

Memo

TO: Association of Municipal Administrators
Nova Scotia Federation of Municipalities

FROM: Property Valuation Services corporation

DATE: October 14, 2025

SUBJECT: Property Assessment and the *Municipal Modernization Act* (Bill No. 141)

Purpose

This memo provides important information to municipal staff and elected officials on Property Valuation Services Corporation's (PVSC) authority within the *Nova Scotia Assessment Act* R.S., c. 23, s. 1 ("*Assessment Act*") related to the valuation and CAP administration of properties impacted by natural disaster, having regard to the recent introduction and passage of Bill 141.

Background

Section 45A of the *Assessment Act*, which establishes the Capped Assessment Program (CAP), does not specify how the CAP applies to new construction following property loss from fire or other natural disasters.

In 2023, following the destruction of 165 properties in wildfires, the Province passed a regulation directing PVSC to use each affected property's 2023 capped assessment when administering the CAP upon completion of reconstruction. This measure was intended to alleviate financial hardship for affected homeowners and applied only to that specific class of properties rebuilt after the 2023 wildfires.

On October 3, 2025, the *Municipal Modernization Act* came into effect, giving municipal councils the authority to establish policies that reduce taxes payable on properties rebuilt after being destroyed by wildfire, hurricane, flood, storm, or other natural disaster.

Implication

The authority to provide tax relief to property owners rebuilding after natural disaster now rests solely with municipalities. PVSC does not have the authority to replicate the 2023 approach or otherwise modify the application of the CAP in similar circumstances. Going forward, PVSC will administer assessments in accordance with the *Assessment Act*, which requires new construction value to be excluded from the benefit of the CAP until the subsequent assessment year.

The recent legislative amendments do not include authority to provide tax relief for individual fires unrelated to a natural disaster.

Revised Opinion of Value to Support Municipal Tax Relief

In accordance with Section 69A of the *Municipal Government Act*, 1998, c. 18, s. 1 (“MGA”), municipalities may ask PVSC to provide a revised opinion of value for a property that has been destroyed or damaged by fire or other natural disaster and this process is intended to support the municipality in recalculating property taxes to provide relief for the current municipal taxation year. This revised opinion of value letter will include a property’s assessed and taxable assessed values prior to, and after, the destruction of the dwelling.

In subsequent years, a property’s assessed and taxable assessed values, reflective of any reconstruction or changes, will be captured through PVSC’s regular annual assessment process and reflected on the official assessment roll.

Summary:

The authority to determine and administer post-disaster tax relief now resides with municipalities. PVSC does not have the authority to preserve or carry forward a property’s pre-destruction capped assessment. However, PVSC will continue to provide revised opinions of value during a current assessment cycle, upon request by the Municipal Clerk, to support municipalities in responding to destruction of property by fire.

PVSC Contact Information

For questions regarding this memo or property assessment, please contact PVSC’s municipal service desk at servicedesk@pvsc.ca or 1-800-380-7775.

Useful links:

[The Municipal Modernization Act](#)

[The Nova Scotia Assessment Act](#)

[The Municipal Government Act](#)

Frequently Asked Questions

Can PVSC help create a tax relief policy?

The authority to create and administer tax relief policies rests with the municipality. PVSC can provide information and technical input during policy development to help ensure clarity around assessment processes and respective roles.

What role does PVSC play in supporting municipal tax relief programs?

PVSC provides information and assessment data to municipalities. This includes:

- A one-time revised opinion of value during a current assessment cycle upon request by the Municipal Clerk, which shows a property's assessed and taxable assessed values before and after destruction.
- Annual assessment roll which shows a property's assessed and taxable assessed values after destruction, which includes value from new construction or other changes to the property.

PVSC does not administer or implement tax relief; municipalities are responsible for designing and applying relief policies.

What is a revised opinion of value, and how should municipalities use it?

A revised opinion of value is a one-time assessment letter provided to support tax relief for the current municipal year. It is not part of the assessment roll, cannot be appealed, and does not replace the annual assessment process. Municipalities may reference it when calculating or approving tax relief under their local policies.

How often will PVSC update a property's assessment after reconstruction?

PVSC's annual assessment process will reflect reconstruction or other property changes each year. For example, a property rebuilt in 2025 after a natural disaster will have its updated assessed and taxable assessed values included on the official 2026 assessment roll.

Does PVSC monitor rebuilding efforts?

Municipalities are responsible for issuing building and occupancy permits. PVSC receives this information from each municipality and uses it, along with inspection and review processes, to assess the value of any new construction. If construction is not finished, a value will be added for the percentage that is completed.

Is there a process for providing tax relief when a single property is destroyed by fire or another natural disaster?

Yes. In these situations, PVSC can provide a *revised opinion of value* upon request by the Municipal Clerk to support municipal tax relief for the current tax year. All new construction will be captured through the regular assessment process in accordance with the *Assessment Act*. The creation and administration of any tax relief program remain the responsibility of the municipality.