth.
Area-Rate Local Transit	Area rate charged to homeowners who reside within 1Km walking distance of a transit route.	Administrative Order 2019-005-ADM and Section 96(2) of the HRM Charter	\$ 43,551,600	Annually	N				
Facility Rentals	Parking lot rental	Administrative Order 18 (AO18) and By-law U-100/U-114	\$ 54,400	PRICE DECREASE June 2025	N				
Advertising Revenue	Pattison Advertising and Astral (formerly Outfront Media) sell spaces on buses and Shelters and give Transit a portion of the revenue collected.	Administrative Order 18 (AO18) and By-law U-100/U-114	\$ 665,000	Jan 1, 2022 for Pattison	N				

HRM Controllable Revenue Inventory Template

Revenue Item	Short Revenue Description	By-law/AO Which Legislates Revenue Item	2025/26 Budgeted Amount	Date of Last Price/Fee Increase	Was Cost Recovery Considered In Most Recent Fee Update? (Y/N)	If Yes; What Costs Were Considered?	If Yes; Approx. Cost Recovery % Calculated from Revenue	Is There A Material Accessibility Component Which Should Exempt This Revenue Item From Full Cost Recovery? (Y/N)	Is There An Associated Affordability Program Offered? (e.g. Affordable Access)
Misc Revenue	Revenue for school program (\$1.2M per year from Province) for providing free annual passes for students in grades 7-12.	Administrative Order 18 (AO18) and By-law U-100/U-114	\$ 360,000	June 18, 2024	Y	Lost fare revenue and internal program and administrative costs partially reimbursed from Province.	67%	No	
Business Unit: Finance and Asset Management									
False Alarms - A314/4909	October 7, 2025 All false alarm calls = \$300.00	By Law B-400	\$ 1,030,000	Last: April 1999 Upcoming: October 7, 2025	No			No	No
By-Law F300 - A316/4951	Provision of tax information to financial institution = \$18.00/tax account	By-law F300	\$ 1,254,000	Apr-23	No			No	No
Tax Certificates - A316/5205	Issuance of Tax Certificate = \$100.00/ tax account	By-law F300	\$ 1,100,000	Feb-23	No			No	No
Tax Sale Admin Fees - A325/5229	Advanced Notice of Tax Sale Proceedings, Title Search Fee, Preperation of Tax Sale Certificate, Preperation of Deed, Deed Replacement, Preperation of Land Transfer & Administrative Closing Costs, Registration of Deed & Certificate	AO-18	\$ 190,000	Dec-23	No			No	No
Tax Info Revenue - A316/5241	Provision of tax information, Refund of Tax Amount, Redistribution of Tax Payment, Change of Power of Attorney on non-personal accounts	By-law F300	\$ 180,000	Feb-23	No			No	No
External Parties - A325/5508	Notice of Intention to Sell = \$500.00 Redemption Administration Fee = \$150.00	AO-18	\$ 192,000	Dec-23	No			No	No
Title Searches - A325/5600	Title Search Fee - External (per current RFQ) = Actual costs, 100% recoverable	AO-18	\$ 100,000	Dec-23	Yes	search fee's and hourly rate	100% cost recoverable	No	No
NSF - Cheque Fee - M550/5509	Non-Sufficient Funds (NSF) Fee = \$40.00	AO-18	\$ -	Dec-23					
Business Unit: Halifax Public Libraries									
Fines/Fees	Patron misplaced library materials		\$ 6,500	N/A based on cost of material	Y	Cost of material	100%	N	N
Parking rentals	Parking fee at Central Library		\$ 224,000	2017	Y	Mgmt fees of parkade	20%	N	N
Facility rental fee	Room rental fee at various branches		\$ 90,000	N/A	N			N	Reduced rates for non-profit organizations
Photocopier fee	Copying and printing user fee		\$ 84,800	N/A	N			N	\$5 free printing credit

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Library merchandise	HPL logo bags, postcards, t-shirts		\$ 5,000	N/A	Y	Cost of material	100%	N	N
Business Unit: CAO's Office									
Bus Passes	Bus Passes for Department of Social Development (Province of NS)		\$ 42,600	June 1, 2025	Y	produce, wear and tear on equipment, postage	130%		
Pensions	Mail and print for Pensions office		\$ 26,358	February 1, 2025	Y	cost of goods, cost of impressions, cost of postage	110%		
Halifax Water	Print products for Halifax Water		\$ 3,100	February 1, 2025		cost of goods, cost of impressions, cost of postage	110%		
Property Information Inquiry	Property Information Inquiry User Charges - \$150	U-109	\$ 80,000	Was introduced in April 2022. No increases	N			N	N
Archives Copying Services	Scans of photos, maps, plans, microfilm, text. Photocopies (up to 11x17). Print-outs from microfilm or computer. Audio-visual material.		\$ 2,000	Unknown					
Business Unit: Parks and Recreation									
5102-Facilities Rentals	Fee charged to rent various facilities (Recreation Programming/RRS)	By law U100	\$ 993,900	April 1, 2025	Y		example, were discounted from full cost recovery.		N (Does not apply to rentals)
5107-Rental Ball Fields	Fee charged to rent ball fields(Parks)	By law U100	\$ 300,000	April 1, 2025	Y				N (Does not apply to rentals)
5108-Rental Sportsfields	Fee charged to rent sportfield (Parks)	By law U100	\$ 250,000	April 1, 2025	Y				N (Does not apply to rentals)
5109-Rental Parks	Fee charged to rent parks (Parks)	By law U100	\$ 22,800	April 1, 2025	Y				N (Does not apply to rentals)
5110-Rental Sports Courts	Fee charged to rent sports courts (Parks)	By law U100	\$ 20,800	April 1, 2025	Y				N (Does not apply to rentals)
5111-RTAL Weather Fields	Fee charged to rent all weather field (Parks)	By law U100	\$ 510,000	April 1, 2025	Y				N (Does not apply to rentals)
5151-Lease Revenue	Fee charged to lease facilities (Parks/RP/RRS)	By law U100	\$ 523,500	April 1, 2025	Y				N
5204-Administration Fee	Fee charged for admin cost-C471-Emera Oval Naming Agreement		\$ 213,200						N
5209-Comm. Events Rev	Fee charged to run community evets (RRS)	Negotiated agreement, not able to be changed	\$ 464,500		N/A				N
5210-Sport & Fitness Rev	Fee charged to provide sport and fitness program/access(RP)	By law U100	\$ 1,197,500	April 1, 2025	Y				Y

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5212-Leisure Skills Rev	Fee charged to provide leisure skills program	By law U100	\$ 125,500	April 1, 2025	Y				Y
5213-Play & Camp Rev	Fee charged to provide summer camp program	By law U100	\$ 1,133,000	April 1, 2025	Y				Y
5215-Aquat Rev-Instruct.	Fee charged to provide swimming lesson, lifeguard courses	By law U100	\$ 1,194,400	April 1, 2025	Y				Y
5216-Aquat Rev-Recreat.	Fee charged for Aquafit classes, leadership classes	By law U100	\$ 228,300	April 1, 2025	Y				Y
5219-Ice Rentals	Fee charged for ice rental (RP/RRS)	By law U100	\$ 5,182,200	April 1, 2025	Y				N (Does not apply to rentals)
5228-Membership Revenue	Fee charged for membership(RP)	By law U100	\$ 767,800	April 1, 2025	Y				Y
5235-Contract Service Rev	Rental fees charged to third parties		\$ 758,700		Yes	GL6399-Contract Serv. GL6942-		No	N
5239-Cultural Programs			\$ 293,700					No	N
5250-Sales of Svsc-Other		AO 20 - Fees for Cemtery Services (GL includes fees from different sources, mainly cemeteries however).	\$ 439,600	September 27, 2025	Y	All but land costs	100%	No	N
5404-Canteen Revenue	Youth worx canteen service-coffee and drink/food		\$ 29,800	April 1, 2025				There may be a program implication for Youth Worx if full cost recovery were required.	N
5450-Other Sales Revenue	Revenue from Z100-Sackville Sports Stadium		\$ 44,500	April 1, 2025				There may be a program implication for Youth Worx if full cost recovery were required.	N
5503 - Advertising Revenue	Advertising Revenue from RBC Centre and Greenfoot Energy Centre	Negotiated agreement, not able to be changed	\$ 346,700		N/A				N
Business Unit: Public Works									
Parking Station Revenue	Parking Station Revenue - Parking Rates collects at on street pay stations and via the HotSpot mobile app for parking sessions	P-500 (Parking Meter Bylaw) AO15	\$ 4,700,000	May 1, 2023	Partially, but it was not the driving factor	Administering the paid parking program	100%	N	N
Parking Permit Revenue	Parking Permit Revenue	P-1200 (Parking Permit Bylaw) AO15	\$ 950,000	December 1, 2023	Partially, but it was not the driving factor	Administering the permit parking program	100%	N	N
Parking Ticket Revenue	Parking Ticket Fees - collected both from tickets paid before being sent to court, as well as revenue collected on our behalf by the court.	P-500 (Parking Meter Bylaw) Nova Scotia Summary Proceedings Act	\$ 4,600,000		Paid parking fines increased in 2022	Administering the Ticket review and court programs	100%	N	N
Parking rentals	Revenue Collected from Hardman group for Parking operations at MetroPark garage		\$ 2,400,000		Hardman increased fees at MetroPark on Jan 1, 2024.	No			

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Street Opening Permits	Fees collected for non-development related street permits for construction and other on-street activities.	S-300 (Streets By-Law), AO15	\$ 235,000	September 12, 2023	No			No	No
Signs & Encroachment Permits	Revenue collected from Licences and Licence Agreements for encroachments (portions of buildings, signage, privately owned underground infrastructure, etc.) over, on, and under streets.	E-200 (Encroachments By-Law), AO15	\$ 163,400	July 13, 1999 (Item 8.1)	No			yes. The Encroachments By-law already allows Council to waive fees for a structure located on a street that provides a barrier free path of travel pursuant to Schedule C of the Nova Scotia Building Code Regulation, such as a ramp, passenger elevators, inclined moving walkways or a passenger elevating device under Section 10 (b) (ii)	No
Material Recycling Facility Lease	Increase to lease fee related to EPR beginning Dec. 1st.		\$ 240,000	New item	Y	Operating costs/fees paid to facility operator for non-EPR recycling, tip fee for commercial non-EPR recycling, maintenance of property/building.	100%	N/A	N/A
Tipping Fees	Fees collected from commercial sector for organics and recycling processing	AO 16	\$ 1,877,000	Recycling - July 1, 2022 (\$45/tonne) Organics - July 1, 2023 (\$100/tonne)		Tipping fees for recycling and organics have been intentionally set low compared to landfill fees to promote diversion. Operating costs/fees paid to facility operator Recycling: EPR on Dec. 1 means no tip fees for registered apartments (no longer considered commercial)	30%	N/A	N/A
Sale of Recyclable Material	Market revenue from sale of sorted/baled recyclable material (R330)	NS Environment Act - Solid Waste Regulations	\$ 1,315,200	Revenue fluctuates based on market conditions	Partially, but it was not the driving factor	R330 revenue ends Dec 2025 due to EPR, with remaining on-site HRM material being liquidated throughout December.	Varies based on market conditions	No	No
Third Party Recoveries - Solid Waste	Divert NS - Municipal Approved Programs (R321); Circular Material Collection cost recovery (R322); Schaefer warranty; Chester and Queens cost recovery (R330)	NS Environment Act - Extended Producer Responsibility for Packaging, Paper Products and Packaging-Like Products Regulations	\$ 1,597,000	New item (Collection)	Yes for Collection (R322)	R330 revenue, including Chester and Queens cost recovery, ends on Dec. 1 due to EPR.	100%	No	No

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Miscellaneous Revenue - Solid Waste	Divert NS - Reg Coord Funding (R321); Beverage Container Revenue (R330)	NS Environment Act - Solid Waste Regulations	\$ 999,500	Deposit refund based on provincial regulation	Partially, but it was not the driving factor	R330 revenue ends Dec 1, 2025 due to EPR, with remaining on-site HRM material being liquidated throughout December.	0%	No	No
Third Party Recoveries - IMO	Not revenue per se, but funds recovered to replace or repair assets lost or damaged	Bylaw T-600 Respecting Trees on Public Lands	\$ 48,000	2023, update of CTLA 9th, to 10th edition (value recovered is dictated by internationally recognized and legally supported standard 'CTLA')	Y	contract replacement costs	100% of asset replacement; administrative costs (via permitign fees) are recovered via Development Permits or Permits via Byaw S300	No	Yes, residential property owners receive discount not provided to institutions, utilities and developers to ensure equitable application
Business Unit: Community Safety									
Taxi Licenses	Owner's annual fee/renewal fee, taxi driver's fee	By-Law T-1000 Respecting the Regulation of Taxis, Accessible Taxis, Limousines and Transportation Network Companies	\$ 140,000	Decrease happened last time to make more affordable for all.	No				No affordability program
Animal Licenses	Fees for animal offences and licensing.	By-law A-700 Respecting Animal and Respectable Pet Ownership	\$ 140,000	N/A	No				No affordability, only Senior rates.
Vending Licenses	Vending vehicles/stands/wagons	By-law C-501, Respecting Vending on Municipal Lands	\$ 25,000	N/A	No				No affordability program
Other Licenses and Permits	Sidewalk Café fees, etc.	By-law S-1000, Respecting the Regulation of Sidewalk Cafes	\$ 70,000	N/A	No				No affordability program
Business Unit: Planning and Development									
Building Permits	Building Fees Minimum Fee \$31.25 For new construction or addition to existing buildings; fees are based on the floor area.	AO 15 Respecting License, Permit and Processing Fees	\$ 13,300,000	April 1, 2024	No				Yes - A non-profit exemption from these fees
Plumbing Permits	Fees for permits and inspections for plumbing	By-Law P-400 Respecting Regulating The Installation Of Plumbing Systems	\$ 150,000	No	No				Yes - A non-profit exemption from these fees
St. Opening Permits	Fees related to Street Opening costs (work and fees related to streetwork)	By-Law Number S - 300 By-Law Respecting Streets	\$ 450,000	Sept 12, 2023	No				No affordability program
Subdivision Applications	Fees related to subdivision applications	AO 15 Respecting License, Permit and Processing Fees	\$ 250,000	2018	Yes		10-25%	The most recent cost recovery discussions happened in 2017/18. The output of that review was a minimal increase to those fees and brought us to 10-25% cost recovery, depending on the application/fee type.	Yes - A non-profit exemption from these fees

HRM Controllable Revenue Inventory Template

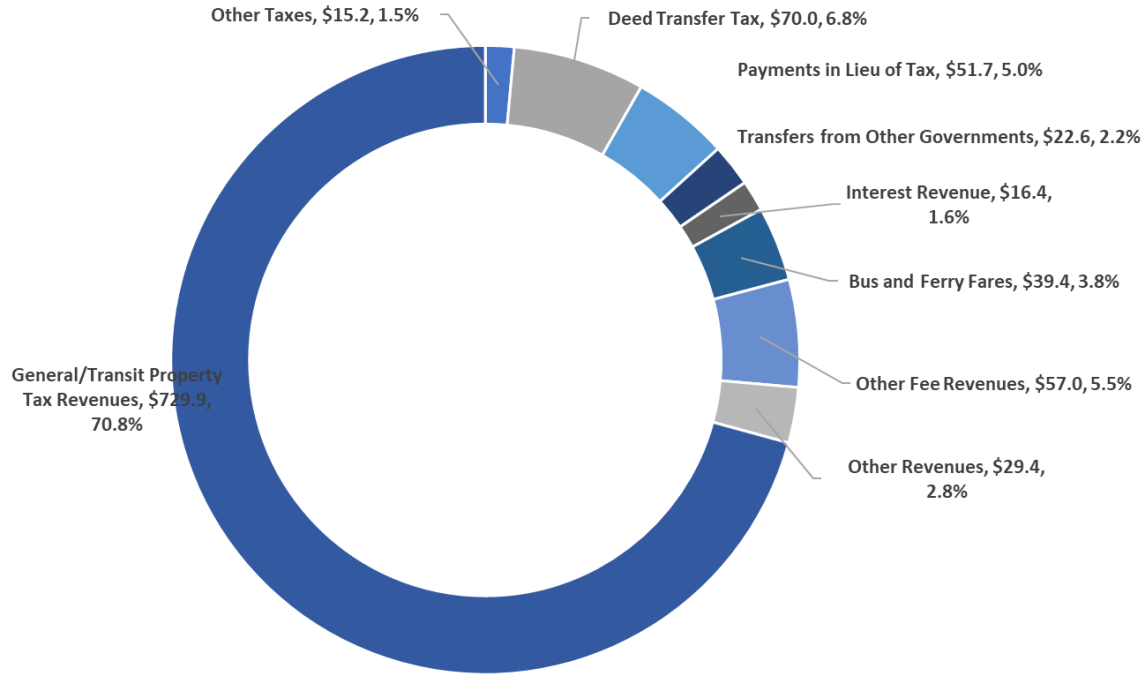
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Zoning Fees	Fees related to amending to zoning/rezoning	AO 15 Respecting License, Permit and Processing Fees	\$ 120,000	2018	Yes		10-25%	The most recent cost recovery discussions happened in 2017/18. The output of that review was a minimal increase to those fees and brought us to 10-25% cost recovery, depending on the application/fee type.	Yes - A non-profit exemption from these fees
Signs & Encroachment	Fees for signs and for encroachment related fees	By-law E-200, Respecting Encroachments Upon, Under, or Over A Street	\$ 750,000	2018 (for signs only)	Yes		10-25%	The most recent cost recovery discussions happened in 2017/18. The output of that review was a minimal increase to those fees and brought us to 10-25% cost recovery, depending on the application/fee type.	No affordability program. This fee is paid by developers during construction.
Grade Alterations	Application and fees related to grade alterations	By-Law Number G-200 Respecting Grade Alteration And Stormwater Management Associated With Land Development with Fees in AO 15	\$ 200,000	2018	Yes		10-25%	The most recent cost recovery discussions happened in 2017/18. The output of that review was a minimal increase to those fees and brought us to 10-25% cost recovery, depending on the application/fee type.	No affordability program
Minor Variance	Fees related to variance requests to a property or land	AO 15 Respecting License, Permit and Processing Fees	\$ 30,000	2018	Yes		10-25%	The most recent cost recovery discussions happened in 2017/18. The output of that review was a minimal increase to those fees and brought us to 10-25% cost recovery, depending on the application/fee type.	Yes - A non-profit exemption from these fees
Development Permits	Development Permit Fees for Residential, Commercial and Basic	AO 15 Respecting License, Permit and Processing Fees	\$ 750,000	2018	Yes		10-25%	The most recent cost recovery discussions happened in 2017/18. The output of that review was a minimal increase to those fees and brought us to 10-25% cost recovery, depending on the application/fee type.	Yes - A non-profit exemption from these fees
Other Licence & Permits	Miscellaneous Other licenses and permits (have a question out to P&D to clarify)	AO 15 Respecting License, Permit and Processing Fees	\$ 275,000	2018	Yes		10-25%	The most recent cost recovery discussions happened in 2017/18. The output of that review was a minimal increase to those fees and brought us to 10-25% cost recovery, depending on the application/fee type.	Yes - A non-profit exemption from these fees
Subdivision Inspection Fees	Fees related to Subdivision inspections	AO 15 Respecting License, Permit and Processing Fees	\$ 100,000	2018	Yes		10-25%	The most recent cost recovery discussions happened in 2017/18. The output of that review was a minimal increase to those fees and brought us to 10-25% cost recovery, depending on the application/fee type.	Yes - A non-profit exemption from these fees

HRM Controllable Revenue Inventory Template

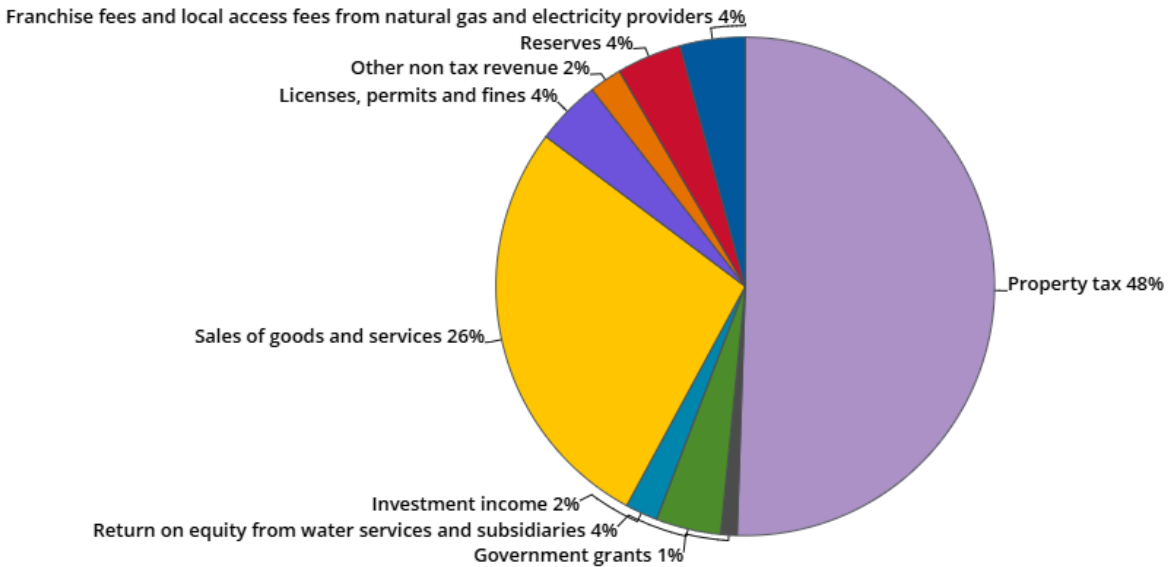
Revenue Item	Short Revenue Description	Bylaw/AO Which Legislates Revenue Item	2025/26 Budgeted	Date of Last	Was Cost Recovery	If Yes; Approx. Cost	Is There A Material Accessibility	Is There An Associated	
			Amount	Price/Fee Increase	Considered In Most	Recovery %	Component Which Should Exempt	Affordability Program	
					Recent Fee Update?	Calculated from	This Revenue Item From Full Cost	Offered? (e.g. Affordable	
					(Y/N)	Revenue	Recovery? (Y/N)	Access)	
Criminal Record Checks, Volunteer Checks, Extra Criminal Record Check	Revenue received for processing Criminal Record Checks for citizens requesting through HRP front counter locations.	HRP/Federal	\$ 500,000	Unknown. Over 10 years.	Unknown.		Unknown.	Unknown.	
Fingerprints, Ink & Roll Finger Prints	Revenue to administer finger prints for a vulnerable sector check. For those organizations that do not except electronic finger prints.	HRP/Federal	\$ 500,000	Unknown. Over 10 years.	Unknown.		Unknown.	Unknown.	
Receiver General Fee	Applies to individuals who get finger printed for reasons other than volunteering.	Federal	\$ 500,000	Unknown. Over 10 years.	Unknown.		Unknown.	Unknown.	
FOI/POP	Fee to access police related information.	HRM	\$ 500,000	Unknown	Unknown.		Unknown.	Unknown.	
Motor Vehicle Accident Report	Revenue received for providing copies of motor vehicle accident reports upon request.	HRP	\$ 50,000	Unknown. Over 10 years.	Unknown.		Unknown.	Unknown.	
Summary Offence Ticket (SOT) Cancellation	Revenue received for cancelling a Summary Offence Ticket for reasons due to the fault of the individual (i.e. no proof of insurance and registration at the time of traffic stop, etc.)	HRP	\$ 50,000	Unknown. Over 10 years.	Unknown.		Unknown.	Unknown.	
Police Incident Report	Revenue received for providing copies of police incident reports when applicable.	HRP	\$ 50,000	Unknown. Over 10 years.	Unknown.		Unknown.	Unknown.	
Summons Delivery	Revenue received from delivering summons to court to individuals.	HRP	\$ 50,000	Unknown. Over 10 years.	Unknown.		Unknown.	Unknown.	
Pardon	Revenue received for sending off pardons to Ottawa to clear an individuals record.	Federal	\$ 50,000	Unknown. Over 10 years.	Unknown.		Unknown.	Unknown.	
Extra Duty Constable, Extra Duty Sergeant, Extra Duty Patrol Car, Extra Duty Motorcycle	Cost recovery revenue from HRP members working security related jobs for private companies (i.e. Scotia Bank Centre, bars, vehicle/heavy equipment escorts, etc.) and for HRM organized special events, transit shelters, city hall, etc.	HRP	\$1,582,900 for external jobs \$681,500 for internal jobs (HRM special events)	Fees change each year based on officer annually rate increases, 3% admin fee has never been increased.	Yes	Officer costs, vehicle costs, administrative costs for scheduling officers, billing, etc..	100% plus 3% admin. fee.	Unknown.	No

Operating Revenue Pie Charts from Various Jurisdictions

HRM:



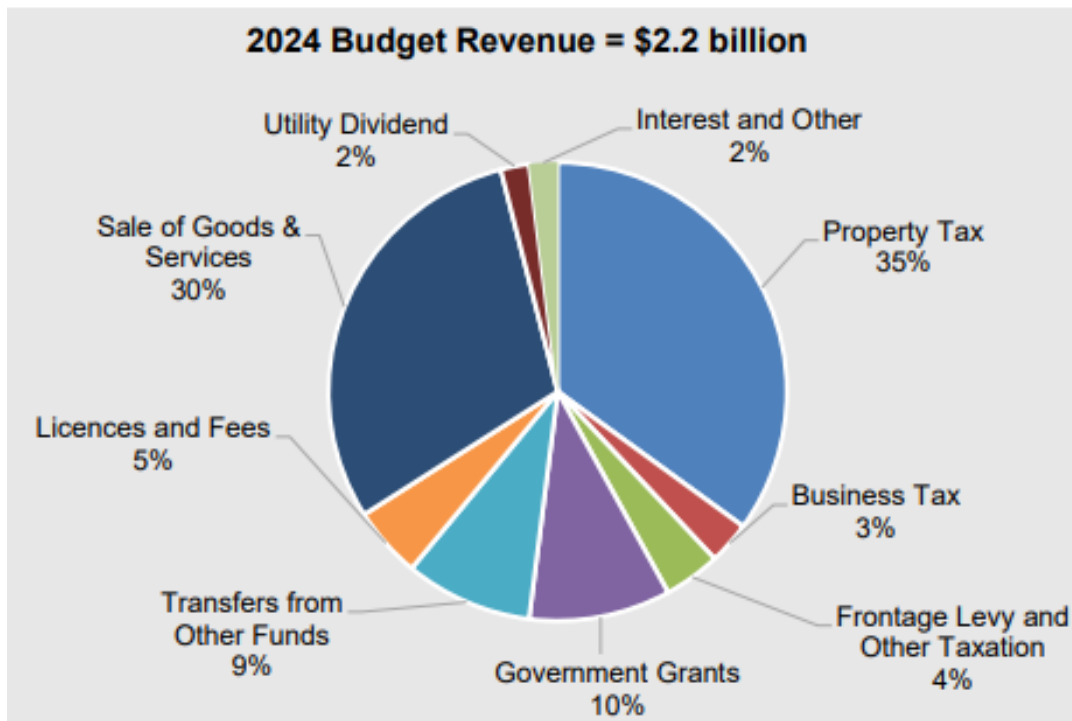
Calgary:



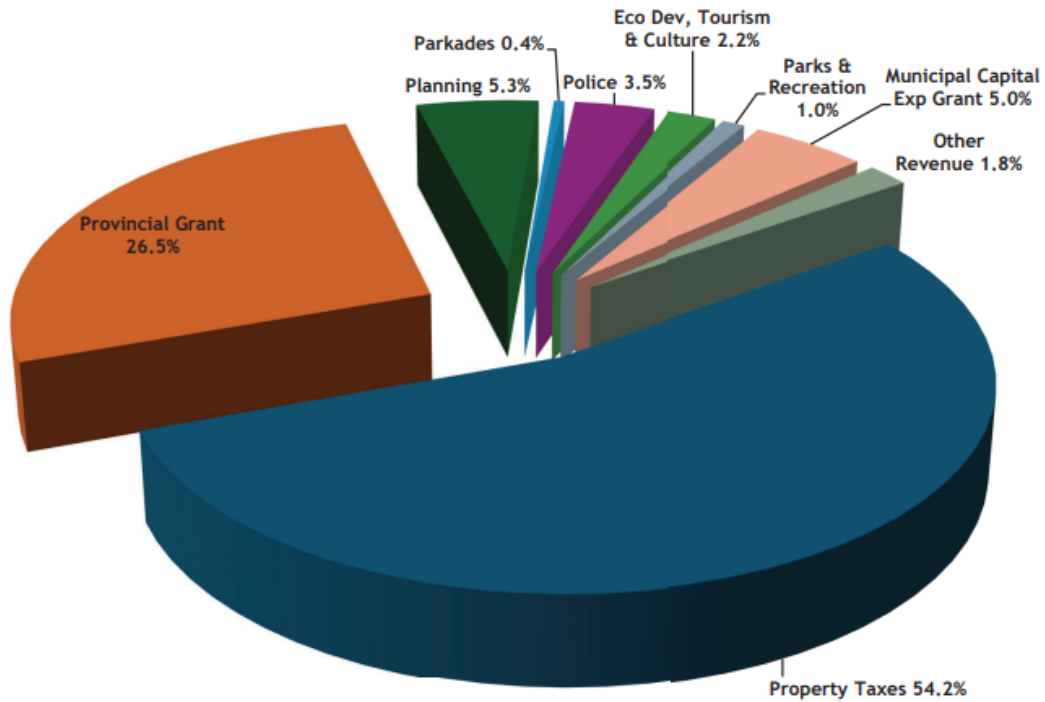
Edmonton:



Winnipeg:

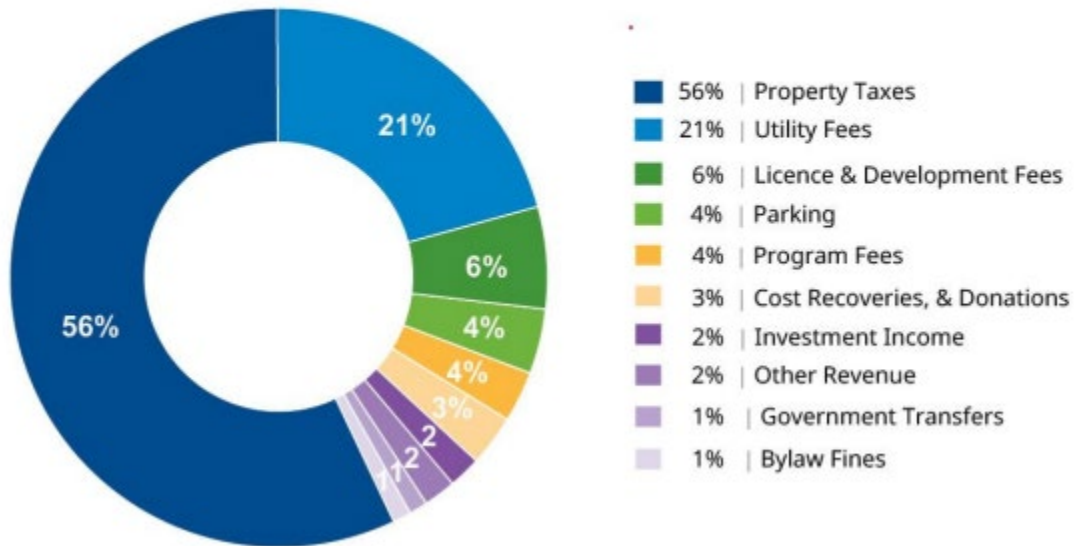


Charlottetown:



Vancouver:

2025 Operating Revenues (\$2,342 million)



Legislatively Permitted Revenue Sources:

The Halifax Charter is the legislative document which governs the types of revenue, tax, and fees that HRM is permitted to levy and also what is not permitted. The Charter empowers the Municipality to collect revenues through a combination of taxation (property taxes, area rates), service charges (user fees, fire protection), special levies (marketing levy), and many others. These tools allow HRM to fund its operations, capital projects, and provide services tailored to specific community needs.

1. Taxation
 - a. The Charter requires HRM to set annually commercial and residential tax rates for urban, suburban, and rural areas receiving the corresponding level of service.
 - b. Council may set different commercial tax rates in different areas as designated by Council. It may set different commercial tax rates based on length or proportion of frontage to public/private roads, square metres in a property, number of square metres in all commercial buildings on a property, a combination of the two, set tiered or escalating rates based on the prior criteria, and different rates based on any combination of the list.
 - c. Commercial rates applied per section b. are subject to ministerial approval every four years.
 - d. Council can designate a minimum tax per dwelling unit per property. This would apply as an additional tax if applied property taxes do not meet the minimum amount.
2. Area Rates
 - a. Council may spend money in an area, or for the benefit of an area, for any purpose for which the Municipality may expend funds or borrow. Council may then 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, based on residential, commercial, or resource designation. A uniform charge per property or per dwelling unit can be levied instead.
3. Recreational Property Tax
 - a. Tax exempt properties which are assessed as recreational property are levied a tax per acre at a dollar amount which increases by 5 per cent each fiscal year.
4. Conservation Property Tax
 - a. The Minister of Environment and Climate Change shall in each year pay to the Municipality in respect of conservation property exempt from taxation situate therein a grant equal to the amount that would have been due and payable to the Municipality had each conservation property in the Municipality continued to be classified as it was immediately before becoming a conservation property.
5. Farm Property Tax
 - a. 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. This amount increases by CPI each year.
6. Forest Property Tax
 - a. 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 \$0.25 per acre for resource and \$0.40 per acre for commercial plus \$0.01 per acre if fire protection applies.
7. Deed Transfer Tax
 - a. Council may determine, by by-law, that a deed transfer tax applies in the municipality and the rate of the deed transfer tax, but the rate of the deed transfer tax shall not exceed one and one half per cent of the value of the property transferred.

8. User Charges
 - a. 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. This section covers most of the transit, recreation, and other user fees that HRM currently utilizes.
9. Other Charges
 - a. Council may make by-laws imposing, fixing and providing methods of enforcing payment for charges for:
 - i. Wastewater or stormwater systems
 - ii. Expenditures incurred for the district energy system within the Cogswell District Energy Boundary
 - iii. Wastewater management
 - iv. Solid waste facilities
 - v. Transit facilities
 - vi. Municipal portion of the capital cost of installing a water system
 - vii. Capital and maintenance cost of streets, curbs, sidewalks, gutters, bridges, culverts and retaining walls
 - viii. Major tree removal
 - ix. placing the wiring and other parts of an electrical distribution system underground
 - x. a special purpose tax account to provide for future expenditures for wastewater facilities, stormwater systems, water systems, transit facilities or other anticipated capital requirement
 - xi. parks, playgrounds, trails, bicycle paths, swimming pools, ice arenas, recreation centres and other recreational facilities
 - xii. fire departments and other fire facilities
 - xiii. public libraries and other library facilities
 - xiv. a one-time redevelopment charge on new or renovated buildings to pay for additional or trunk sanitary or storm sewer capacity or additional wastewater facility capacity required to accommodate the effluent from the buildings
 - xv. a one-time sewer or storm drainage charge
10. Investment Revenue
 - a. Funds in a sinking fund, capital reserve fund, utility depreciation fund or other fund of the Municipality must be either deposited in an interest-bearing account, invested pursuant to an investment policy adopted by Council, and invested with a permitted trustee.
11. By-law creation
 - a. Council can create by-laws for a varied list of purposes, and along side establish fees for licences, permits or approvals, including fees for licences, permits and approvals that may be in the nature of a reasonable tax for the activity authorized or for the purpose of raising revenue, which fees may be set or altered by policy.
 - b. the creation of offences in a by-law, and for each offence, imposing a fine not exceeding ten thousand dollars including the imposition of a minimum fine, and providing for the imposition of a penalty for an offence that is in addition to a fine or imprisonment if the penalty relates to a fee, cost, rate, toll or charge that is associated with the conduct that gives rise to the offence.

Legislatively Prohibited or Limited Revenue Sources

While the Charter grants HRM authority over specific revenue tools, it also explicitly prohibits or restricts others. These constraints reduce the municipality's ability to implement innovative or diversified revenue options. The following revenue tools are currently prohibited:

<u>Revenue Source</u>	<u>Status/Constraint</u>
Sales Tax	Not permitted under provincial legislation.
Income Tax	Municipal income taxation is prohibited.
Revenue-Generating Fees	With the exception of licenses, permits, or approvals, fees must reflect cost of service only; surplus generation is not allowed.
Lotteries or Gambling Revenue	HRM may not operate or derive revenue from these activities.
Borrowing for Operating Costs	Borrowing is limited to capital purposes or specific project-based uses.

There are also restrictions within permitted revenue tools. For example, while differentiated commercial tax rates based on frontage, square footage, or assessment tiers are allowed, similar structures cannot be applied to residential or resource properties. Minimum property taxes may only be applied per dwelling, limiting their applicability. HRM cannot currently tax based on property usage, such as vacancy. On March 5, 2024, Council approved a formal request to the Province to permit a vacant residential lot tax, but enabling legislation has not yet been enacted.

In addition to the limitations above, several new revenue tools that could support diversification would require changes to provincial legislation, including:

- Local fuel, gas, or carbon taxes
- Road pricing, tolling, or congestion charges
- Broader or more flexible vacancy taxes
- Tiered or progressive deed transfer tax structures
- Expanded hotel, Airbnb, or tourism marketing levies

Advocating for greater legislative flexibility in these areas would enhance HRM's ability to diversify its revenue sources and reduce over-reliance on property taxation.