

CAP Assessment Program (CAP)

Fact Sheet

December 12, 2006

The Cap Assessment Program (CAP) is a program designed to protect Nova Scotia property owners from sudden and dramatic increases in the annual assessment of their property.

“Capping” means setting a cap, or maximum limit, on how much a property’s *assessed* value can increase in one year, regardless of how much a property’s *market* value has increased.

The CAP program is not automatic – you must apply for the CAP. Eligible property owners only need to apply for the CAP once - your application is maintained for future years.

To qualify for the CAP, your property must:

- be at least 50 per cent owned by a Nova Scotia resident.
- be classified as taxable residential or taxable vacant resource property, as noted on your assessment notice.
- have an increase in market value assessment greater than the CAP. Currently the cap is set at 10 per cent and will remain in effect until January 2008.
- have not transferred, or if transferred, then only to certain close relatives such as a spouse, child, grandchild, great-grandchild, parent, grandparent, brother or sister.

To apply for the CAP:

- complete a CAP application and return it to any Assessment Office
- application forms are available:
 - by contacting any Assessment Office
 - on-line at www.gov.ns.ca/snsmr/asmt/cap/

Starting 2008-09, there will be changes to the CAP Program

- In the Fall 2006 sitting of the provincial legislature, all three political parties agreed to new “capping” limits for residential properties (Bill 92) effective 2008-09.
- Bill 92 says that starting in the year 2008-09, the “cap” will be same percentage as the Consumer Price Index (CPI).
- The CPI between 2002 and 2005 has ranged from 1.8 per cent and 3.4 per cent.
- The Consumer Price Index provides a percentage of how much the prices

Canadians paid for consumer goods in a given month has gone up or down. The index is determined by calculating, on a monthly basis, the cost of a fixed “basket” of goods purchased by a typical Canadian consumer during a given month. The basket contains products from various categories, including shelter, food, entertainment, fuel and transportation. Since the contents of the basket remain constant in terms of quantity and quality, the changes in the index reflect price changes, up or down. The most recent index shows that prices have increased by an overall total of 2.8 per cent in 2005 from 2004.

- The Department of Finance has a link to the CPIs in recent years:
<http://www.gov.ns.ca/finance/statistics/agency/index.asp?p=3>
- It's important to remember that this change will not take place until 2008-09. **You will not see any new cap percentage on your assessment notices until January 2008 and you meet all of the CAP eligibility criteria.** Until then, the cap on how much your property's assessed value can increase is still 10 per cent.
- Applications for the 2008 CAP Assessment Program must be received in our office by September 30, 2007.

If you have questions, please visit our website www.gov.ns.ca/snsmr/asmt/cap or call 1-800-667-5727.